

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

**COMPREHENSIVE FINANCIAL ANNUAL REPORT AND
SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITORS' REPORT THEREON
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT**

OFFICIAL ROSTER

JUNE 30, 2011

Board of Education

Lorraine Coca-RuizBoard President
Arsenio CordovaBoard Vice President
Stella Gallegos..... Board Secretary
Michael TorresBoard Member
Thomas TafoyaBoard Member

School Officials

Dr. Rod Weston Superintendent
Connie Wood Finance Director
Dawn Biggianti Assistant to Finance Director

Kubiak & Melton, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico
and
The Board of Education
Taos Municipal School District No. 3
Taos, New Mexico

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the Taos Municipal School District No. 3 (District), as of and for the year ended June 30, 2011, which collectively comprises the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital projects funds, debt service funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as other supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kubiak & Melton, LLC

Kubiak & Melton, LLC
Albuquerque, New Mexico, January 7, 2013

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 19,774,014	\$ 1,115,320
Receivables:		
Delinquent Property Taxes Receivable	148,606	99,882
Grants	719,271	80,713
Due From Other Governments	-	-
Deferred Bond Issuance Costs		-
Food Inventory	59,819	-
Prepaid Assets	-	46,584
Total Current Assets	20,701,710	1,342,499
Non-Current:		
Non-Depreciable Assets	26,733,616	-
Depreciable Capital Assets, Net	25,785,939	5,209,761
Total Assets	\$ 73,221,265	\$ 6,552,260
LIABILITIES		
Accounts Payable	\$ 66,378	\$ 17,337
Accrued Payroll	5,319	176,084
Accrued Interest	-	-
Due to Other Funds	-	163,713
Deferred Grant Revenue	-	95,627
Current Portion of Long-Term Debt	1,395,000	153,245
Total Current Liabilities	1,466,697	606,006
Noncurrent Liabilities:		
Accrued Compensated Absences	1,951,939	-
Long-Term Debt	40,650,000	1,811,789
Deferred Lease Income	-	838,394
Total Long-Term Liabilities	42,601,939	2,650,183
Total Liabilities	44,068,636	3,256,189
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	(18,211,000)	3,284,922
Restricted:		
Debt Service	-	-
Capital Projects	-	884,978
Inventories	-	-
Unrestricted	47,363,629	(873,829)
Total Net Assets	29,152,629	3,296,071
Total Liabilities and Net Assets	\$ 73,221,265	\$ 6,552,260

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Functions and Programs	Expenses	Program Revenues			Nete (Expense) Revenues and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Functions and Programs						
PRIMARY GOVERNMENT						
Governmental Activities:						
Direct Instruction	\$ 19,762,820	\$ 72,119	\$ -	\$ -	\$ (19,690,701)	\$ -
Instructional Support	4,956,927	-	-	-	(4,956,927)	-
Food Services	1,801,696	143,882	-	-	(1,657,814)	-
Interest	1,046,580	-	-	-	(1,046,580)	-
Depreciation - Unallocated	564,550	-	-	-	(564,550)	-
Compensated Absences Expense	346,850	-	-	-	(346,850)	-
Total Governmental Activities	<u>\$ 28,479,423</u>	<u>\$ 216,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(28,263,422)</u>	<u>-</u>
Component Units:						
Anansi Charter School	\$ 1,185,145	\$ 1,196,515	\$ -	\$ -	-	11,370
Taos Charter School	1,603,823	1,684,457	-	-	-	80,634
Vista Grande High School	1,219,450	1,342,675	-	-	-	123,225
Total Component Units	<u>\$ 4,008,418</u>	<u>\$ 4,223,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>203,859</u>
General Revenues						
Property Taxes						
General Purpose					824,795	
Debt Service					-	
Capital Projects					-	
Grants and Contributions - Not Restricted					-	
Federal Aid - Not Restricted					6,511,452	
State Aid - Not Restricted					20,424,743	
Local Aid - Not Restricted					5,608,199	
Unrestricted Investment Income					14,291,432	-
Total General Revenues					47,660,621	-
Gain on Disposal of Capital Assets					-	-
Change in Net Assets					<u>19,397,199</u>	<u>203,859</u>
Beginning Net Assets as Reported					26,083,363	3,302,485
Restatement					<u>(16,327,933)</u>	<u>(210,273)</u>
Beginning Net Assets as Restated					9,755,430	3,092,212
Ending Net Assets					<u>\$ 29,152,629</u>	<u>\$ 3,296,071</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
BALANCE SHEET
JUNE 30, 2011**

	<u>General Funds</u>	<u>Title I IASA</u>	<u>Bond Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Pooled Cash and Investments	\$ 1,450,247	\$ (240,339)	\$ 12,390,504	\$ 6,173,602	\$ 19,774,014
Receivables:					-
Delinquent Property Taxes	4,358	-		144,248	148,606
Grants	-	169,795		549,476	719,271
Due From Other Governments	-	-	-	-	-
Food Inventory	-	-	-	59,819	59,819
Total Assets	<u>\$ 1,454,605</u>	<u>\$ (70,544)</u>	<u>\$ 12,390,504</u>	<u>\$ 6,927,145</u>	<u>\$ 20,701,710</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 249	\$ 12,502	\$ -	\$ 53,627	\$ 66,378
Accrued Liabilities	5,273	-	-	46	5,319
Deferred Revenue:					-
Federal, State and Local Grants	-	-	-	-	-
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	<u>5,522</u>	<u>12,502</u>	<u>-</u>	<u>53,673</u>	<u>71,697</u>
FUND BALANCES					
Non-Spendable:					
Inventories				59,819	59,819
Restricted For:					
Debt Service				3,072,069	3,072,069
Special Revenue Funds				533,139	533,139
Capital Projects Funds	-	-	-	3,208,445	3,208,445
Unassigned	<u>1,449,083</u>	<u>(83,046)</u>	<u>12,390,504</u>	<u>-</u>	<u>13,756,541</u>
Total Fund Balances	<u>1,449,083</u>	<u>(83,046)</u>	<u>12,390,504</u>	<u>6,873,472</u>	<u>20,630,013</u>
Total Liabilities and Fund Balances	<u>\$ 1,454,605</u>	<u>\$ (70,544)</u>	<u>\$ 12,390,504</u>	<u>\$ 6,927,145</u>	<u>\$ 20,701,710</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2011**

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Fund Balances - Total Governmental Funds	\$ 20,630,013
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Capital Assets	68,964,598	
Accumulated Depreciation	<u>(16,445,043)</u>	
Net Capital Assets		52,519,555

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	(42,045,000)	
Accrued Interest Payable	-	
Bond Issue Costs	-	
Compensated Absences	<u>(1,951,939)</u>	
		<u>(43,996,939)</u>

Net Assets of Governmental Activities	\$ <u>29,152,629</u>
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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Title I IASA</u>	<u>Bond Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES:					
Taxes	\$ 824,795	\$ -	\$ -	\$ -	\$ 824,795
Charges for Services	5,803	-	-	210,198	216,001
Local Sources	250	-	-	5,607,949	5,608,199
State Sources	19,040,430	-	-	1,384,313	20,424,743
Federal Sources	5,521	1,279,611	-	5,226,320	6,511,452
Investment and Interest Income	<u>164,737</u>	<u>-</u>	<u>14,126,075</u>	<u>620</u>	<u>14,291,432</u>
Total Revenues	20,041,536	1,279,611	14,126,075	12,429,400	47,876,622
EXPENDITURES:					
Current:					
Direct Instruction	19,762,820	-	-	-	19,762,820
Instructional Support	-	1,023,574	-	3,933,353	4,956,927
Food Services	-	-	-	1,801,696	1,801,696
Capital Outlay	-	-	18,580,416	-	18,580,416
Debt Service:	-	-	-	-	-
Bonds	-	-	-	3,319,152	3,319,152
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,046,580</u>	<u>1,046,580</u>
Total Expenditures	<u>19,762,820</u>	<u>1,023,574</u>	<u>18,580,416</u>	<u>10,100,781</u>	<u>49,467,591</u>
Excess (Deficiency) of Revenues Over Expenditures	278,716	256,037	(4,454,341)	2,328,619	(1,590,969)
OTHER FINANCING SOURCES (USES):					
Transfers In	11,021	-	-	-	11,021
Transfers Out	-	-	-	-	-
Loan Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>11,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,021</u>
Net Change in Fund Balance	289,737	256,037	(4,454,341)	2,328,619	(1,579,948)
Fund Balance at the Beginning of the Year	1,268,568	-	16,828,212	4,889,598	22,986,378
Restatement	<u>(109,222)</u>	<u>(339,083)</u>	<u>16,633</u>	<u>(344,745)</u>	<u>(776,417)</u>
Fund Balance at the End of the Year	<u>\$ 1,449,083</u>	<u>\$ (83,046)</u>	<u>\$ 12,390,504</u>	<u>\$ 6,873,472</u>	<u>\$ 20,630,013</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Net Change in Fund Balances - Total Governmental Funds **\$ (1,579,948)**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

Capital Outlay	18,580,416	
Depreciation Expense	<u>(564,550)</u>	
		18,015,866

Transfers in	(11,021)	
Compensated Absences	<u>(346,850)</u>	
		(357,871)

The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

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

Bond Proceeds	-	
Repayment of Long-Term Debt	-	
Bond Issue Costs	<u>3,319,152</u>	
		<u>3,319,152</u>

Change in Net Assets of Governmental Activities **\$ 19,397,199**

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ -	\$ -	\$ 824,795	\$ 824,795
Charges for Services	-	-	5,803	5,803
Local Sources	246,935	246,935	250	(246,685)
State Sources	20,039,024	20,039,024	19,040,430	(998,594)
Federal Sources	318,071	318,071	5,521	(312,550)
Investment and Interest Income	-	-	<u>164,737</u>	<u>164,737</u>
Total Revenues	<u>20,604,030</u>	<u>20,604,030</u>	<u>20,041,536</u>	<u>(562,494)</u>
Expenditures				
Direct Instruction	21,395,868	21,395,868	19,762,820	1,633,048
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>21,395,868</u>	<u>21,395,868</u>	<u>19,762,820</u>	<u>1,633,048</u>
Budgeted Cash Balance	<u>\$ 791,838</u>	<u>\$ 791,838</u>	<u>\$ (278,716)</u>	<u>\$ 2,195,542</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL -
 TITLE I - IASA
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Federal Sources	\$ 1,064,509	\$ 1,064,509	\$ 1,279,611	\$ 215,102
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	1,064,509	1,064,509	1,279,611	215,102
Expenditures				
Direct Instruction	-	-	-	-
Instructional Support	1,064,509	1,064,509	1,023,574	40,935
Food Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,064,509</u>	<u>1,064,509</u>	<u>1,023,574</u>	<u>40,935</u>
Budgeted Cash Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (256,037)</u>	<u>\$ (174,167)</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
STATEMENT OF NET ASSETS
FIDUCIARY FUND
JUNE 30, 2011**

ASSETS

Cash on Deposit	\$ <u>381,943</u>
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LIABILITIES

Deposits Held for Others	\$ <u>381,943</u>
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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Taos Municipal School District (District) is a special purpose government corporation governed by an elected five-member Board of Education (Board). The Board is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Taos, New Mexico and the surrounding areas. The District is responsible for 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.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters

GAAP requires that financial statements present the District (primary government) and its component units. The District has three component units that are required to be presented in accordance with Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14.

1. Blended Component Unit

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District has three component units reported as discretely presented component units. Anansi Charter School, Taos Charter School and Vista Grande High School are closely related to Taos Municipal Schools and are the financial responsibility of the District.

The 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, who are responsible for their integrity and objectivity. The financial statements of the District conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

reporting principles. The more significant of the District's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or benefit directly from goods, services or privileges provided by a given function or segment, and 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.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

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. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 are generally recorded when the related liability is incurred, the same 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.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for another fund.

Bond Building Fund

This fund provides financing for the construction of buildings, the purchase of equipment and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds which have been approved by the voters of the District.

Title I IASA Fund

The Improving America's Schools Act of Title I provides extra help to disadvantaged students while holding schools accountable for their results at the same level as other students. This is a federally funded program.

Additionally, the District reports the following fund types:

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources, which are legally restricted to expenditures for specified purposes.

Capital Projects Funds

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

Debt Service Funds

Debt service funds are used to account for the services of long-term debt not being financed by proprietary or non-expendable trust funds.

Fiduciary Funds

Fiduciary funds are the agency funds used to account for financial resources used by the student activity groups for which the District has a stewardship.

Amounts reported as program revenues include charges to customers or applicants for goods, services or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as programs revenues. General revenues include all taxes.

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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.

Assets, Liabilities and Net Assets or Equity

1. Deposits and 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 investment of the District's funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow these investment guidelines.

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

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 100% 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. Receivables and Payables

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds".

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

The District's property taxes are levied each year on the assessed valuation of property located in the District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, Senate Bill – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement No. 33, property taxes are defined as impressed non-exchange revenue. Assets from impressed non-exchange transaction are reported when the District has an enforceable legal claim on the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days. Therefore, the District has recorded a delinquent tax receivable and revenue from taxes received within the 60 days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the District has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not been collected, as prescribed in GASB 34. An allowance for refunds and uncollectibles has not been recorded.

3. Inventories

United States Department of Agriculture (USDA) commodities are treated as in-kind revenues and are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. Capital Assets

Capital assets, which include property, plant and equipment (including computer software) are reported in the applicable government-wide financial statements. Beginning July 1, 2005, the threshold for defining capital assets by the State of New Mexico was raised from \$1,000 to \$5,000 for those items with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are not capitalized. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included in the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal or any other use.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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
Building Improvements	20
Land Improvements	10 - 20
Vehicles	5 - 7
Office Equipment	5
Computer Equipment	3 - 5

5. 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, statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are 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 capital projects expenditures.

6. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

7. Net Assets

Net assets are presented on the statement of net assets and may be presented in any of three components:

A. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

B. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

C. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted".

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

8. Indirect Costs

The District's general fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the special

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

revenue funds. They are shown as expenditures in the special revenue funds and as other special federal revenue in the general fund.

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 and Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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 beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget at the function level. 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 approval. If a transfer between series or a budget increase is required, approval must also be obtained from the Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

1. In April or May, the superintendent submits to the District Budget Planning Unit a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Public Education Department.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting is called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

expenditures of any fund must be approved by the school board and the New Mexico Department of Education.

5. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenues funds, debt service funds and capital projects funds.
6. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis not consistent with GAAP. Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balances. The appropriated budget for the year ended June 30, 2011 was properly amended by the Board throughout the year. New Mexico state law prohibits a governmental agency from exceeding budgetary control at the function level.

A. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in finding 09-04 on page 273. The District is aware of legal binding of budgets and has implemented a system of controls that will help prevent any further violations of budgetary control.

B. Deficit Fund Equity

Deficit fund balances as of June 30, 2011 were in the following funds: Title I IASA, \$83,046; English Language Acquisition, \$18,598; Fresh Fruits and Vegetables, \$20,786; Teacher / Principal Training and Recruiting, \$7,749; Safe and Drug Free Schools, \$1,594, Title I Federal Stimulus, \$12,721; Title XIX Medicaid, \$39,944; Indian Education Formula, \$27,250; Enlace UNM Fund, \$395; Breakfast for Elementary Students, \$9,897; NM Gear UP/USDE, \$51,614; School Based Health Center, \$27,566; Immigrant Funding Title III, \$19,711; Carl D. Perkins Secondary, \$8,154; ELL Title III Incentive Awards, \$2,466; Libraries GO Bond \$2,117; Indian Education Act, \$162; Nextgen Program, \$1,152; 21st Century State, \$480; IDEA-B Discretionary, \$9,338; and GO Bond Libraries 2006, \$8,288.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

C. Cash and Temporary Investments

The following is the Cash on deposit at each financial institution:

Institution	Type	Fund	Amount
Centinel Bank	Checking	Agency	\$ 58,920
Centinel Bank	Checking	Bond Building	76,746
Centinel Bank	Checking	Federal	1,647,792
1st Community Bank	Checking	Payroll	4,784,768
1st Community Bank	Checking	Operational	4,829,033
			<u>\$ 11,397,259</u>
New Mexico State	LGIP Fund	Bond Building	<u>\$ 10,727,042</u>
Total Amount on Deposit			\$ 22,124,301
Deposits in Transit			29,827
Outstanding Checks			(1,998,171)
Total Cash Per Financial Statements			<u>\$ 20,155,957</u>

	<u>Centinel Bank</u>	<u>1st Community Bank</u>	<u>New Mexico State</u>
Cash on Deposit at June 30	\$ 1,783,458	\$ 9,613,801	\$ 10,727,042
Less: Insured by FDIC	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Uninsured Funds	1,533,458	9,363,801	
50% Collateralization	766,729	4,681,901	
Pledged Collateral	<u>769,878</u>	<u>10,608,095</u>	<u>-</u>
Excess of pledged collateral	<u>\$ 3,149</u>	<u>\$ 5,926,195</u>	<u>\$ 10,727,042</u>

The Schedule of Pledged Collateral is shown as supplementary information on page 264. 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 accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Investments

As of June 30, 2011, the District had the following investments and maturities:

Investment Type	Fair Value	Maturities Less Than One Year
State Investment Pool - 4101 LGIP Fund	\$10,727,042	

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

Interest Rate Risk – Investments: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The District’s investments were rated AAA by Moody’s Investors Services and S & P and have a weighted average days-to-maturity (WAM) of 27.5 days.

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

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investments fund in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States Government or are agencies sponsored by the United States Government. The investments in the Local Government Investment Pool are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in the amounts of the fund that were invested. Any realized gain or loss on the portfolio is distributed through the investment yield on investment dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2011. The State of New Mexico is the regulatory oversight agency and participation in the pool is voluntary.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

D. Accounts Receivable

Accounts receivable are recorded in the various governmental funds. They consist of amount receivable from local governments relating to various grant agreements and property taxes receivable. The information required to report property taxes at full accrual was not available during the year. Accounts receivable consist of the following:

	General	Other Major	Other Governmental	Total
Property Taxes	\$ <u>4,358</u>	\$ <u>-</u>	\$ <u>144,248</u>	\$ <u>148,606</u>

E. Inventories

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

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

F. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 2,542,586	\$ 41,391	\$ -	\$ 2,583,977
Construction in Progress	-	24,149,639	-	24,149,639
Total Capital Assets not being depreciate	<u>2,542,586</u>	<u>24,191,030</u>	-	<u>26,733,616</u>
Capital assets being depreciated:				
Land Improvements	409,275	291,464		700,739
Buildings and Improvements	44,665,104	-	6,582,502	38,082,602
Furniture, Fixtures and Equipment	3,326,727	120,914	-	3,447,641
Total Capital Assets being depreciated	<u>48,401,106</u>	<u>412,378</u>	<u>6,582,502</u>	<u>42,230,982</u>
Less: Accumulated Depreciation for:	<u>(15,880,493)</u>	<u>(564,550)</u>	-	<u>(16,445,043)</u>
Total Capital Assets, Net	<u><u>\$ 35,063,199</u></u>	<u><u>\$ 24,038,858</u></u>	<u><u>\$ 6,582,502</u></u>	<u><u>\$ 52,519,555</u></u>

Depreciation has been allocated to the functions in the following amounts:

Unallocated	<u>\$ 564,550</u>
Total Depreciation Expense	<u><u>\$ 564,550</u></u>

G. Deferred Revenues

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

H. Compensated Absences

Qualified employees are entitled to accumulate annual leave of 10 to 13 days per fiscal year. Upon retirement, employees will be paid for up to 90 days of accrued annual leave. Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and as a

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TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

I. Long-Term Liabilities

For government-wide reporting, the costs associated with bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of the bonds are amortized prospectively from the date of the adoption of that statement. For fund financial reporting, issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source.

J. Fund Balance of Fund Financial Statements

Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The District designates the portion of the year-end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

K. Restricted Net Assets

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

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

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

Unrestricted net assets – This category reflects net assets of the District not restricted for any project or other purpose.

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

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L. Property Tax Levies

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

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

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

Identify the capital improvements;

Specify the rate of the proposed tax, which shall not exceed two dollars on each \$1,000 of net taxable value of property;

Specify the date an election will be held;

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

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

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

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

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

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

State Equalization Guarantee

Each school district in the State of New Mexico receives a “state equalization guarantee distribution” which is defined as “that amount of money distributed to each school district to ensure that the school district’s operating revenue, including its local and federal revenues as defined (Ch. 22, Section 8-25, NMSA 1978) is at least equal to the school district’s program costs.”

A school districts program costs are determined through the use of various formulas using “program units” which take into consideration early childhood education, basic education, special education, bilingual, multi-cultural education. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$18,921,295 in state equalization guarantee distributions during the year.

Transportation Distribution

Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades kindergarten through twelve attending public school within the school district. Except in unusual circumstances, as determined by the local school board and confirmed by the state transportation director, midday bus routes for early childhood education students shall not be approved for funding in excess of twenty miles one-way.

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

In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, each school district to receive an allocation shares in a reduction in the proportion that each school

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district's forty-day average daily membership of all school districts to received allocations.

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

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

The District received \$824,795 in transportation distribution during the year.

SB-9 Match

The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one-hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement fund to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$129,936 in state SB-9 matching during the year.

Critical Capital Outlay

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

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

A critical need exists requiring action;

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The residents of the school district have provided all available resources to the district to meet its capital outlay requirements;

The school district has used its resources in a prudent manner;

The district is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year as certified by the property tax division; and

The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

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

Money in the fund shall be distributed by arrant of the Department of Finance and Administration (DFA) on vouchers signed by the Secretary of DFA following certification by the council that the application has been approved.

During the year ended June 30, 2011, the District received \$0 in critical capital outlay funds and \$0 in special capital outlay funds.

Instructional Materials

The New Mexico State Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Beginning with the fiscal year ended June 30, 2002, districts received their total allocation at the beginning of the fiscal year instead of being reimbursed for purchases as was done in prior years. During the year ended June 30, 2011, the District received \$119,135 in instructional materials allocation.

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 operates under its own budget, which has been approved by the federal agency or the

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flow-through agency (in most cases, the New Mexico Department of Education). The various budgets are approved by the local school board and the New Mexico Public Education Department.

Interfund Transactions

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

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results can differ from these estimates.

M. Long-Term Liabilities:

During the year ended June 30, 2011, the following changes occurred in the liabilities reported in the District-wide statement of net assets:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
General Obligation Bonds	\$ 29,315,000	\$ 12,730,000	\$ -	\$ 42,045,000	\$ 1,395,000
Compensated Absences	1,605,089	346,850	-	1,951,939	-
Total	<u>\$ 30,920,089</u>	<u>\$ 13,076,850</u>	<u>\$ -</u>	<u>\$ 43,996,939</u>	<u>\$ 1,395,000</u>

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N. Long-Term Debt

General Obligation Bonds

Payments on the general obligation bonds are made by the debt services funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the general fund, transportation fund, food services fund and Title I fund.

General Obligation Bonds

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

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

Due in Year			
Ending	Principal	Interest	Total
2012	625,000	38,019	663,019
2013	<u>650,000</u>	<u>12,838</u>	<u>662,838</u>
Total	<u>\$ 1,275,000</u>	<u>\$ 50,857</u>	<u>\$ 1,325,857</u>

Date of issue - April 1, 1996
Original amount - \$3,000,000
Interest rate - 4.9% to 6.4%

Due in Year			
Ending	Principal	Interest	Total
2012	<u>260,000</u>	<u>6,825</u>	<u>266,825</u>
Total	<u>\$ 260,000</u>	<u>\$ 6,825</u>	<u>\$ 266,825</u>

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Date of issue - September 20, 2001
Original amount - \$4,015,000
Interest rate - 4% to 5%

Due in Year

Ending	Principal	Interest	Total
2012	510,000	10,710	520,710
Total	<u>\$ 510,000</u>	<u>\$ 10,710</u>	<u>\$ 520,710</u>

Date of issue - December 23, 2008
Original amount - \$9,900,000
Interest rate - 3.5% to 4.5%

Due in Year

Ending	Principal	Interest	Total
2012	-	410,280	410,280
2013	-	410,280	410,280
2014	460,000	402,230	862,230
2015	475,000	385,867	860,867
2016 - 2020	2,610,000	1,638,011	4,248,011
2021 - 2025	3,210,000	1,041,053	4,251,053
2026 - 2030	<u>3,145,000</u>	<u>288,829</u>	<u>3,433,829</u>
Total	<u>\$ 9,900,000</u>	<u>\$ 4,576,550</u>	<u>\$14,476,550</u>

Date of issue - December 15, 2009
Original amount - \$16,000,000
Interest rate - 2.125% to 6.5%

Due in Year

Ending	Principal	Interest	Total
2012	-	771,636	771,636
2013	800,000	793,431	1,593,431
2014	1,035,000	770,700	1,805,700
2015	1,050,000	739,406	1,789,406
2016 - 2020	5,690,000	3,016,609	8,706,609
2021 - 2025	1,625,000	1,949,395	3,574,395
2026 - 2030	<u>5,800,000</u>	<u>1,204,775</u>	<u>7,004,775</u>
Total	<u>\$16,000,000</u>	<u>\$ 9,245,952</u>	<u>\$25,245,952</u>

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Date of issue - October 25, 2010
Original amount - \$13,000,000
Interest rate - 4.33% to 5.15%

Due in Year Ending	Principal	Interest	Total
2012	\$ -	\$ 941,019	\$ 941,019
2013	-	669,500	669,500
2014	455,000	669,500	1,124,500
2015	455,000	669,500	1,124,500
2016	455,000	669,500	1,124,500
2017 - 2021	2,275,000	3,347,500	5,622,500
2022 - 2026	7,120,000	3,347,500	10,467,500
2027 - 2028	<u>2,240,000</u>	<u>1,004,250</u>	<u>3,244,250</u>
Total	<u>\$13,000,000</u>	<u>\$11,318,269</u>	<u>\$24,318,269</u>

Date of issue - October 25, 2010
Original amount - \$1,100,000
Interest rate - 5.45%

Due in Year Ending	Principal	Interest	Total
2012	\$ -	\$ 54,771	\$ 54,771
2013	-	38,968	38,968
2014	-	38,968	38,968
2015	-	38,968	38,968
2016	-	38,968	38,968
2017 - 2021	-	194,838	194,838
2022 - 2026	-	194,838	194,838
2027 - 2028	<u>1,100,000</u>	<u>119,914</u>	<u>1,219,914</u>
Total	<u>\$ 1,100,000</u>	<u>\$ 720,230</u>	<u>\$ 1,820,230</u>
Grand Total	<u>\$42,045,000</u>	<u>\$25,929,393</u>	<u>\$67,974,393</u>

On October 25, 2010, the District issued an approved bond issue in the amount of \$14,100,000. The bonds mature in 2028, and have an interest rate between 4.33% and 5.45%. There is no portion of the principal due as a current liability. The first interest payment is due December 15, 2010.

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IV. OTHER INFORMATION

a. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability, and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through members premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or re-insurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2011.

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.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material effect on the financial condition of the District.

c. Employee Retirement Plan

Plan description – Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The

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Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefits retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost of living adjustments to plan members (certified teachers and other employees of state public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available report that includes the financial statements and required supplementary information for the plan. That report may be obtained by writing to :

ERB
P.O. Box 26129
Santa Fe, NM 875026129
www.nmerb.org

Funding Policy – Plan members who earn less than \$20,000 per year are required to contribute 7.9% of their gross salary. The District is required to contribute 12.4% of their gross covered salary. Plan members who earn more than \$20,000 per year are required to contribute 9.4% of their gross salary. The District is required to contribute 10.9% of their gross covered salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contributions will be 13.9%. The contribution requirements of plan members and the District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The District’s contributions to the ERB for the years ended June 30, 2011, 2010 and 2009 were \$1,629,187, \$1,782,057 and \$1,928,764 respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2010 - 2011	13.15%	7.90%
2011 - 2012	13.90%	7.90%
2012 - 2013		7.90%

d. Post-Retirement Health Care Benefits

Plan Description – The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents and surviving spouses and

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dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The RHCA is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance and long-term care policies.

Eligible retirees are:

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

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

The Retiree Health Care Act (Section 10-7C-15) NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each

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participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one two formulas at agreed-upon intervals.

Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$247,385, \$206,603 and \$215,193 respectively, which equal the required contributions for each year.

e. School District Cash Flows

The District operates primarily on reimbursement grants. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. The delay in receiving reimbursements has been progressively increasing through this and the previous four years. The current trend will adversely affect District in subsequent years.

f. Restatement

The District's beginning trial balance in several governmental and special revenue funds had to be restated, as explained below:

The District's beginning trial balance was not in agreement with the balances per the 2010 audited financial statements. As a result, the beginning fund balances were incorrect and had to be corrected in order to reflect the 2010 audited amounts. The total effect of these adjustments, as shown on the Statement of Revenues, Expenditures and Changes in Fund balances was \$776,417, for the fund financial statements. For the government-wide statements, the total effect of these adjustments, as shown on the Statement of Activities, was \$16,327,933.

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g. Component Units

The beginning trial balances of the component units had to be restated for the same reasons. The total effect of these adjustments, as shown on the Statement of Activities, was \$210,273.

h. Expenses in Excess of Budgeted Expenditures

The following funds had actual expenditures in excess of budgeted expenditures during the fiscal year ended June 30, 2011: IDEA-B Discretionary: \$9,338, English Language Acquisition, \$12,535, Entitlement IDEA-B: \$770,066, Preschool IDEA-B: \$2,624, Fresh Fruits in Classroom: \$67,209, Preschool IDEA-B Federal Stimulus: \$26,087, Federal Stimulus SEG: \$25, Education Job Fund: \$524,395, Safe and Free Drug Free Schools: \$16,554, Title I School Improvement: \$5,450, Rural and Low Income Schools: \$79,306, Northern NM Network: \$141,137, Carl Perkins Secondary Culinary: \$31,599, Dual Credit Instructional Materials: \$11,379, GO Bond Student Library: \$9,329, Entitlement IDEA-B Federal Stimulus: \$183,612, ARRA Solar Energy: \$300,000, IMPACT Indian Aid Education: \$8,525, ENLACE-UNM: \$9,235, LANL Foundation: \$50,644, Technology for Education PED: \$1,525, Breakfast for Elementary Students: \$18,335, Kindergarten 3 Plus: \$2,683, Assist Tobacco DOH: \$22,472, NM Gear UP/USDE: \$92,694, School Based Health Center: \$161,892, After School Enrichment Program: \$6,430.

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

The Anansi Charter School is a discrete component unit of the District. The following are summarized details of the Charter's balances and transactions as of June 30, 2011 and for the year then ended:

Reporting Entity: Anansi Charter School is a special purpose government corporation established under the Public Charter Code and is governed by an elected nine member council. The Council is the basic level of government, which has oversight responsibility and control over all activities related to the Charter. The Charter is responsible for

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activities related to public elementary school education. The Charter receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The Charter's financial statements include all entities over which the Council exercises oversight responsibility. Oversight includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, one component unit is included in the financial statements.

GAAP requires the financial statements present the Charter (primary government) and its component units. The Charter has one component unit that is required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14.

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

Depository Collateral: The following is the Cash on Deposit at each financial institution:

Cash on Deposit

U.S. Bank - Operational Account	\$ 202,088
U.S. Bank - FSA Account	<u>273</u>
Total Amount on Deposit	202,361
Deposits in Transit	-
Outstanding Checks	<u>-</u>
Total Per Financial Statement	<u><u>\$ 202,361</u></u>

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Capital Assets:

Capital assets activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total Capital Assets not being depreciated	-	-	-	-
Capital assets being depreciated:				-
Land Improvements	-			-
Buildings and Improvements	-			-
Furniture, Fixtures and Equipment	56,028	5,848	-	61,876
Total Capital Assets being depreciated	56,028	5,848	-	61,876
Less: Accumulated Depreciation for:				-
Land Improvements	-			-
Buildings and Improvements	-			-
Furniture, Fixtures and Equipment	(12,393)	(6,187)	-	(18,580)
Total Capital Assets being depreciated	(12,393)	(6,187)	-	(18,580)
Total Capital Assets being Depreciated, Net	43,635	(339)	-	43,296
Total Capital Assets, Net	<u>\$ 43,635</u>	<u>\$ (339)</u>	<u>\$ -</u>	<u>\$ 43,296</u>

Retirement Plan: The Charter's contributions to the ERB for the years 2011, 2010 and 2009, respectively were \$45,212, \$51,696 and \$46,316, equal to the amount of required contributions for these years.

Retiree Health Care Act: The Charter's contributions to the RHCA for the years 2011, 2010 and 2009, respectively were \$6,522, \$6,119 and \$5,168, equal to the required contributions for these years.

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.

Prepaid Lease Expense: In May of 2010, Anansi Charter School paid \$932,562 to the Friends of Anansi Charter School. The funds were used by the Friends to construct and improve real estate which is leased by the Charter. The payment represents

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

prepayment of the lease expense for the twenty year period beginning July 1, 2010. The Anansi Charter School will amortize the lease payment at the rate of \$3,882 per month.

Friends of Anansi Charter School: Friend of Anansi Charter School, Inc. (Foundation) is a legally separate, tax-exempt component 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 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 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 Statement No. 14.

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

<u>Cash on Deposit</u>	
Cash, FCB	\$240,780
Cash, Capital Projects	<u>81,811</u>
Total Amount on Deposit	322,591
Deposits in Transit	-
Outstanding Checks	<u>-</u>
Total Per Financial Statements	<u>\$322,591</u>

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TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
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JUNE 30, 2011**

Capital Assets:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Land	\$ 587,500	\$ -	\$ -	\$ -	\$ 587,500
Construction Work in Progress	-	689,712			689,712
Furniture and Equipment		23,624			23,624
Buildings and Improvements	1,278,574	(31,967)			1,246,607
Less: Accumulated Depreciation	<u>(40,246)</u>	<u>(32,517)</u>	<u>-</u>	<u>800</u>	<u>(71,963)</u>
Total Capital Assets, Net	<u>1,825,828</u>	<u>648,852</u>	<u>-</u>	<u>800</u>	<u>2,475,480</u>

Retirement Plan: The Foundation does not participate in ERB.

Retiree Health Care Act: The Foundation does not participate in RHCA.

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

Cash and Cash Equivalents: 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.

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

Long-Term Debt: The Foundation borrowed \$1,800,000 for the purpose of financing the construction of the Anansi Charter School Buildings. Funding to pay the debt is from rent charged to the Charter School for use of the buildings. The annual requirements to retire this loan as of June 30, 2011 are as follows:

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

Due in Year	Principal	Interest	Total
Ending			
2012	18,178	77,199	95,377
2013	18,990	76,387	95,377
2014	19,838	75,539	95,377
2015	20,724	74,653	95,377
2016 - 2020	118,347	358,538	476,885
2021 - 2025	147,227	329,658	476,885
2026 - 2030	183,154	293,731	476,885
2031 - 2035	227,849	249,036	476,885
2036 - 2040	281,544	195,341	476,885
2041 - 2045	353,239	123,646	476,885
2046 - 2050	<u>383,410</u>	<u>93,475</u>	<u>476,885</u>
Total	<u>\$ 1,772,500</u>	<u>\$ 1,947,203</u>	<u>\$ 3,719,703</u>

The Foundation did not have any short term debt.

Financial Statement Presentation: The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted Net assets, Temporarily Restricted Net Assets and Permanently Restricted Net Assets. In addition, the Foundation is required to present a statement of cash flows.

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

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

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**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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

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

The following are summarized details of the Charter's balances and transactions as of June 30, 2011 and for the year then ended:

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

The Charter's financial statements include all entities over which the Council exercises oversight responsibility. Oversight includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, one component unit is included in the financial statements.

GAAP requires the financial statements present the Charter (primary government) and its component units. The Charter has one component unit that is required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14.

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

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

<u>Cash on Deposit</u>	
U.S. Bank - Operational	\$ 188,547
U.S. Bank - FSA	<u>1,661</u>
Total Amount on Deposit	190,208
Deposits in Transit	-
Outstanding Checks	-
Total Per Financial Statements	<u>\$ 190,208</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
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Capital Assets: Capital Asset Activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 250,000	\$ -	\$ -	\$ 250,000
Total Capital Assets not being depreciated	250,000	-	-	250,000
Capital assets being depreciated:				-
Land Improvements	-			-
Buildings and Improvements	1,058,421			1,058,421
Furniture, Fixtures and Equipment	11,367	-	-	11,367
Total Capital Assets being depreciated	1,069,788	-	-	1,069,788
Less: Accumulated Depreciation for:				-
Land Improvements	-			-
Buildings and Improvements	(96,939)	(21,420)		(118,359)
Furniture, Fixtures and Equipment	(4,011)	(886)	-	(4,897)
Total Capital Assets being depreciated	(100,950)	(22,306)	-	(123,256)
Total Capital Assets being Depreciated, Net	968,838	(22,306)	-	946,532
Total Capital Assets, Net	<u>\$ 1,218,838</u>	<u>\$ (22,306)</u>	<u>\$ -</u>	<u>\$ 1,196,532</u>

Retirement Plan: The Charter's contributions to the ERB for the years 2011, 2010 and 2009, respectively were \$80,815, \$86,691 and \$92,653, equal to the amount of required contributions for these years.

Retiree Health Care Act: The Charter's contributions to the RHCA for the years 2011, 2010 and 2009, respectively were \$11,754, \$10,315 and \$10,339, equal to the required contributions for these years.

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.

Friends of Taos Charter School: Friend of Taos Charter School, Inc. (Foundation) is a legally separate, tax-exempt component of Taos Charter School. The Council is the basic level of government, which has oversight responsibility and control over all 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.

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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 Statement No. 14.

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

Cash on Deposit

Centinel Bank	\$ 28,022
Total Amount on Deposit	\$ 28,022
Deposits in Transit	-
Outstanding Checks	-
Total Per Financial Statements	<u>\$ 28,022</u>

Capital Assets:

	Beginning Balance	Increases	Decreases	Ending Balance
Buildings and Improvements	734,956	3,932		738,888
Less: Accumulated Depreciation	<u>(73,496)</u>	<u>(22,306)</u>	-	<u>(95,802)</u>
Total Capital Assets, Net	<u>661,460</u>	<u>(18,374)</u>	-	<u>643,086</u>

Retirement Plan: The Foundation does not participate in ERB.

Retiree Health Care Act: The Foundation does not participate in RHCA.

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

Cash and Cash Equivalents: 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.

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TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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

Long-Term Debt: The Foundation borrowed \$750,000 for the purpose of financing the construction of the Taos Charter School Buildings. Funding to pay the debt is from rent charged to the Charter School for use of the buildings. The annual requirements to retire this loan as of June 30, 2011 are as follows:

Date of issue - January 19, 2006
Original amount - \$750,000
Interest rate - 7.25%

Due in Year			
Ending	Principal	Interest	Total
2011	\$ 116,868	\$ 20,551	\$ 137,419
2012	125,628	11,791	137,419
2013	94,268	2,702	96,970
Total	<u>\$ 336,764</u>	<u>\$ 35,044</u>	<u>\$ 371,808</u>

During the year the following changes occurred:

	Balance, 6/30/2010	Additions	Deletions	Balance, 6/30/2011	Due Within One Year
Loan	<u>\$ 336,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,764</u>	<u>\$ -</u>

The Foundation did not have any short term debt.

Financial Statement Presentation: The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted Net assets, Temporarily Restricted Net Assets and Permanently Restricted Net Assets. In addition, the Foundation is required to present a statement of cash flows.

Component Unit – Vista Grande Charter School

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

Reporting Entity: Vista Grande High School (Charter) is a special purpose government corporation established under the Public Charter Code and is governed by an elected

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TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

nine member council. The Council is the basic level of government, which has oversight responsibility and control over all activities related to the Charter. The Charter is responsible for activities related to public elementary school education. The Charter receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

Cash on Deposit

First Community Bank - Checking	\$372,138
Total Amount on Deposit	372,138
Deposits in Transit	-
Outstanding Checks	-
Total Per Financial Statements	\$372,138

Capital Assets: Capital assets activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment and Machinery	-	15,136		15,136
Less: Accumulated Depreciation	-	(2,160)	-	(2,160)
Total Capital Assets, Net	-	12,976	-	12,976

Retirement Plan: The Charter's contributions to the ERB for the years 2011, 2010 and 2009, respectively were \$62,929, \$63,230 and \$66,827, equal to the amount of required contributions for these years.

Retiree Health Care Act: The Charter's contributions to the RHCA for the years 2011, 2010 and 2009, respectively were \$9,548, \$7,498 and \$7,452, equal to the required contributions for these years.

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.

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TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – BOND BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Investment and Interest Income	\$ 14,100,000	\$ 14,100,000	\$ 14,126,075	\$ 26,075
Local Sources	4,371	4,371	-	(4,371)
Total Revenues	<u>14,104,371</u>	<u>14,104,371</u>	<u>14,126,075</u>	<u>21,704</u>
Expenditures				
Capital Outlay	\$ 28,717,052	\$ 28,717,052	18,580,416	10,136,636
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>28,717,052</u>	<u>28,717,052</u>	<u>18,580,416</u>	<u>10,136,636</u>
Budgeted Cash Balance	<u>\$ (14,612,681)</u>	<u>\$ (14,612,681)</u>	<u>\$ (4,454,341)</u>	<u>\$ (10,114,932)</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
GENERAL FUNDS
JUNE 30, 2011**

OPERATING FUND – This fund is the chief operating fund of the District. It is used to account for all financial resources of the District except for those required to be accounted for in other funds.

INSTRUCTIONAL MATERIALS FUND – This fund is used to account for resources received from the Public Education Department to be used for the purchase of materials used as a basis of instruction.

PUPIL TRANSPORTATION FUND – This fund is used to account for resources received from the Public Education Department to be used only for eligible to and from school transportation costs.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2011**

	<u>General Funds</u>			<u>Total General Fund</u>
	<u>Operational Fund</u>	<u>Instructional Materials Fund</u>	<u>Pupil Transportation Fund</u>	
<u>ASSETS</u>				
Pooled Cash and Equivalents	\$1,291,512	\$ 143,385	\$ 15,350	\$ 1,450,247
Receivables:				
Delinquent Property Taxes	4,358	-	-	4,358
Grants				-
Due From Other Governments	-	-	-	-
Food Inventory	-	-	-	-
Total Assets	<u>\$1,295,870</u>	<u>\$ 143,385</u>	<u>\$ 15,350</u>	<u>\$ 1,454,605</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 249	\$ -	\$ -	\$ 249
Accrued Liabilities	5,273	-	-	5,273
Deferred Revenue:				
Federal, State and Local Grants				-
Delinquent Property Taxes	-	-	-	-
Total Liabilities	5,522	-	-	5,522
Fund Balance:				
Unreserved and Reported in:				
Undesignated	<u>1,290,348</u>	<u>143,385</u>	<u>15,350</u>	<u>1,449,083</u>
Total Fund Balance	<u>1,290,348</u>	<u>143,385</u>	<u>15,350</u>	<u>1,449,083</u>
Total Liabilities and Fund Balance	<u>\$1,295,870</u>	<u>\$ 143,385</u>	<u>\$ 15,350</u>	<u>\$ 1,454,605</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	General Funds			Total General Fund
	Operational Fund	Instructional Materials Fund	Pupil Transportation Fund	
REVENUES:				
Taxes	\$ -	\$ -	\$ 824,795	\$ 824,795
Charges for Services	5,803	-	-	5,803
Local Sources	250	-	-	250
State Sources	18,921,295	119,135	-	19,040,430
Federal Sources	5,521	-	-	5,521
Investment and Interest Income	<u>164,737</u>	<u>-</u>	<u>-</u>	<u>164,737</u>
Total Revenues	19,097,606	119,135	824,795	20,041,536
EXPENDITURES:				
Current:				
Direct Instruction	18,829,420	86,530	846,870	19,762,820
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bonds	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>18,829,420</u>	<u>86,530</u>	<u>846,870</u>	<u>19,762,820</u>
Excess (Deficiency) of Revenues Over Expenditures	268,186	32,605	(22,075)	278,716
OTHER FINANCING SOURCES (USES):				
Transfers In	11,021	-	-	11,021
Transfers Out	-	-	-	-
Loan Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>11,021</u>	<u>-</u>	<u>-</u>	<u>11,021</u>
Net Change in Fund Balance	279,207	32,605	(22,075)	289,737
Fund Balance at the Beginning of the Year	1,114,373	46,249	107,946	1,268,568
Restatement	<u>(103,232)</u>	<u>64,531</u>	<u>(70,521)</u>	<u>(109,222)</u>
Fund Balance at the End of the Year	<u>\$ 1,290,348</u>	<u>\$ 143,385</u>	<u>\$ 15,350</u>	<u>\$ 1,449,083</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP
BUDGETARY BASIS) – OPERATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	5,803	5,803
Local Sources	246,935	246,935	250	(246,685)
State Sources	19,031,674	19,031,674	18,921,295	(110,379)
Federal Sources	318,071	318,071	5,521	(312,550)
Investment and Interest Income	<u>-</u>	<u>-</u>	<u>164,737</u>	<u>164,737</u>
Total Revenues	19,596,680	19,596,680	19,097,606	(499,074)
Expenditures				
Direct Instruction	\$ 20,388,518	\$ 20,388,518	18,829,420	1,559,098
Instructional Support	-	-	-	-
Food Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>20,388,518</u>	<u>20,388,518</u>	<u>18,829,420</u>	<u>1,559,098</u>
Budgeted Cash Balance	<u>\$ (791,838)</u>	<u>\$ (791,838)</u>	<u>\$ 268,186</u>	<u>\$ (2,058,172)</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP
 BUDGETARY BASIS) – INSTRUCTIONAL MATERIALS FUND
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	93,392	93,392	119,135	25,743
Federal Sources	-	-	-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>93,392</u>	<u>93,392</u>	<u>119,135</u>	<u>25,743</u>
Expenditures				
Direct Instruction	\$ 93,392	\$ 93,392	86,530	6,862
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>93,392</u>	<u>93,392</u>	<u>86,530</u>	<u>6,862</u>
Budgeted Cash Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,605</u>	<u>\$ 18,881</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP
BUDGETARY BASIS) – PUPIL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ -	\$ -	\$ 824,795	\$ 824,795
Charges for Services	-	-	-	-
Local Sources			-	-
State Sources	913,958	913,958	-	(913,958)
Federal Sources	-	-	-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>913,958</u>	<u>913,958</u>	<u>824,795</u>	<u>(89,163)</u>
Expenditures				
Direct Instruction	\$ 913,958	\$ 913,958	846,870	67,088
Instructional Support			-	-
Food Services	-	-	-	-
Total Expenditures	<u>913,958</u>	<u>913,958</u>	<u>846,870</u>	<u>67,088</u>
Budgeted Cash Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,075)</u>	<u>\$ (156,251)</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET – BY FUND TYPE
JUNE 30, 2011**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
<u>ASSETS</u>				
Pooled Cash and Equivalents	\$ 37,336	\$ 3,152,098	\$ 2,984,168	\$ 6,173,602
Receivables:				
Delinquent Property Taxes	-	56,347	87,901	144,248
Grants	549,476	-	-	549,476
Due From Other Governments	-	-	-	-
Food Inventory	59,819	-	-	59,819
Total Assets	<u>\$ 646,631</u>	<u>\$ 3,208,445</u>	<u>\$ 3,072,069</u>	<u>\$ 6,927,145</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 53,627	\$ -	\$ -	\$ 53,627
Accrued Liabilities	46	-	-	46
Deferred Revenue:				
Federal, State and Local Grants	-	-	-	-
Delinquent Property Taxes	-	-	-	-
Total Liabilities	53,673	-	-	53,673
Fund Balance:				
Reserved:				
Retirement of Long-Term Debt	-		3,072,069	3,072,069
Inventories	-		-	-
Unreserved and Reported in:				
Special Revenue Funds	592,958	-	-	592,958
Capital Projects Funds	-	3,208,445	-	3,208,445
Total Fund Balance	<u>592,958</u>	<u>3,208,445</u>	<u>3,072,069</u>	<u>6,873,472</u>
Total Liabilities and Fund Balance	<u>\$ 646,631</u>	<u>\$ 3,208,445</u>	<u>\$ 3,072,069</u>	<u>\$ 6,927,145</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	210,198	-	-	210,198
Local Sources	4,559	2,074,618	3,528,772	5,607,949
State Sources	1,129,070	255,243	-	1,384,313
Federal Sources	5,226,320	-	-	5,226,320
Investment and Interest Income	<u>3</u>	<u>-</u>	<u>617</u>	<u>620</u>
Total Revenues	6,570,150	2,329,861	3,529,389	12,429,400
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	3,933,353	-	-	3,933,353
Food Services	1,801,696	-	-	1,801,696
Capital Outlay	-	-	-	-
Debt Service:			-	
Bonds	-	1,914,744	1,404,408	3,319,152
Interest	<u>-</u>	<u>-</u>	<u>1,046,580</u>	<u>1,046,580</u>
Total Expenditures	<u>5,735,049</u>	<u>1,914,744</u>	<u>2,450,988</u>	<u>10,100,781</u>
Net Change in Fund Balance	835,101	415,117	1,078,401	2,328,619
Fund Balance at Beginning of Year	141,955	2,838,310	1,909,333	4,889,598
Restatement	<u>(384,098)</u>	<u>(44,982)</u>	<u>84,335</u>	<u>(344,745)</u>
Fund Balance at End of Year	<u>\$ 592,958</u>	<u>\$ 3,208,445</u>	<u>\$ 3,072,069</u>	<u>\$ 6,873,472</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES – BUDGET AND
ACTUAL – NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 210,198	\$ 210,198
Local Sources	213,100	213,100	4,559	(208,541)
State Sources	370,103	370,103	1,129,070	758,967
Federal Sources	2,712,819	2,712,819	5,226,320	2,513,501
Investment and Interest Income	79,000	79,000	3	(78,997)
Total Revenues	<u>3,375,022</u>	<u>3,375,022</u>	<u>6,570,150</u>	<u>3,195,128</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	1,514,647	1,514,647	3,933,353	(2,418,706)
Food Services	1,994,010	1,994,010	1,801,696	192,314
Capital Outlay	-	-	-	-
Debt Service:				
Bonds	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>3,508,657</u>	<u>3,508,657</u>	<u>5,735,049</u>	<u>(2,226,392)</u>
Revenues Over (Under) Expenditures	<u>\$ (133,635)</u>	<u>\$ (133,635)</u>	<u>\$ 835,101</u>	<u>\$ 5,421,520</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES – BUDGET AND
ACTUAL – NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	2,030,599	2,030,599	2,074,618	44,019
State Sources	87,059	87,059	255,243	168,184
Federal Sources	-	-	-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>2,117,658</u>	<u>2,117,658</u>	<u>2,329,861</u>	<u>212,203</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	3,634,565	3,634,565	-	3,634,565
Debt Service:				
Bonds	-	-	1,914,744	(1,914,744)
Interest	-	-	-	-
Total Expenditures	<u>3,634,565</u>	<u>3,634,565</u>	<u>1,914,744</u>	<u>1,719,821</u>
Revenues Over (Under) Expenditures	<u>\$ (1,516,907)</u>	<u>\$ (1,516,907)</u>	<u>\$ 415,117</u>	<u>\$ (1,507,618)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES – BUDGET AND
ACTUAL – NON-MAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	2,696,714	2,696,714	3,528,772	832,058
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Investment and Interest Income	-	-	617	617
Total Revenues	<u>2,696,714</u>	<u>2,696,714</u>	<u>3,529,389</u>	<u>832,675</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bonds	4,177,738	4,177,778	1,404,408	2,773,370
Interest	-	-	1,046,580	(1,046,580)
Total Expenditures	<u>4,177,738</u>	<u>4,177,778</u>	<u>2,450,988</u>	<u>1,726,790</u>
Revenues Over (Under) Expenditures	<u>\$ (1,481,024)</u>	<u>\$ (1,481,064)</u>	<u>\$ 1,078,401</u>	<u>\$ (894,115)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS**

IDEA-B DISCRETIONARY

Federal funds received to promote IDEA-B Program.

ATHLETICS

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

ENGLISH LANGUAGE ACQUISITION

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

ENTITLEMENT IDEA-B

The Entitlement IDEA-B program is to provide grants to states that flow through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 619, as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, part B, Section 619, as amended, Public Laws 94-142,99*457,100-630,101497, and101-476.

FRESH FRUITS AND VEGETABLES

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

FOOD SERVICES

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60, Stat. 230, 42 U.S.C 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 sat. 886, 889, 42 U.S.C 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71 stat. 430.

PRESCHOOL IDEA-B FEDERAL STIMULUS

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS**

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

FEDERAL STIMULUS SEG

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

EDUCATION JOB FUND

Funding received to promote jobs and education for all students.

TEACHER PRINCIPAL TRAINING RECRUITING TITLE I

Funds / federal used to promote the recruiting and training of teachers and principals in the District.

SAFE AND DRUG FREE SCHOOLS

To offer a disciplined environment conducive to learning by preventing violence in and around schools and strengthen programs that prevent the use of alcohol, tobacco and drugs, involve parents and coordinate with related federal, state and community efforts.

TITLE I SCHOOL IMPROVEMENT

To account for federal resources passed through the NM Dept. of Education to provide for educational improvement through state assessments and related activities authorized by P.L. 107-110.

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.

TITLE I

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

NORTHERN NM NETWORK-TEACHER INCENTIVE

For the purpose of developing, implementing, and evaluating a teacher and principal performance based compensation system.

CARL D PERKINS TECH PREP/JAG/CULINARY/SECONDARY REDISTRIBUTION

Basic grants assist states and outlying areas to expand and improve their programs of vocational education and provide equal access in vocational education to special need

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS**

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.

DUAL CREDIT INSTRUCTIONAL MATERIALS

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

GO BOND STUDENT LIBRARY FUND

To account for money received from the SB301, Laws of 2006 to be used to improve the library, acquire library books and library resources that support the library program.

ENTITLEMENT IDEA – B- STIMULUS

Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and , in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2009(ARRA), Public Law 111-5

ARRA SOLAR ENERGY

Federal solar energy award administered via the American Recovery and Reinvestment Act.

IMPACT AID SPECIAL EDUCATION/ IMPACT AID INDIAN EDUCATION

To provide financial assistance to local education agencies (LEAS) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal (including INDIAN) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3a and 3 b); where there is a significant decrease (Section 3c) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7a), 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

To assist States to develop and implement, or expand and enhance, a comprehensive, statewide system of community based family resources and support services. Authorized by the Child Abuse Prevention and Treatment Act, 42 U.S.C. et. Seq., as amended, Public Law 104-235.

**STATE OF NEW MEXICO
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NON-MAJOR SPECIAL REVENUE FUNDS**

TITLE XIX MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically- eligible groups. The program is funded by the US government under the Social Security Act, Title XIX, as amended, Public Laws 92-223, 92-602, 93-66, 93-223, 96-499, 97-35 , 97-2248, 98*369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

TANF GRADS

To provide assistance to needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage, to reduce and prevent out of wedlock pregnancies; and to encourage the formation and maintenance of two parent families. Authorized by the Social Security Act Title IV, Part A, as amended, Personal Responsibility Act and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 Balanced Budget Act of 1997, Public Law 105-33.

INDIAN ED FORMULA GRANT

The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.

ENLACE UNM

Programs centered on family and community engagement, student to student mentoring, institution of sound educational policies, development of culturally relevant curricula, and professional development for teachers.

LANL FOUNDATION

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or University.

TECHNOLOGY FOR EDUCATION

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy

**STATE OF NEW MEXICO
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NON-MAJOR SPECIAL REVENUE FUNDS**

Challenge Grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 to 22-15A-10.

BREAKFAST FOR ELEMENTARY STUDENTS

To provide elementary students with the nutrition necessary to facilitate learning.

KINDERGARTEN 3- PLUS

To provide support for the extension of preschool and kindergarten hours.

ASSIST TOBACCO

To provide funds to promote tobacco prevention efforts with youths, parents and community.

NM GEAR UP/USDE

To encourage eligible entities to provide supportive services to elementary and middle schools and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 USD 1070a-21-1070a-28.

PRIVATE DIRECT GRANTS

Various private grants received to assist in enhancing education.

SCHOOL BASED HEALTH CENTER

To enhance school based health centers infrastructure, develop and implement billing protocols, improve communication with school personnel, families, and outside agencies, and improve behavioral health programs.

IMMIGRANT FUNDING- TITLE III

To ensure that limited English proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act(ESEA, as amended, Title III, Part A, Sections 3101, 3129.

GOLDEN APPLE

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

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS**

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 serves, drug prevention education, academic help, and character building (social skills) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

CARL D. PERKINS TECH PREP FUND / CARL D. PERKINS JAG FUND / CARL D. PERKINS SECONDARY REDISTRIBUTION

Basic grants assist states and outlying areas to expand and improve their programs of vocational education and provide equal access to special needs populations. Authorized by Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, Title I, Public Law 105-332, 20 USC 2301, et. seq.

TEACHING AMERICAN HISTORY

The program is designed to raise student achievement by improving teachers' knowledge and understanding of and appreciation for traditional US History. Grant awards will assist LEAs in partnership with entities that have content expertise, to develop, document, evaluate, and disseminate innovative and cohesive models of professional development. By helping teachers to develop a deeper understanding and appreciation of U.S. history as a separate subject matter within the core curriculum, these programs will improve instruction and raise student achievement. Elementary and Secondary Education Act of 1965, as amended, Executive Order Subpart1, Title V, part D, as amended by ESEA, Title II, Part C, American History and Civics Education Act of 2004.

TITLE1-1003G

To strengthen the capacity to carry out program improvement responsibilities require under Sections 1116 and 1117 of Title 1 of the ESEA by (1) building District capacity to provide leadership in implementing effective school improvement strategies for local education agencies (LEAs) and schools that have been identified for improvement, are in corrective action, and are in the restructuring process and (2) providing resources to LEAs to support school improvement activates, including the development and implementation of effective restructuring plans. Authorized by Elementary and Secondary Education Act (ESEA), as amended, Executive Order Section 1003(g), Title1.

ENHANCING EDUCATION

The technology fund provides financing to purchase computers and software for a District-wide student information system and software licensing for computer labs within the District. The Program is funded through the Office of Technology for the State of New Mexico. Authorized by the IASA Improving America School Act PL 103-382

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS**

TITLE III- INCENTIVE AWARDS

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native American Pacific Islander, Native Hawaiian, and Alaskan natives children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skill of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

TITLE V

To assist State and Local educational agencies in the reform of elementary and secondary education. Authorized by the Elementary and Secondary Education Act of 1965, Title V, as amended, 20 U.S.C. 7301-7373

TANF PED

Funding for the TANF Program through the Public Education Department to promote job preparation and work.

OBESITY PROGRAM

To provide for physical activities before and after school.

FULL DAY KINDERGARTEN

To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early approach to teaching reading.

INCENTIVE FOR SCHOOL IMPROVEMENTS

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

SUMMER BRIDGE

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

LIBRARIES GO BOND 2004

Funding made available to update and expand library collections.

INDIAN EDUCATION ACT

To provide technical assistance to NM public schools, school districts and public charter schools with Native American student enrollment.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS**

BEGINNING TEACHER MENTORING

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriation Act.

NEXTGEN PROGRAM

To assist schools in education by enhancing funding.

STATE 21ST CENTURY

To provide (1) opportunities for academic enrichment, including providing tutorial services to help students, particularly student in high poverty areas and those who attend low performing schools, meet State and local student performance standards in core academic subjects such as reading and mathematics;(2) students a broad array of additional services, programs, and activities, such as youth development activities, drug and violence prevention programs, counseling programs, art, music, and recreation programs, technology education programs, and character education programs, that are designed to reinforce and complement the regular academic program of participating students; and (3) families of students served by community learning centers opportunities for literacy and related educational development.

AFTERSCHOOL ENRICHMENT

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

LIBRARIES GO BOND 2006

Funding made available to update and expand library collections.

LIBRARY BOOKS

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

INTEL FOUNDATION

To assist schools in education by reducing the student to teacher ratio.

PNM FOUNDATION

Classroom innovation grant for the purpose of "Books 'N More" Authority for creation is a grant form PNM.

NORTHERN NM NETWORK- RURAL EDUCATION

To account for a grant to purchase software for the STAR early literacy program.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2011**

	IDEA-B Discretionary	Athletics Fund	English Language Acquisition	Entitlement IDEA-B Fund	Preschool IDEA-B Fund
<u>ASSETS</u>					
Pooled Cash and Investments	\$ (9,338)	\$ 40,193	\$ (49,148)	\$ (147,191)	\$ (4,025)
Receivables:					
Delinquent Property Taxes					
Grants	-	-	30,550	201,058	4,025
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	\$ (9,338)	\$ 40,193	\$ (18,598)	\$ 53,867	\$ -
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 53,627	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	-	-	-	53,627	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	(9,338)	40,193	(18,598)	240	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	(9,338)	40,193	(18,598)	240	-
Total Liabilities and Fund Balance	\$ (9,338)	\$ 40,193	\$ (18,598)	\$ 53,867	\$ -

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	Fresh Fruits and Vegetables Fund	Food Service Fund	Preschool IDEA-B Fed Stim	Federal Stimulus SEG	Education Job Fund
<u>ASSETS</u>					
Pooled Cash and Investments	\$ (20,784)	\$ 187,708	\$ (9,363)	\$ -	\$ -
Receivables:					
Delinquent Property Taxes					
Grants		-	9,363	-	-
Due From Other Governments					
Food Inventory	-	59,819	-	-	-
Total Assets	\$ (20,784)	\$ 247,527	\$ -	\$ -	\$ -
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	(20,784)	247,527	-	-	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	(20,784)	247,527	-	-	-
Total Liabilities and Fund Balance	\$ (20,784)	\$ 247,527	\$ -	\$ -	\$ -

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	Teacher Principal Training Recruiting Title I	Safe and Drug Free Schools	Title I School Improvement	Rural and Low Income Schools Fund
<u>ASSETS</u>				
Pooled Cash and Investments	\$ (27,541)	\$ (7,100)	\$ (3,849)	\$ (21,791)
Receivables:				
Delinquent Property Taxes	-	-	-	
Grants	19,792	5,506	3,849	23,323
Due From Other Governments				
Food Inventory	-	-	-	-
Total Assets	\$ (7,749)	\$ (1,594)	\$ -	\$ 1,532
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Deferred Revenue:				
Federal, State and Local Grants				
Delinquent Property Taxes	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balance:				
Reserved:				
Retirement of Long-Term Debt				
Inventories				
Unreserved and Reported in:				
Special Revenue Funds	(7,749)	(1,594)	-	1,532
Capital Projects Funds	-	-	-	-
Total Fund Balance	(7,749)	(1,594)	-	1,532
Total Liabilities and Fund Balance	\$ (7,749)	\$ (1,594)	\$ -	\$ 1,532

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	Title I Federal Stimulus	Northern NM Incentive	Carl D. Perkins Tech Prep	Carl D. Perkins Culinary Fund	Dual Credit Instructional Materials
<u>ASSETS</u>					
Pooled Cash and Investments	\$ (66,923)	\$ 44,090	\$ -	\$ (12,530)	\$ 404
Receivables:					
Delinquent Property Taxes					
Grants	54,202	-	-	12,747	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ (12,721)</u>	<u>\$ 44,090</u>	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ 404</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	(12,721)	44,090	-	217	404
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>(12,721)</u>	<u>44,090</u>	<u>-</u>	<u>217</u>	<u>404</u>
Total Liabilities and Fund Balance	<u>\$ (12,721)</u>	<u>\$ 44,090</u>	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ 404</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	<u>GO Bond Student Library Fund</u>	<u>Entitlement - IDEA B Stimulus Fund</u>	<u>ARRA Solar Energy</u>	<u>Impact Aid Special Education Fund</u>	<u>Impact Aid Indian Education Fund</u>
<u>ASSETS</u>					
Pooled Cash and Investments	\$ (6,761)	\$ (175,012)	\$ -	\$ 170,230	\$ 82,301
Receivables:					
Delinquent Property Taxes					
Grants	6,761	175,490	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ 170,230</u>	<u>\$ 82,301</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	23	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	-	478	-	170,207	82,301
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>478</u>	<u>-</u>	<u>170,207</u>	<u>82,301</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ 170,230</u>	<u>\$ 82,301</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	GRADS Child Care Fund	Title XIX Medicaid Fund	TANF GRADS Fund	Indian Ed. Formula Grant Fund	ENLACE UNM Fund
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 6,556	\$ (39,944)	\$ 13,757	\$ (27,227)	\$ (395)
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
	-	-	-	-	-
Total Assets	\$ 6,556	\$ (39,944)	\$ 13,757	\$ (27,227)	\$ (395)
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	23	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
	-	-	-	-	-
Total Liabilities	-	-	-	23	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	6,556	(39,944)	13,757	(27,250)	(395)
Capital Projects Funds	-	-	-	-	-
	6,556	(39,944)	13,757	(27,250)	(395)
Total Fund Balance	6,556	(39,944)	13,757	(27,250)	(395)
Total Liabilities and Fund Balance	\$ 6,556	\$ (39,944)	\$ 13,757	\$ (27,227)	\$ (395)

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	LANL Foundation Grant	Technology for Education	Breakfast for Elementary Students	Kindergarten 3 Plus	Assist Tobacco DOH
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 1,595	\$ 26,320	\$ (9,897)	\$ 50,595	\$ 12,330
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	2,810	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	\$ 1,595	\$ 26,320	\$ (9,897)	\$ 53,405	\$ 12,330
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	1,595	26,320	(9,897)	53,405	12,330
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	1,595	26,320	(9,897)	53,405	12,330
Total Liabilities and Fund Balance	\$ 1,595	\$ 26,320	\$ (9,897)	\$ 53,405	\$ 12,330

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	NM Gear UP/USDE	Private Direct Grants	School Based Health Center	Immigrant Funding Title III	Golden Apple
<u>ASSETS</u>					
Pooled Cash and Investments	\$ (51,614)	\$ 2,043	\$ (27,566)	\$ (19,711)	\$ 60
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ (51,614)</u>	<u>\$ 2,043</u>	<u>\$ (27,566)</u>	<u>\$ (19,711)</u>	<u>\$ 60</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	(51,614)	2,043	(27,566)	(19,711)	60
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>(51,614)</u>	<u>2,043</u>	<u>(27,566)</u>	<u>(19,711)</u>	<u>60</u>
Total Liabilities and Fund Balance	<u>\$ (51,614)</u>	<u>\$ 2,043</u>	<u>\$ (27,566)</u>	<u>\$ (19,711)</u>	<u>\$ 60</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	21st Century Community Living	Carl D. Perkins Tech Prep Fund	Carl D. Perkins JAG Fund	Carl D. Perkins Secondary Redistribution	Teaching American History Fund
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 8,123	\$ 5,300	\$ 22,058	\$ (8,154)	\$ 6,000
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	\$ 8,123	\$ 5,300	\$ 22,058	\$ (8,154)	\$ 6,000
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	8,123	5,300	22,058	(8,154)	6,000
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	8,123	5,300	22,058	(8,154)	6,000
Total Liabilities and Fund Balance	\$ 8,123	\$ 5,300	\$ 22,058	\$ (8,154)	\$ 6,000

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	Title I 1003A Grant	Enhancing Ed Through Tech	ELL Title III Incentive Awards	Title V Part A
<u>ASSETS</u>				
Pooled Cash and Investments	\$ -	\$ 2,409	\$ (2,466)	\$ 22
Receivables:				
Delinquent Property Taxes				
Grants	-	-	-	-
Due From Other Governments				
Food Inventory	-	-	-	-
Total Assets	\$ -	\$ 2,409	\$ (2,466)	\$ 22
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Deferred Revenue:				
Federal, State and Local Grants				
Delinquent Property Taxes	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balance:				
Reserved:				
Retirement of Long-Term Debt				
Inventories				
Unreserved and Reported in:				
Special Revenue Funds	-	2,409	(2,466)	22
Capital Projects Funds	-	-	-	-
Total Fund Balance	-	2,409	(2,466)	22
Total Liabilities and Fund Balance	\$ -	\$ 2,409	\$ (2,466)	\$ 22

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	TANF PED	Obesity Program PED	TANF Full Day Kindergarten	Incentives for School	Summer Bridge
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 1	\$ 135	\$ 207	\$ 44,234	\$ 107
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ 1</u>	<u>\$ 135</u>	<u>\$ 207</u>	<u>\$ 44,234</u>	<u>\$ 107</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	1	135	207	44,234	107
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>1</u>	<u>135</u>	<u>207</u>	<u>44,234</u>	<u>107</u>
Total Liabilities and Fund Balance	<u>\$ 1</u>	<u>\$ 135</u>	<u>\$ 207</u>	<u>\$ 44,234</u>	<u>\$ 107</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	Libraries - GO Bond 2004	Indian Education Act	Beginning Teacher Mentoring	Nextgen Program	21st Century State
<u>ASSETS</u>					
Pooled Cash and Investments	\$ (2,117)	\$ (162)	\$ 9,934	\$ (1,152)	\$ (480)
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
	-	-	-	-	-
Total Assets	\$ (2,117)	\$ (162)	\$ 9,934	\$ (1,152)	\$ (480)
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds	(2,117)	(162)	9,934	(1,152)	(480)
Capital Projects Funds	-	-	-	-	-
	-	-	-	-	-
Total Fund Balance	(2,117)	(162)	9,934	(1,152)	(480)
Total Liabilities and Fund Balance	\$ (2,117)	\$ (162)	\$ 9,934	\$ (1,152)	\$ (480)

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	After School Enrichment	GO Bond Libraries 2006	2008 Library Book Fund
<u>ASSETS</u>			
Pooled Cash and Investments	\$ -	\$ (8,288)	\$ 972
Receivables:			
Delinquent Property Taxes			
Grants	-	-	-
Due From Other Governments			
Food Inventory	-	-	-
Total Assets	\$ -	\$ (8,288)	\$ 972
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-
Deferred Revenue:			
Federal, State and Local Grants			
Delinquent Property Taxes	-	-	-
Total Liabilities	-	-	-
Fund Balance:			
Reserved:			
Retirement of Long-Term Debt			
Inventories			
Unreserved and Reported in:			
Special Revenue Funds	-	(8,288)	972
Capital Projects Funds	-	-	-
Total Fund Balance	-	(8,288)	972
Total Liabilities and Fund Balance	\$ -	\$ (8,288)	\$ 972

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2011**

	Intel Foundation Grant	PNM Foundation Grant	School Based Health Center (DOH)	Northern NM Network Rural Education	Total
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 3,000	\$ 63	\$ 57,116	\$ 2	\$ 37,336
Receivables:					
Delinquent Property Taxes					-
Grants	-	-	-	-	549,476
Due From Other Governments					-
Food Inventory	-	-	-	-	59,819
Total Assets	<u>\$ 3,000</u>	<u>\$ 63</u>	<u>\$ 57,116</u>	<u>\$ 2</u>	<u>\$ 646,631</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 53,627
Accrued Liabilities	-	-	-	-	46
Deferred Revenue:					
Federal, State and Local Grants					-
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,673</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					-
Inventories					-
Unreserved and Reported in:					
Special Revenue Funds	3,000	63	57,116	2	592,958
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>3,000</u>	<u>63</u>	<u>57,116</u>	<u>2</u>	<u>592,958</u>
Total Liabilities and Fund Balance	<u>\$ 3,000</u>	<u>\$ 63</u>	<u>\$ 57,116</u>	<u>\$ 2</u>	<u>\$ 646,631</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011**

	IDEA-B Discretionary	Athletics Fund	English Language Acquisition	Entitlement IDEA-B Fund	Preschool IDEA-B Fund
Revenues:					
Charges for Services	\$ -	\$ 66,316	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	-
Federal Sources	-	-	92,357	890,527	14,580
Investment and Interest Income	-	-	-	-	-
Total Revenues	-	66,316	92,357	890,527	14,580
Expenditures:					
Direct Instruction	-	-	-	-	-
Instructional Support	9,338	60,928	54,869	770,066	10,752
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	9,338	60,928	54,869	770,066	10,752
Net Change in Fund Balance	(9,338)	5,388	37,488	120,461	3,828
Fund Balance at Beginning of Year	-	35,505	-	-	-
Restatement	-	(700)	(56,086)	(120,221)	(3,828)
Fund Balance at End of Year	<u>\$ (9,338)</u>	<u>\$ 40,193</u>	<u>\$ (18,598)</u>	<u>\$ 240</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Fresh Fruits and Vegetables Fund	Food Service Fund	Preschool IDEA-B Fed Stim	Federal Stimulus SEG	Education Job Fund
Revenues:					
Charges for Services	-	143,882	-	-	-
Local Sources	-	-	-	-	-
State Sources	-	124,030	-	-	-
Federal Sources	64,419	1,646,671	26,087	188,587	524,395
Investment and Interest Income	-	3	-	-	-
Total Revenues	64,419	1,914,586	26,087	188,587	524,395
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	67,209	-	26,087	194,630	524,395
Food Services	-	1,801,696	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	67,209	1,801,696	26,087	194,630	524,395
Net Change in Fund Balance	(2,790)	112,890	-	(6,043)	-
Fund Balance at Beginning of Year	-	106,450	-	-	-
Restatement	(17,994)	28,187	-	6,043	-
Fund Balance at End of Year	<u>\$ (20,784)</u>	<u>\$ 247,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Teach Principal Training Recruiting Title I	Safe and Drug Free Schools	Title I School Improvement	Rural and Low Income Schools Fund
Revenues:				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	305,514	19,253	51,618	119,960
Investment and Interest Income	-	-	-	-
Total Revenues	305,514	19,253	51,618	119,960
EXPENDITURES:				
Direct Instruction	-	-	-	-
Instructional Support	172,872	16,554	5,450	79,306
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	172,872	16,554	5,450	79,306
Net Change in Fund Balance	132,642	2,699	46,168	40,654
Fund Balance at Beginning of Year	-	-	-	-
Restatement	(140,391)	(4,293)	(46,168)	(39,122)
Fund Balance at End of Year	<u>\$ (7,749)</u>	<u>\$ (1,594)</u>	<u>\$ -</u>	<u>\$ 1,532</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Title I Federal Stimulus	Northern NM Incentive	Carl D. Perkins Tech Prep	Carl D. Perkins Culinary Fund	Dual Credit Instructional Materials
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	310,988	-	-	28,782
Federal Sources	341,979	-	-	81,668	-
Investment and Interest Income	-	-	-	-	-
	<u>341,979</u>	<u>310,988</u>	<u>-</u>	<u>81,668</u>	<u>28,782</u>
Total Revenues	341,979	310,988	-	81,668	28,782
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	290,224	141,137	-	31,599	11,379
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>290,224</u>	<u>141,137</u>	<u>-</u>	<u>31,599</u>	<u>11,379</u>
Net Change in Fund Balance	51,755	169,851	-	50,069	17,403
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	<u>(64,476)</u>	<u>(125,761)</u>	<u>-</u>	<u>(49,852)</u>	<u>(16,999)</u>
Fund Balance at End of Year	<u>\$ (12,721)</u>	<u>\$ 44,090</u>	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ 404</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	GO Bond Student Library Fund	Entitlement - IDEA B Stimulus Fund	ARRA Solar Energy	Impact Aid Special Education Fund	Impact Aid Indian Education Fund
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	10,978	-	-	-	-
Federal Sources	-	341,198	300,000	28,255	20,712
Investment and Interest Income	-	-	-	-	-
Total Revenues	10,978	341,198	300,000	28,255	20,712
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	9,329	330,680	300,000	10,506	17,269
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	9,329	330,680	300,000	10,506	17,269
Net Change in Fund Balance	1,649	10,518	-	17,749	3,443
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	(1,649)	(10,040)	-	152,458	78,858
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ 170,207</u>	<u>\$ 82,301</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	GRADS Child Care Fund	Title XIX Medicaid Fund	TANF GRADS Fund	Indian Ed. Formula Grant Fund	ENLACE UNM Fund
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	8,000
Federal Sources	1,000	112,219	2,000	48,470	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	1,000	112,219	2,000	48,470	8,000
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	114,303	-	45,141	9,235
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	114,303	-	45,141	9,235
Net Change in Fund Balance	1,000	(2,084)	2,000	3,329	(1,235)
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	5,556	(37,860)	11,757	(30,579)	840
Fund Balance at End of Year	<u>\$ 6,556</u>	<u>\$ (39,944)</u>	<u>\$ 13,757</u>	<u>\$ (27,250)</u>	<u>\$ (395)</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (continued)
 FOR THE YEAR ENDED JUNE 30, 2011**

	LANL Foundation Grant	Technology for Education	Breakfast for Elementary Students	Kindergarten 3 Plus	Assist Tobacco DOH
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	49,302	34	25,436	247,040	27,127
Federal Sources	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	49,302	34	25,436	247,040	27,127
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	50,644	1,525	18,335	247,040	22,472
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	50,644	1,525	18,335	247,040	22,472
Net Change in Fund Balance	(1,342)	(1,491)	7,101	-	4,655
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	2,937	27,811	(16,998)	53,405	7,675
Fund Balance at End of Year	\$ 1,595	\$ 26,320	\$ (9,897)	\$ 53,405	\$ 12,330

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	NM Gear UP/USDE	Private Direct Grants	School Based Health Center	Immigrant Funding Title III	Golden Apple
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	4,559	-	-	-
State Sources	115,689	31,034	144,200	-	-
Federal Sources	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	115,689	35,593	144,200	-	-
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	92,694	35,493	161,892	-	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	92,694	35,493	161,892	-	-
Net Change in Fund Balance	22,995	100	(17,692)	-	-
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	(74,609)	1,943	(9,874)	(19,711)	60
Fund Balance at End of Year	\$ (51,614)	\$ 2,043	\$ (27,566)	\$ (19,711)	\$ 60

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	21st Century Community Living	Carl D. Perkins Tech Prep Fund	Carl D. Perkins JAG Fund	Carl D. Perkins Secondary Redistributio n	Teaching American History Fund
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	-	-	-	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	8,123	5,300	22,058	(8,154)	6,000
Fund Balance at End of Year	\$ 8,123	\$ 5,300	\$ 22,058	\$ (8,154)	\$ 6,000

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Title I 1003A Grant	Enhancing Ed Through Tech	ELL Title III Incentive Awards	Title V Part A
Revenues:				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	4,774	-	77	-
Investment and Interest Income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,774	-	77	-
EXPENDITURES:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-	-	-
Net Change in Fund Balance	4,774	-	77	-
Fund Balance at Beginning of Year	-	-	-	-
Restatement	(4,774)	2,409	(2,543)	22
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 2,409</u>	<u>\$ (2,466)</u>	<u>\$ 22</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (continued)
 FOR THE YEAR ENDED JUNE 30, 2011**

	TANF PED	Obesity Program PED	TANF Full Day Kindergarten	Incentives for School	Summer Bridge
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	-	-	-	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	1	135	207	44,234	107
Fund Balance at End of Year	\$ 1	\$ 135	\$ 207	\$ 44,234	\$ 107

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Libraries - GO Bond 2004	Indian Education Act	Beginning Teacher Mentoring	Nextgen Program	21st Century State
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	-	-	-	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	(2,117)	(162)	9,934	(1,152)	(480)
Fund Balance at End of Year	\$ (2,117)	\$ (162)	\$ 9,934	\$ (1,152)	\$ (480)

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (continued)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>After School Enrichment</u>	<u>GO Bond Libraries 2006</u>	<u>2008 Library Book Fund</u>
<u>Revenues:</u>			
Charges for Services	\$ -	\$ -	\$ -
Local Sources	-	-	-
State Sources	6,430	-	-
Federal Sources	-	-	-
Investment and Interest Income	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	6,430	-	-
EXPENDITURES:			
Direct Instruction	-	-	-
Instructional Support	-	-	-
Food Services	-	-	-
Capital Outlay	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-	-
Net Change in Fund Balance	6,430	-	-
Fund Balance at Beginning of Year	-	-	-
Restatement	(6,430)	(8,288)	972
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (8,288)</u>	<u>\$ 972</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Intel Foundation Grant	PNM Foundation Grant	School Based Health Center (DOH)	Northern NM Network Rural Education	Total
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 210,198
Local Sources	-	-	-	-	4,559
State Sources	-	-	-	-	1,129,070
Federal Sources	-	-	-	-	5,226,320
Investment and Interest Income	-	-	-	-	3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	-	-	6,570,150
EXPENDITURES:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	-	-	-	3,933,353
Food Services	-	-	-	-	1,801,696
Capital Outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-	-	-	5,735,049
Net Change in Fund Balance	-	-	-	-	835,101
Fund Balance at Beginning of Year	-	-	-	-	141,955
Restatement	3,000	63	57,116	2	(384,098)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	\$ 3,000	\$ 63	\$ 57,116	\$ 2	\$ 592,958

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – IDEA-B DISCRETIONARY
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	9,338	(9,338)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>9,338</u>	<u>(9,338)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,338)</u>	<u>\$ 9,338</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ATHLETIC FUND
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 66,316	\$ 66,316
Local Sources	-		-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>66,316</u>	<u>66,316</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	61,512	61,512	60,928	584
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>61,512</u>	<u>61,512</u>	<u>60,928</u>	<u>584</u>
Revenues Over (Under) Expenditures	<u>\$ (61,512)</u>	<u>\$ (61,512)</u>	<u>\$ 5,388</u>	<u>\$ 65,732</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ENGLISH LANGUAGE ACQUISITION
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	42,334	42,334	92,357	50,023
Investment and Interest Income	-	-	-	-
Total Revenues	<u>42,334</u>	<u>42,334</u>	<u>92,357</u>	<u>50,023</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	42,334	42,334	54,869	(12,535)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>42,334</u>	<u>42,334</u>	<u>54,869</u>	<u>(12,535)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,488</u>	<u>\$ 62,558</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ENTITLEMENT IDEA-B
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			890,527	890,527
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>890,527</u>	<u>890,527</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	770,066	(770,066)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>770,066</u>	<u>(770,066)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,461</u>	<u>\$ 1,660,593</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – PRESCHOOL IDEA-B
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	8,128	8,128	14,580	6,452
Investment and Interest Income	-	-	-	-
Total Revenues	<u>8,128</u>	<u>8,128</u>	<u>14,580</u>	<u>6,452</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	8,128	8,128	10,752	(2,624)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,128</u>	<u>8,128</u>	<u>10,752</u>	<u>(2,624)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,828</u>	<u>\$ 9,076</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – FRESH FRUITS IN CLASSROOM
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			64,419	64,419
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>64,419</u>	<u>64,419</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	67,209	(67,209)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>67,209</u>	<u>(67,209)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,790)</u>	<u>\$ 131,628</u>

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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – FOOD SERVICES
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 143,882	\$ 143,882
Local Sources	167,000	167,000	-	(167,000)
State Sources	125,000	125,000	124,030	(970)
Federal Sources	1,565,927	1,565,927	1,646,671	80,744
Investment and Interest Income	79,000	79,000	3	(78,997)
Total Revenues	<u>1,936,927</u>	<u>1,936,927</u>	<u>1,914,586</u>	<u>(22,341)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	1,994,010	1,994,010	1,801,696	192,314
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,994,010</u>	<u>1,994,010</u>	<u>1,801,696</u>	<u>192,314</u>
Revenues Over (Under) Expenditures	<u>\$ (57,083)</u>	<u>\$ (57,083)</u>	<u>\$ 112,890</u>	<u>\$ (214,655)</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – PRESCHOOL IDEA-B FEDERAL
STIMULUS
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			26,087	26,087
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>26,087</u>	<u>26,087</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	26,087	(26,087)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>26,087</u>	<u>(26,087)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,174</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – FEDERAL STIMULUS SEG
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources	746	746	-	(746)
Federal Sources	193,859	193,859	188,587	(5,272)
Investment and Interest Income	-	-	-	-
Total Revenues	<u>194,605</u>	<u>194,605</u>	<u>188,587</u>	<u>(6,018)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	194,605	194,605	194,630	(25)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>194,605</u>	<u>194,605</u>	<u>194,630</u>	<u>(25)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,043)</u>	<u>\$ (5,993)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – EDUCATION JOB FUND
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			524,395	524,395
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>524,395</u>	<u>524,395</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	524,395	(524,395)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>524,395</u>	<u>(524,395)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,048,790</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – TEACHER PRINCIPAL TRAINING AND
RECRUITING TITLE I
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	254,894	254,894	305,514	50,620
Investment and Interest Income	-	-	-	-
Total Revenues	<u>254,894</u>	<u>254,894</u>	<u>305,514</u>	<u>50,620</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	254,894	254,894	172,872	82,022
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>254,894</u>	<u>254,894</u>	<u>172,872</u>	<u>82,022</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,642</u>	<u>\$ (31,402)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – SAFE AND DRUG-FREE SCHOOLS
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			19,253	19,253
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>19,253</u>	<u>19,253</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	16,554	(16,554)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>16,554</u>	<u>(16,554)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,699</u>	<u>\$ 35,807</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – TITLE I SCHOOL IMPROVEMENT
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			51,618	51,618
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>51,618</u>	<u>51,618</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	5,450	(5,450)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>5,450</u>	<u>(5,450)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,168</u>	<u>\$ 57,068</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – RURAL AND LOW INCOME SCHOOLS
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			119,960	119,960
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>119,960</u>	<u>119,960</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	79,306	(79,306)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>79,306</u>	<u>(79,306)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,654</u>	<u>\$ 199,266</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – TITLE I FEDERAL STIMULUS
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	300,000	300,000	341,979	41,979
Investment and Interest Income	-	-	-	-
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>341,979</u>	<u>41,979</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	300,000	300,000	290,224	9,776
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>300,000</u>	<u>300,000</u>	<u>290,224</u>	<u>9,776</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,755</u>	<u>\$ 32,203</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – NORTHERN NM NETWORK TEACHER
INCENTIVE
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			310,988	310,988
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>310,988</u>	<u>310,988</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	141,137	(141,137)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>141,137</u>	<u>(141,137)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,851</u>	<u>\$ 452,125</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – CARL PERKINS TECH PREP
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – CARL PERKINS SECONDARY
CULINARY
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			81,668	81,668
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>81,668</u>	<u>81,668</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	31,599	(31,599)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>31,599</u>	<u>(31,599)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,069</u>	<u>\$ 113,267</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – DUAL CREDIT INSTRUCTIONAL
MATERIALS
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			28,782	28,782
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>28,782</u>	<u>28,782</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	11,379	(11,379)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>11,379</u>	<u>(11,379)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,403</u>	<u>\$ 40,161</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – GO BOND STUDENT LIBRARY FUND
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			10,978	10,978
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>10,978</u>	<u>10,978</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	9,329	(9,329)
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>9,329</u>	<u>(9,329)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,649</u>	<u>\$ 20,307</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ENTITLEMENT IDEA-B FEDERAL
 STIMULUS
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	147,068	147,068	341,198	194,130
Investment and Interest Income	-	-	-	-
Total Revenues	<u>147,068</u>	<u>147,068</u>	<u>341,198</u>	<u>194,130</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	147,068	147,068	330,680	(183,612)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>147,068</u>	<u>147,068</u>	<u>330,680</u>	<u>(183,612)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,518</u>	<u>\$ 377,742</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ARRA SOLAR ENERGY
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			300,000	300,000
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	300,000	(300,000)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>(300,000)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600,000</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – IMPACT AID SPECIAL EDUCATION
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	21,600	21,600	28,255	6,655
Investment and Interest Income	-	-	-	-
Total Revenues	<u>21,600</u>	<u>21,600</u>	<u>28,255</u>	<u>6,655</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	36,640	36,640	10,506	26,134
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>36,640</u>	<u>36,640</u>	<u>10,506</u>	<u>26,134</u>
Revenues Over (Under) Expenditures	<u>\$ (15,040)</u>	<u>\$ (15,040)</u>	<u>\$ 17,749</u>	<u>\$ (19,479)</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – IMPACT AID INDIAN EDUCATION
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	8,744	8,744	20,712	11,968
Investment and Interest Income	-	-	-	-
Total Revenues	<u>8,744</u>	<u>8,744</u>	<u>20,712</u>	<u>11,968</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	8,744	8,744	17,269	(8,525)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,744</u>	<u>8,744</u>	<u>17,269</u>	<u>(8,525)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,443</u>	<u>\$ 20,493</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – GRADS CHILD CARE FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			1,000	1,000
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – TITLE XIX MEDICAID FUND
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	123,525	123,525	112,219	(11,306)
Investment and Interest Income	-	-	-	-
Total Revenues	<u>123,525</u>	<u>123,525</u>	<u>112,219</u>	<u>(11,306)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	123,525	123,525	114,303	9,222
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>123,525</u>	<u>123,525</u>	<u>114,303</u>	<u>9,222</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,084)</u>	<u>\$ (20,528)</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – TANF GRADS FUND
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			2,000	2,000
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – INDIAN EDUCATION FORMULA GRANT
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	46,740	46,740	48,470	1,730
Investment and Interest Income	-	-	-	-
Total Revenues	<u>46,740</u>	<u>46,740</u>	<u>48,470</u>	<u>1,730</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	46,740	46,740	45,141	1,599
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>46,740</u>	<u>46,740</u>	<u>45,141</u>	<u>1,599</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,329</u>	<u>\$ 131</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ENLACE UNM
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			8,000	8,000
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	9,235	(9,235)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>9,235</u>	<u>(9,235)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,235)</u>	<u>\$ 17,235</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – LANL FOUNDATION
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			49,302	49,302
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>49,302</u>	<u>49,302</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	50,644	(50,644)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>50,644</u>	<u>(50,644)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,342)</u>	<u>\$ 99,946</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – TECHNOLOGY FOR EDUCATION PED
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			34	34
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	1,525	(1,525)
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,525</u>	<u>(1,525)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,491)</u>	<u>\$ 1,559</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – BREAKFAST FOR ELEMENTARY
STUDENTS
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			25,436	25,436
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>25,436</u>	<u>25,436</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	18,335	(18,335)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>18,335</u>	<u>(18,335)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,101</u>	<u>\$ 43,771</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – KINDERGARTEN 3 PLUS
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources	244,357	244,357	247,040	2,683
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>244,357</u>	<u>244,357</u>	<u>247,040</u>	<u>2,683</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	244,357	244,357	247,040	(2,683)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>244,357</u>	<u>244,357</u>	<u>247,040</u>	<u>(2,683)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,366</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ASSIST TOBACCO DOH
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			27,127	27,127
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>27,127</u>	<u>27,127</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	22,472	(22,472)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>22,472</u>	<u>(22,472)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,655</u>	<u>\$ 49,599</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – NM GEAR UP/USDE
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			115,689	115,689
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>115,689</u>	<u>115,689</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	92,694	(92,694)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>92,694</u>	<u>(92,694)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,995</u>	<u>\$ 208,383</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – PRIVATE DIRECT GRANTS
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources	46,100	46,100	4,559	(41,541)
State Sources			31,034	31,034
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>46,100</u>	<u>46,100</u>	<u>35,593</u>	<u>(10,507)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	46,100	46,100	35,493	10,607
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>46,100</u>	<u>46,100</u>	<u>35,493</u>	<u>10,607</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (21,114)</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – SCHOOL BASED HEALTH CENTER
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			144,200	144,200
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>144,200</u>	<u>144,200</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	161,892	(161,892)
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>161,892</u>	<u>(161,892)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,692)</u>	<u>\$ 306,092</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – IMMIGRANT FUNDING TITLE III
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – GOLDEN APPLE FOUNDATION OF
NORTHERN NM
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – 21ST CENTURY DISCOVERY FEDERAL
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – CARL PERKINS TECH PREP
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – CARL PERKINS JAG
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – CARL PERKINS SECONDARY
REDISTRIBUTION
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – TEACHING AMERICAN HISTORY
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – TITLE I 1003 A GRANT
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			4,774	4,774
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>4,774</u>	<u>4,774</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,774</u>	<u>\$ 4,774</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – ENHANCING EDUCATION THROUGH
TECHNOLOGY
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – ELL TITLE III INCENTIVE AWARDS
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			77	77
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 77</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – TITLE V PART A INNOVATIVE
EDUCATION
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – TANF PED SCHOOL AGE CHILD CARE
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – OBESITY PROGRAM PED
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – TANF FULL DAY KINDERGARTEN
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – INCENTIVES FOR SCHOOL
IMPROVEMENT
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – SUMMER BRIDGE
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – LIBRARIES GO BOND 2004
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – INDIAN EDUCATION ACT
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – BEGINNING TEACHER MENTORING
 PROGRAM**

**STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	-	-	-	-
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – NEXTGEN PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – 21ST CENTURY STATE
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – AFTER SCHOOL ENRICHMENT
PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			6,430	6,430
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>6,430</u>	<u>6,430</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	6,430	(6,430)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>6,430</u>	<u>(6,430)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,860</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – GO BOND LIBRARIES 2006
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – 2008 LIBRARY BOOK FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR SPECIAL REVENUE FUND – INTEL FOUNDATION
 STATEMENT OF REVENUES AND EXPENDITURES –
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – PNM FOUNDATION
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – SCHOOL-BASED HEALTH CENTER
(DOH)
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR SPECIAL REVENUE FUND – NORTHERN NM NETWORK FOR
RURAL EDUCATION
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR CAPITAL PROJECTS FUNDS**

SPECIAL CAPITAL OUTLAY – LOCAL

This fund provides financing from local revenues for the construction and improvements to District buildings and facilities.

SPECIAL CAPITAL OUTLAY – STATE

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

CAPITAL IMPROVEMENTS SB-9

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

ED TECHNOLOGY EQUIPMENT ACT

Funded from the issuance of Educational Technology Notes to enable the District to acquire educational technology equipment for learning and administrative use in schools and related facilities, and improving related real and personal property to accommodate education technology equipment or any combination thereof. The repayment of the notes is accounted for in the Debt Service Fund.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2011**

	Special Capital Outlay - Local Fund	Special Capital Outlay State Fund	Capital Improvements SB-9 Fund	Ed. Technology Equipment Act Fund	Total Non- Major Capital Projects Funds
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 1	\$ -	\$ 2,795,066	\$ 357,031	\$ 3,152,098
Receivables:					
Delinquent Property Taxes			56,347		56,347
Grants			-		-
Due From Other Governments					-
Food Inventory	-	-	-	-	-
Total Assets	\$ 1	\$ -	\$ 2,851,413	\$ 357,031	\$ 3,208,445
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue:					
Federal, State and Local Grants					
Delinquent Property Taxes	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
Special Revenue Funds					
Capital Projects Funds	1	-	2,851,413	357,031	3,208,445
Total Fund Balance	1	-	2,851,413	357,031	3,208,445
Total Liabilities and Fund Balance	\$ 1	\$ -	\$ 2,851,413	\$ 357,031	\$ 3,208,445

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011**

	Special Capital Outlay - Local Fund	Special Capital Outlay - State Fund	Capital Improvements SB-9 Fund	Ed Technology Equipment Act Fund	Total Non- Major Capital Projects Funds
Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Local Sources	-	-	2,074,618	-	2,074,618
State Sources	-	25,000	129,936	100,307	255,243
Federal Sources	-	-	-	-	-
Earnings from Investments	-	-	-	-	-
Total Revenues	-	25,000	2,204,554	100,307	2,329,861
Expenditures:					
Current:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	-	-	-	-
Food Services	-	-	-	-	-
Capital Outlay	32,152	25,000	1,575,600	281,992	1,914,744
Debt Service:					
Bonds	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	32,152	25,000	1,575,600	281,992	1,914,744
Net Change in Fund Balance	(32,152)	-	628,954	(181,685)	415,117
Fund Balance, Beginning of Year	32,153	-	2,267,442	538,715	2,838,310
Restatement	-	-	(44,983)	1	(44,982)
Fund Balance, End of Year	1	-	2,851,413	357,031	3,208,445

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR CAPITAL PROJECTS FUND – SPECIAL CAPITAL OUTLAY - LOCAL
 COMBINING STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND
 ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes			\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources			-	-
State Sources	-	-	-	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	32,152	32,152	32,152	-
Debt Service:				
Bonds	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>32,152</u>	<u>32,152</u>	<u>32,152</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ (32,152)</u>	<u>\$ (32,152)</u>	<u>\$ (32,152)</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR CAPITAL PROJECTS FUND – SPECIAL CAPITAL OUTLAY - STATE
 COMBINING STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND
 ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes			\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources			-	-
State Sources	25,000	25,000	25,000	-
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	25,000	25,000	25,000	-
Debt Service:				-
Bonds	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR CAPITAL PROJECTS FUND – CAPITAL IMPROVEMENTS SB-9
 COMBINING STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND
 ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes			\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	2,027,599	2,027,599	2,074,618	47,019
State Sources	62,059	62,059	129,936	67,877
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>2,089,658</u>	<u>2,089,658</u>	<u>2,204,554</u>	<u>114,896</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	3,050,000	3,050,000	1,575,600	1,474,400
Debt Service:				-
Bonds	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>3,050,000</u>	<u>3,050,000</u>	<u>1,575,600</u>	<u>1,474,400</u>
Revenues Over (Under) Expenditures	<u>\$ (960,342)</u>	<u>\$ (960,342)</u>	<u>\$ 628,954</u>	<u>\$ (1,359,504)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR CAPITAL PROJECTS FUND – ED. TECHNOLOGY EQUIPMENT ACT
 COMBINING STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND
 ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes			\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	3,000	3,000	-	(3,000)
State Sources			100,307	100,307
Federal Sources			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>100,307</u>	<u>97,307</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	527,413	527,413	281,992	245,421
Debt Service:				-
Bonds	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>527,413</u>	<u>527,413</u>	<u>281,992</u>	<u>245,421</u>
Revenues Over (Under) Expenditures	<u>\$ (524,413)</u>	<u>\$ (524,413)</u>	<u>\$ (181,685)</u>	<u>\$ (148,114)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR DEBT SERVICE FUNDS**

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

Education Technology Bonds – To account for resources received for the purpose of paying technology bonds and interest coupons. Funds are received from property taxes levied against property located within the school district and levied specifically for this purpose.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2011**

	<u>Debt Services Fund</u>	<u>Ed Tech Debt Service Fund</u>	<u>Total Debt Services Funds</u>
<u>ASSETS</u>			
Pooled Cash and Investments	\$ 2,091,460	\$ 892,708	\$ 2,984,168
Receivables:			
Delinquent Property Taxes	65,733	22,168	87,901
Grants	-	-	-
Due From Other Governments			-
Food Inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,157,193</u>	<u>\$ 914,876</u>	<u>\$ 3,072,069</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenue:			
Federal, State and Local Grants			-
Delinquent Property Taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Reserved:			
Retirement of Long-Term Debt	2,157,193	914,876	3,072,069
Inventories			-
Unreserved and Reported in:			
Special Revenue Funds			-
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>2,157,193</u>	<u>914,876</u>	<u>3,072,069</u>
Total Liabilities and Fund Balance	<u>\$ 2,157,193</u>	<u>\$ 914,876</u>	<u>\$ 3,072,069</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011**

	Debt Services Fund	Ed Tech Debt Service Fund	Total Non-major Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
<u>Revenues:</u>			
Property Taxes	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Local Sources	2,858,865	669,907	3,528,772
State Sources	-	-	-
Federal Sources	-	-	-
Earnings from Investments	499	118	617
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	2,859,364	670,025	3,529,389
<u>Expenditures:</u>			
Current:			
Direct Instruction	-	-	-
Instructional Support	-	-	-
Food Services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Bonds	772,931	631,477	1,404,408
Interest	984,342	62,238	1,046,580
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	1,757,273	693,715	2,450,988
Net Change in Fund Balance	1,102,091	(23,690)	1,078,401
Fund Balance, Beginning of Year	1,086,990	822,343	1,909,333
Restatement	(31,888)	116,223	84,335
	<u> </u>	<u> </u>	<u> </u>
Fund Balance, End of Year	2,157,193	914,876	3,072,069

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
 NON-MAJOR DEBT SERVICE FUND DEBT SERVICE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	2,009,244	2,009,244	2,858,865	849,621
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Investment and Interest Income	-	-	499	499
Total Revenues	<u>2,009,244</u>	<u>2,009,244</u>	<u>2,859,364</u>	<u>850,120</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				-
Bonds	2,817,622	2,817,662	772,931	2,044,731
Interest	-	-	984,342	(984,342)
Total Expenditures	<u>2,817,622</u>	<u>2,817,662</u>	<u>1,757,273</u>	<u>1,060,389</u>
Revenues Over (Under) Expenditures	<u>\$ (808,378)</u>	<u>\$ (808,418)</u>	<u>\$ 1,102,091</u>	<u>\$ (210,269)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
NON-MAJOR DEBT SERVICE FUND ED. TECHNOLOGY EQUIPMENT ACT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Property Taxes			\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	687,470	687,470	669,907	(17,563)
State Sources			-	-
Federal Sources			-	-
Investment and Interest Income	-	-	118	118
Total Revenues	<u>687,470</u>	<u>687,470</u>	<u>670,025</u>	<u>(17,445)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Debt Service:				-
Bonds	1,360,116	1,360,116	631,477	728,639
Interest	-	-	62,238	(62,238)
Total Expenditures	<u>1,360,116</u>	<u>1,360,116</u>	<u>693,715</u>	<u>666,401</u>
Revenues Over (Under) Expenditures	<u>\$ (672,646)</u>	<u>\$ (672,646)</u>	<u>\$ (23,690)</u>	<u>\$ (683,846)</u>

See Independent Auditors' Report

COMPONENT UNIT INFORMATION

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
COMBINING STATEMENTS OF NET ASSETS – ALL COMPONENT UNITS
JUNE 30, 2011**

	<u>Anansi Charter</u>	<u>Taos Charter</u>	<u>Vista Grande Charter</u>	<u>Total</u>
ASSETS				
Cash	\$ 524,952	\$ 218,230	\$ 372,138	\$ 1,115,320
Accounts Receivable	99,882	-		99,882
Due From Grantor	-	62,307	18,406	80,713
Prepaid Assets (Current Portion)	46,584	-	-	46,584
Total Current Assets	<u>671,418</u>	<u>280,537</u>	<u>390,544</u>	<u>1,342,499</u>
Capital Assets, Net	2,518,774	1,839,618	12,975	4,371,367
Prepaid Assets	838,394	-	-	838,394
Total Non-Current Assets	<u>3,357,168</u>	<u>1,839,618</u>	<u>12,975</u>	<u>5,209,761</u>
Total Assets	<u>\$ 4,028,586</u>	<u>\$ 2,120,155</u>	<u>\$ 403,519</u>	<u>\$ 6,552,260</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 13,684	3,653	\$ -	\$ 17,337
Accrued Liabilities	25,147	150,937	-	176,084
Due to Other Funds	163,713	-	-	163,713
Deferred Revenue	46,584	42,860	6,183	95,627
Deferred Lease Income	-	-		-
Current Portion of Long-Term Debt	27,825	125,420	-	153,245
Total Current Liabilities	<u>276,953</u>	<u>322,870</u>	<u>6,183</u>	<u>606,006</u>
Long-Term Debt	1,716,983	94,806	-	1,811,789
Deferred Lease Income	838,394	-	-	838,394
Total Long-Term Liabilities	<u>2,555,377</u>	<u>94,806</u>	<u>-</u>	<u>2,650,183</u>
Total Liabilities	<u>\$ 2,832,330</u>	<u>\$ 417,676</u>	<u>\$ 6,183</u>	<u>\$ 3,256,189</u>
NET ASSETS				
Invested in Capital Assets, Net	1,652,555	1,619,392	12,975	3,284,922
Restricted for Capital Projects	884,978	-		884,978
Unrestricted	(1,341,277)	83,087	384,361	(873,829)
Total Net Assets	<u>1,196,256</u>	<u>1,702,479</u>	<u>397,336</u>	<u>3,296,071</u>
Total Liabilities and Net Assets	<u>\$ 4,028,586</u>	<u>\$ 2,120,155</u>	<u>\$ 403,519</u>	<u>\$ 6,552,260</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
COMBINING STATEMENT OF ACTIVITIES – ALL COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2011**

Functions and Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units:					
Anansi Charter School	\$ 1,249,782	\$ 226,908	\$ 1,204,759	\$ 1,043	182,928
Taos Charter School	1,603,823	22,674	1,661,626	157	80,634
Vista Grande High School	1,219,450	2,827	1,331,349	-	114,726
Total Component Units	\$ 4,073,055	\$ 252,409	\$ 4,197,734	\$ 1,200	195,360
General Revenues					
Property Taxes					
General Purpose					
Debt Service					
Capital Projects					
Grants and Contributions - Not Restricted					
Unrestricted Investment Earnings					
					-
Total General Revenues					-
Gain on Disposal of Capital Assets					
					-
Change in Net Assets					195,360
Beginning Net Assets as Reported					3,302,485
Restatement					(201,774)
Beginning Net Assets as Restated					3,100,711
Ending Net Assets					\$ 3,296,071

See Independent Auditors' Report

ANANSI CHARTER

OPERATING FUND – This fund is the chief operating fund of the District. It is used to account for all financial resources of the District except for those required to be accounted for in other funds.

INSTRUCTIONAL MATERIALS FUND – This fund is used to account for resources received from the Public Education Department to be used for the purchase of materials used as a basis of instruction.

TITLE I IASA) - To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

ENTITLEMENT IDEA-B - The Entitlement IDEA-B program is to provide grants to states that flow through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 619, as amended, 20 U.S.C. 1711-1417 and 1420.

ENTITLEMENT IDEA – B- STIMULUS - Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and , in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2009(ARRA), Public Law 111-5.

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

EDUCATION JOB FUND – Funding received to promote jobs and education for all students.

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

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

ANANSI CHARTER

BOND BUILDING FUND - This fund provides financing for the construction of buildings, the purchase of equipment and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds which have been approved by the voters of the District.

CAPITAL IMPROVEMENTS SB-9 - This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

ED TECHNOLOGY EQUIPMENT ACT - Funded from the issuance of Educational Technology Notes to enable the District to acquire educational technology equipment for learning and administrative use in schools and related facilities, and improving related real and personal property to accommodate education technology equipment or any combination thereof. The repayment of the notes is accounted for in the Debt Service Fund.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	<u>Anansi Charter</u>	<u>Friends of Anansi Charter School</u>	<u>Total</u>
ASSETS			
Cash	\$ 202,361	\$ 322,591	\$ 524,952
Accounts Receivable	35,960	63,922	99,882
Due From Grantor	-	-	-
Prepaid Assets (Current Portion)	<u>46,584</u>	<u>-</u>	<u>46,584</u>
Total Current Assets	284,905	386,513	671,418
Capital Assets, Net	43,296	2,475,478	2,518,774
Prepaid Assets	<u>838,394</u>	<u>-</u>	<u>838,394</u>
Total Non-Current Assets	<u>881,690</u>	<u>2,475,478</u>	<u>3,357,168</u>
Total Assets	<u>\$ 1,166,595</u>	<u>\$ 2,861,991</u>	<u>\$ 4,028,586</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 3,824	\$ 9,860	\$ 13,684
Accrued Liabilities	22,877	2,270	25,147
Due to Other Funds	17,980	145,733	163,713
Deferred Revenue	-	46,584	46,584
Deferred Lease Income	-	-	-
Current Portion of Long-Term Debt	<u>-</u>	<u>27,825</u>	<u>27,825</u>
Total Current Liabilities	44,681	232,272	276,953
Long-Term Debt	-	1,716,983	1,716,983
Deferred Lease Income	<u>-</u>	<u>838,394</u>	<u>838,394</u>
Total Long-Term Liabilities	<u>-</u>	<u>2,555,377</u>	<u>2,555,377</u>
Total Liabilities	<u>\$ 44,681</u>	<u>\$ 2,787,649</u>	<u>\$ 2,832,330</u>
NET ASSETS			
Invested in Capital Assets, Net	43,296	1,609,259	1,652,555
Restricted for Capital Projects	884,978	-	884,978
Unrestricted	<u>193,640</u>	<u>(1,534,917)</u>	<u>(1,341,277)</u>
Total Net Assets	<u>1,121,914</u>	<u>74,342</u>	<u>1,196,256</u>
Total Liabilities and Net Assets	<u>\$ 1,166,595</u>	<u>\$ 2,861,991</u>	<u>\$ 4,028,586</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Functions and Programs	Expenses	Program Revenues			Net (Expenses)	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets	Component Units
FUNCTIONS AND PROGRAMS						
EXPENSES:						
Governmental Activities:						
Direct Instruction	\$ 1,001,454	\$ 24,701	\$ 1,171,551	\$ -	194,798	
Instructional Support	57,936	-	-	-	(57,936)	
Depreciation Expense	6,187	-	-	-	(6,187)	
Total	<u>\$ 1,065,577</u>	<u>\$ 24,701</u>	<u>\$ 1,171,551</u>	<u>\$ -</u>	<u>\$ 130,675</u>	
Component Units:	<u>\$ 184,205</u>	<u>\$ 202,207</u>	<u>\$ 33,208</u>	<u>\$ 1,043</u>		52,253
Total	<u>\$ 1,249,782</u>	<u>\$ 226,908</u>	<u>\$ 1,204,759</u>	<u>\$ 1,043</u>		
General Revenues						
Property Taxes						
General Purpose						
Debt Service						
Capital Projects						
Grants and Contributions - Not Restricted						
Unrestricted Investment Earnings					263	-
Total General Revenues					263	-
Gain on Disposal of Capital Assets					-	-
Change in Net Assets					130,938	52,253
Beginning Net Assets					1,148,712	44,038
Restatement					(157,736)	(21,949)
Ending Net Assets					<u>\$ 1,121,914</u>	<u>\$ 74,342</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
BALANCE SHEET – ALL GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General Fund				Entitlement IDEA-B Federal Stimulus
	Operational	Instructional Materials	Title I - IASA	Entitlement IDEA-B Fund	
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 191,618	\$ 10,552	\$ -	\$ -	\$ -
Receivables:					
Delinquent Property Taxes	17,980				
Grants		-	3,300	14,680	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	\$ 209,598	\$ 10,552	\$ 3,300	\$ 14,680	\$ -
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 3,824	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	22,877	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants Due to Operational Fund	-	-	3,300	14,680	-
Total Liabilities	26,701	-	3,300	14,680	-
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
General Fund	182,897	10,552	-	-	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	182,897	10,552	-	-	-
Total Liabilities and Fund Balance	\$ 209,598	\$ 10,552	\$ 3,300	\$ 14,680	\$ -

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
BALANCE SHEET – ALL GOVERNMENTAL FUNDS (continued)
JUNE 30, 2011**

	<u>Federal Stimulus SEG</u>	<u>Education Job Fund</u>	<u>GO Bond Student Library Fund</u>	<u>Technology for Education PED</u>	<u>Bond Building Fund</u>
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 191	\$ -	\$ -	\$ -	\$ -
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants					
Due to Operational Fund	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
General Fund	191	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
BALANCE SHEET – ALL GOVERNMENTAL FUNDS (continued)
JUNE 30, 2011**

	Capital Improvements SB-9	Ed. Technology Equipment Act	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Pooled Cash and Investments	\$ -	\$ -	\$ 202,361
Receivables:			
Delinquent Property Taxes			17,980
Grants	-	-	17,980
Due From Other Governments			-
Food Inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,321</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 3,824
Accrued Liabilities	-	-	22,877
Deferred Revenue:			
Federal, State and Local Grants			-
Due to Operational Fund	<u>-</u>	<u>-</u>	<u>17,980</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>44,681</u>
 Fund Balance:			
Reserved:			
Retirement of Long-Term Debt			
Inventories			
Unreserved and Reported in:			
General Fund			193,640
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>193,640</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,321</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT No. 3
 ANANSI CHARTER
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE
 STATEMENT OF NET ASSETS
 JUNE 30, 2011**

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

Total Fund Balance - Governmental Funds \$ 193,640

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

Cost of Capital Assets	61,876	
Accumulated Depreciation	<u>(18,580)</u>	
		43,296

Prepaid Leases acquired in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds 884,978

Total Net Assets - Governmental Funds \$1,121,914

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>			Entitlement IDEA-B Fund	Entitlement IDEA-B Federal Stimulus
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Title I - IASA</u>		
Revenues:					
Charges for Services	\$ 24,701	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	991,513	4,406	-	-	-
Federal Sources	-	-	7,140	24,380	13,583
Other	7,061	-	-	-	-
Investment and Interest Income	263	-	-	-	-
Total Revenues	1,023,538	4,406	7,140	24,380	13,583
Expenditures:					
Direct Instruction	1,000,779	675	-	-	-
Instructional Support	-	-	3,300	14,680	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	1,000,779	675	3,300	14,680	-
Revenues Over (Under) Expenditures	22,759	3,731	3,840	9,700	13,583
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(865)	-	-	-	-
Total Other Financing Sources (uses)	(865)	-	-	-	-
Net Change in Fund Balance	21,894	3,731	3,840	9,700	13,583
Fund Balance at Beginning of Year	166,695	6,821	-	-	-
Restatement	(5,692)	-	(3,840)	(9,700)	(13,583)
Fund Balance at End of Year	<u>\$ 182,897</u>	<u>\$ 10,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Federal Stimulus SEG	Education Job Fund	GO Bond Student Library Fund	Technology for Education PED	Bond Building Fund
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	-	3,104	-	77,595
Federal Sources	12,310	28,882	-	-	-
Other	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	12,310	28,882	3,104	-	77,595
Expenditures:					
Direct Instruction	-	-	-	-	-
Instructional Support	11,074	28,882	-	-	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	78,575
Total Expenditures	11,074	28,882	-	-	78,575
Revenues Over (Under) Expenditures	1,236	-	3,104	-	(980)
Other Financing Sources (uses):					
Transfers in	-	-	-	865	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	865	-
Net Change in Fund Balance	1,236	-	3,104	865	(980)
Fund Balance at Beginning of Year	-	-	-	-	980
Restatement	(1,045)	-	(3,104)	(865)	-
Fund Balance at End of Year	\$ 191	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Capital Improvements SB-9	Ed. Technology Equipment Act	Total
Revenues:			
Charges for Services	\$ -	\$ -	\$ 24,701
Local Sources	-	-	-
State Sources	1,577	-	1,078,195
Federal Sources	-	-	86,295
Other	-	-	7,061
Investment and Interest Income	-	-	263
Total Revenues	1,577	-	1,196,515
Expenditures:			
Direct Instruction	-	-	1,001,454
Instructional Support	-	-	57,936
Food Services	-	-	-
Capital Outlay	-	596	79,171
Total Expenditures	-	596	1,138,561
Revenues Over (Under) Expenditures	1,577	(596)	57,954
Other Financing Sources (uses):			
Transfers in	-	-	865
Transfers out	-	-	(865)
Total Other Financing Sources (uses)	-	-	-
Net Change in Fund Balance	1,577	(596)	57,954
Fund Balance at Beginning of Year	(1,577)	596	173,515
Restatement	-	-	(37,829)
Fund Balance at End of Year	\$ -	\$ -	\$ 193,640

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT No. 3
 ANANSI CHARTER
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT
 OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds	\$	57,954
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Depreciation Expense	(6,187)	
Capital Outlay	<u>79,171</u>	
Excess of Capital Outlay over Depreciation Expense		72,984

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

Prepaid Leases		<u>-</u>
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Change in Net Assets of Governmental Activities	\$	<u>130,938</u>
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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
OPERATIONAL FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 24,701	\$ 24,701
Local Sources	41,700	41,700	-	(41,700)
State Sources	1,005,640	991,513	991,513	-
Federal Sources			-	-
Other			7,061	7,061
Investment and Interest Income	-	-	263	263
Total Revenues	<u>1,047,340</u>	<u>1,033,213</u>	<u>1,023,538</u>	<u>(9,675)</u>
<u>Expenditures:</u>				
Direct Instruction	686,355	653,732	-	653,732
Instructional Support	510,433	528,929	1,000,779	(471,850)
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,196,788</u>	<u>1,182,661</u>	<u>1,000,779</u>	<u>181,882</u>
Revenues Over (Under) Expenditures	(149,448)	(149,448)	22,759	(191,557)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	(865)	(865)
Total Other Financing Sources (uses)	-	-	(865)	(865)
Net Change in Fund Balance			<u>\$ 21,894</u>	
Cash Balance Budgeted	<u>\$ (149,448)</u>	<u>\$ (149,448)</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources	3,101	6,824	4,406	(2,418)
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>3,101</u>	<u>6,824</u>	<u>4,406</u>	<u>(2,418)</u>
<u>Expenditures:</u>				
Direct Instruction	3,101	6,824	675	6,149
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,101</u>	<u>6,824</u>	<u>675</u>	<u>6,149</u>
Revenues Over (Under) Expenditures	-	-	3,731	(8,567)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 3,731</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
TITLE I - IASA FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources	3,300	3,300	-	(3,300)
State Sources			-	-
Federal Sources			7,140	7,140
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>7,140</u>	<u>3,840</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	3,300	3,300	3,300	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	3,840	3,840
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 3,840</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
ENTITLEMENT IDEA-B FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources		15,579	24,380	8,801
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>15,579</u>	<u>24,380</u>	<u>8,801</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	15,579	14,680	899
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>15,579</u>	<u>14,680</u>	<u>899</u>
Revenues Over (Under) Expenditures	-	-	9,700	7,902
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 9,700</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
ENTITLEMENT IDEA-B FEDERAL STIMULUS FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources		8,483	13,583	5,100
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>8,483</u>	<u>13,583</u>	<u>5,100</u>
<u>Expenditures:</u>				
Direct Instruction	-	8,483	-	8,483
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>8,483</u>	<u>-</u>	<u>8,483</u>
Revenues Over (Under) Expenditures	-	-	13,583	(3,383)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 13,583</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
FEDERAL STIMULUS SEG FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	10,317	11,074	12,310	1,236
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>10,317</u>	<u>11,074</u>	<u>12,310</u>	<u>1,236</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	10,317	11,074	11,074	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>10,317</u>	<u>11,074</u>	<u>11,074</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	1,236	1,236
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 1,236</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
EDUCATION JOB FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources		28,883	28,882	(1)
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>28,883</u>	<u>28,882</u>	<u>(1)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	28,883	28,882	1
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>28,883</u>	<u>28,882</u>	<u>1</u>
Revenues Over (Under) Expenditures	-	-	-	(2)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ -</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
GO BOND STUDENT LIBRARY FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			3,104	3,104
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>3,104</u>	<u>3,104</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	3,104	3,104
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 3,104</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
LIBRARIES GO BOND 2004 FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	865	865
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>865</u>	<u>865</u>
Net Change in Fund Balance			<u>\$ 865</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
BOND BUILDING FUND
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		78,575	77,595	(980)
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>78,575</u>	<u>77,595</u>	<u>(980)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	78,575	78,575	-
Total Expenditures	<u>-</u>	<u>78,575</u>	<u>78,575</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	(980)	(980)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ (980)</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
CAPITAL IMPROVEMENTS SB-9
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		2,147	1,577	(570)
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>2,147</u>	<u>1,577</u>	<u>(570)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	2,147	-	2,147
Total Expenditures	<u>-</u>	<u>2,147</u>	<u>-</u>	<u>2,147</u>
Revenues Over (Under) Expenditures	-	-	1,577	(2,717)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 1,577</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
ED. TECHNOLOGY EQUIPMENT ACT
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		597	-	(597)
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>597</u>	<u>-</u>	<u>(597)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	597	596	1
Total Expenditures	<u>-</u>	<u>597</u>	<u>596</u>	<u>1</u>
Revenues Over (Under) Expenditures	-	-	(596)	(598)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ (596)</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
ANANSI CHARTER
TOTAL
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 24,701	\$ 24,701
Local Sources	45,000	45,000	-	(45,000)
State Sources	1,008,741	1,079,656	1,078,195	(1,461)
Federal Sources	10,317	64,019	86,295	22,276
Other	-	-	7,061	7,061
Investment and Interest Income	-	-	263	263
Total Revenues	<u>1,064,058</u>	<u>1,188,675</u>	<u>1,196,515</u>	<u>7,840</u>
<u>Expenditures:</u>				
Direct Instruction	689,456	669,039	1,001,454	(332,415)
Instructional Support	524,050	587,765	57,936	529,829
Food Services	-	-	-	-
Capital Outlay	-	81,319	79,171	2,148
Total Expenditures	<u>1,213,506</u>	<u>1,338,123</u>	<u>1,138,561</u>	<u>199,562</u>
Revenues Over (Under) Expenditures	(149,448)	(149,448)	57,954	(191,722)
Other Financing Sources (uses):				
Transfers in	-	-	(865)	(865)
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>(865)</u>	<u>(865)</u>
Net Change in Fund Balance			<u>\$ 57,089</u>	
Cash Balance Budgeted	<u>\$ (149,448)</u>	<u>\$ (149,448)</u>		

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
FRIENDS OF ANANSI CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 236,458
Cash Payments for Supplies and Maintenance	<u>(184,205)</u>
Net Cash Provided By (Used in) Operating Activities	52,253
Cash Flows From Capital and Related Financing Activities:	
Purchase of Capital Assets	(500,000)
Prepaid Lease Income	-
Proceeds on Loan	-
Interest Paid on Capital Debt	<u>(188,555)</u>
Net Cash Provided By (Used in) Capital and Related Financing Activities	(688,555)
Cash Flows From Investing Activities:	
	-
	<u>-</u>
Net Cash Provided By (Used in) Investing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	(636,302)
Cash and Cash Equivalents, Beginning of Year	<u>958,893</u>
Cash and Cash Equivalents, End of Year	<u>\$ 322,591</u>
Reconciliation of Operating Income to Net Cash Provided By (Used in) Operating Activities:	
Operating Income	\$ 236,458
Depreciation Expense	71,964
Change in Accounts Payable	(4,407)
Change in Accrued Interest Payable	<u>(251,762)</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ 52,253</u>

TAOS CHARTER SCHOOL

OPERATING FUND – This fund is the chief operating fund of the District. It is used to account for all financial resources of the District except for those required to be accounted for in other funds.

INSTRUCTIONAL MATERIALS FUND – This fund is used to account for resources received from the Public Education Department to be used for the purchase of materials used as a basis of instruction.

TITLE I IASA) - To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

ENTITLEMENT IDEA-B - The Entitlement IDEA-B program is to provide grants to states that flow through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 619, as amended, 20 U.S.C. 1711-1417 and 1420.

FRESH FRUITS IN CLASSROOM – To provide healthy food in the classroom to students

ENTITLEMENT IDEA – B- STIMULUS - Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and , in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2009(ARRA), Public Law 111-5.

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

EDUCATION JOB FUND – Funding received to promote jobs and education for all students.

DANIEL’S FUND – Special funding to promote school education and programs.

LANL FOUNDATION – To account for monies received from the Foundation to support the Plant Science Program. Financing and authority is provided by the grant agreement.

TAOS CHARTER SCHOOL

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

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

BOND BUILDING FUND - This fund provides financing for the construction of buildings, the purchase of equipment and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds which have been approved by the voters of the District.

CAPITAL IMPROVEMENTS SB-9 - This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

ED TECHNOLOGY EQUIPMENT ACT - Funded from the issuance of Educational Technology Notes to enable the District to acquire educational technology equipment for learning and administrative use in schools and related facilities, and improving related real and personal property to accommodate education technology equipment or any combination thereof. The repayment of the notes is accounted for in the Debt Service Fund.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	<u>Taos Charter School</u>	<u>Friends of Taos Charter School</u>	<u>Total</u>
ASSETS			
Cash	\$ 190,208	\$ 28,022	\$ 218,230
Accounts Receivable	-	-	-
Due From Grantor	<u>62,307</u>	<u>-</u>	<u>62,307</u>
Due From Other Funds	-	-	-
Prepaid Assets (Current Portion)	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	252,515	28,022	280,537
Capital Assets, Net	<u>1,196,532</u>	<u>643,086</u>	<u>1,839,618</u>
Prepaid Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current Assets	<u>1,196,532</u>	<u>643,086</u>	<u>1,839,618</u>
Total Assets	<u><u>\$ 1,449,047</u></u>	<u><u>\$ 671,108</u></u>	<u><u>\$ 2,120,155</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 3,653	\$ -	\$ 3,653
Accrued Liabilities	150,937	-	150,937
Due to Other Funds	-	-	-
Deferred Revenue	42,860	-	42,860
Deferred Lease Income	-	-	-
Current Portion of Long-Term Debt	<u>-</u>	<u>125,420</u>	<u>125,420</u>
Total Current Liabilities	197,450	125,420	322,870
Long-Term Debt	-	94,806	94,806
Deferred Lease Income	<u>-</u>	<u>-</u>	<u>-</u>
Total Long-Term Liabilities	<u>-</u>	<u>94,806</u>	<u>94,806</u>
Total Liabilities	<u>\$ 197,450</u>	<u>\$ 220,226</u>	<u>\$ 417,676</u>
NET ASSETS			
Invested in Capital Assets, Net Restricted for Capital Projects	1,196,532	422,860	1,619,392
Unrestricted	<u>55,065</u>	<u>28,022</u>	<u>83,087</u>
Total Net Assets	<u>1,251,597</u>	<u>450,882</u>	<u>1,702,479</u>
Total Liabilities and Net Assets	<u><u>\$ 1,449,047</u></u>	<u><u>\$ 671,108</u></u>	<u><u>\$ 2,120,155</u></u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Functions and Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
FUNCTIONS AND PROGRAMS						
EXPENSES:						
Governmental Activities:						
Direct Instruction	\$ 1,304,635	\$ 22,674	\$ 1,661,626	\$ 157	379,822	
Instructional Support	121,108	-	-	-	(121,108)	
Capital Outlay	-	-	-	-	-	
Depreciation Expense	22,306	-	-	-	(22,306)	
Total	<u>\$ 1,448,049</u>	<u>\$ 22,674</u>	<u>\$ 1,661,626</u>	<u>\$ 157</u>	<u>\$ 236,408</u>	
Component Units:	<u>\$ 125,341</u>	<u>\$ 142,132</u>	<u>\$ 15,543</u>	<u>\$ -</u>		<u>32,334</u>
Total	<u>\$ 1,573,390</u>	<u>\$ 164,806</u>	<u>\$ 1,677,169</u>	<u>\$ 157</u>		
Gain on Disposal of Capital Assets					-	-
Change in Net Assets					236,408	32,334
Beginning Net Assets					1,429,204	417,433
Restatement					(414,015)	1,115
Ending Net Assets					<u>\$ 1,251,597</u>	<u>\$ 450,882</u>

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
BALANCE SHEET – ALL GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General Fund		Title I - IASA	Entitlement IDEA-B Fund	Fresh Fruits in Classroom
	Operational	Instructional Materials			
<u>ASSETS</u>					
Cash on Deposit	\$ 124,321	\$ 1,658	\$ -	\$ -	\$ -
Accounts Receivable					
Due From Grantors	-	-	9,202	38,947	-
Due From Other Governments	48,149	-	-	-	-
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ 172,470</u>	<u>\$ 1,658</u>	<u>\$ 9,202</u>	<u>\$ 38,947</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 3,653	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	150,937	-	-	-	-
Due to Other Funds			9,202	38,947	
Deferred Revenue:					
Federal, State and Local Grants					
Due to Operational Fund	-	-	-	-	-
Total Liabilities	<u>154,590</u>	<u>-</u>	<u>9,202</u>	<u>38,947</u>	<u>-</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
General Fund	17,880	1,658	-	-	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>17,880</u>	<u>1,658</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 172,470</u>	<u>\$ 1,658</u>	<u>\$ 9,202</u>	<u>\$ 38,947</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
BALANCE SHEET – ALL GOVERNMENTAL FUNDS (continued)
JUNE 30, 2011**

	<u>IDEA-B Federal Stimulus</u>	<u>Federal Stimulus SEG</u>	<u>Education Job Fund</u>	<u>Daniel's Fund</u>	<u>LANL Foundation</u>
<u>ASSETS</u>					
Cash on Deposit	\$ -	\$ 55	\$ -	\$ 42,860	\$ -
Accounts Receivable					
Due From Grantors	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 42,860</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds					
Deferred Revenue:				-	
Federal, State and Local Grants					
Due to Operational Fund	-	-	-	42,860	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,860</u>	<u>-</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
General Fund	-	55	-	-	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 42,860</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
BALANCE SHEET – ALL GOVERNMENTAL FUNDS (continued)
JUNE 30, 2011**

	GO Bond Student Library Fund	for Education PED	for Education PED	for Education PED	Bond Building Fund
<u>ASSETS</u>					
Cash on Deposit	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable					
Due From Grantors	-	14,158	-	-	-
Due From Other Governments	-	-	-	-	-
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 14,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds					
Deferred Revenue:					
Federal, State and Local Grants					
Due to Operational Fund	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
General Fund	-	14,158	-	-	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>14,158</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 14,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
BALANCE SHEET – ALL GOVERNMENTAL FUNDS (continued)
JUNE 30, 2011**

	Capital Improvements SB-9	Ed. Technology Equipment Act	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash on Deposit	\$ -	\$ 21,314	\$ 190,208
Accounts Receivable			-
Due From Grantors	-	-	62,307
Due From Other Governments	-	-	48,149
Food Inventory	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 21,314</u>	<u>\$ 300,664</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 3,653
Accrued Liabilities	-	-	150,937
Due to Other Funds			48,149
Deferred Revenue:			
Federal, State and Local Grants			-
Due to Operational Fund	-	-	42,860
Total Liabilities	<u>-</u>	<u>-</u>	<u>245,599</u>
 Fund Balance:			
Reserved:			
Retirement of Long-Term Debt			
Inventories			
Unreserved and Reported in:			
General Fund			33,751
Capital Projects Funds	-	21,314	21,314
Total Fund Balance	<u>-</u>	<u>21,314</u>	<u>55,065</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 21,314</u>	<u>\$ 300,664</u>

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT No. 3
 TAOS CHARTER SCHOOL
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE
 STATEMENT OF NET ASSETS
 JUNE 30, 2011**

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

Total Fund Balance - Governmental Funds	\$	55,065
---	----	--------

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

	1,319,788	
Cost of Capital Assets	1,319,788	
Accumulated Depreciation	<u>(123,256)</u>	
		1,196,532

Prepaid Leases acquired in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds

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Total Net Assets - Governmental Funds	\$	<u><u>1,251,597</u></u>
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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund				
	Operational	Instructional Materials	Title I - IASA	Entitlement IDEA-B Fund	Fresh Fruits in Classroom
Revenues:					
Charges for Services	\$ 22,413	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	1,307,787	7,378	-	-	-
Federal Sources	-	-	11,492	41,131	-
Other	261	-	-	-	-
Investment and Interest Income	157	-	-	-	-
Total Revenues	1,330,618	7,378	11,492	41,131	-
Expenditures:					
Direct Instruction	1,296,654	7,982	-	-	-
Instructional Support	-	-	9,202	38,947	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	1,296,654	7,982	9,202	38,947	-
Revenues Over (Under) Expenditures	33,964	(604)	2,290	2,184	-
Other Financing Sources (uses):					
Transfers in	-	-	25,063	55,028	27,389
Transfers out	(171,341)	-	-	-	-
Total Other Financing Sources (uses)	(171,341)	-	25,063	55,028	27,389
Net Change in Fund Balance	(137,377)	(604)	27,353	57,212	27,389
Fund Balance at Beginning of Year	155,518	2,262	-	-	-
Restatement	(261)	-	(27,353)	(57,212)	(27,389)
Fund Balance at End of Year	\$ 17,880	\$ 1,658	\$ -	\$ -	\$ -

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Entitlement IDEA-B Federal Stimulus	Federal Stimulus SEG	Education Job Fund	Daniel's Fund	LANL Foundation
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	5,959
Federal Sources	18,110	16,562	38,095	-	-
Other	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	18,110	16,562	38,095	-	5,959
Expenditures:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	14,747	38,095	-	5,959
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	14,747	38,095	-	5,959
Revenues Over (Under) Expenditures	18,110	1,815	-	-	-
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-	-
Net Change in Fund Balance	18,110	1,815	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	(18,110)	(1,760)	-	-	-
Fund Balance at End of Year	\$ -	\$ 55	\$ -	\$ -	\$ -

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	GO Bond Student Library Fund	Technology for Education PED	Technology for Education PED	Technology for Education PED	Bond Building Fund
Revenues:					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	3,311	28,316	1,152	-	177,625
Federal Sources	-	-	-	-	-
Other	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	3,311	28,316	1,152	-	177,625
Expenditures:					
Direct Instruction	-	-	-	-	-
Instructional Support	-	14,158	-	-	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	142,100
Total Expenditures	-	14,158	-	-	142,100
Revenues Over (Under) Expenditures	3,311	14,158	1,152	-	35,525
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	61,152	2,709	-
Total Other Financing Sources (uses)	-	-	61,152	2,709	-
Net Change in Fund Balance	3,311	14,158	62,304	2,709	35,525
Fund Balance at Beginning of Year	-	-	-	-	-
Restatement	(3,311)	-	(62,304)	(2,709)	(35,525)
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 14,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Capital Improvement s SB-9	Ed. Technology Equipment Act	Total
<u>Revenues:</u>			
Charges for Services	\$ -	\$ -	\$ 22,413
Local Sources	-	-	-
State Sources	4,708	-	1,536,236
Federal Sources	-	-	125,390
Other	-	-	261
Investment and Interest Income	-	-	157
Total Revenues	4,708	-	1,684,457
<u>Expenditures:</u>			
Direct Instruction	-	-	1,304,636
Instructional Support	-	-	121,108
Food Services	-	-	-
Capital Outlay	-	35,980	178,080
Total Expenditures	-	35,980	1,603,824
Revenues Over (Under) Expenditures	4,708	(35,980)	80,633
Other Financing Sources (uses):			
Transfers in	-	-	107,480
Transfers out	-	-	(107,480)
Total Other Financing Sources (uses)	-	-	-
Net Change in Fund Balance	4,708	(35,980)	80,633
Fund Balance at Beginning of Year	-	-	157,780
Restatement	(4,708)	57,294	(183,348)
Fund Balance at End of Year	\$ -	\$ 21,314	\$ 55,065

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT No. 3
 TAOS CHARTER SCHOOL
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT
 OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds	\$ 80,633
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Depreciation Expense	(22,306)	
Capital Outlay	<u>178,081</u>	
Excess of Capital Outlay over Depreciation Expense		155,775

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

Prepaid Leases		<u>-</u>
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Change in Net Assets of Governmental Activities	<u>\$236,408</u>
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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
OPERATIONAL
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 22,413	\$ 22,413
Local Sources	5,096	5,096	-	(5,096)
State Sources	1,345,278	1,376,827	1,307,787	(69,040)
Federal Sources	-	-	-	-
Other	-	-	261	261
Investment and Interest Income	-	-	157	157
Total Revenues	<u>1,350,374</u>	<u>1,381,923</u>	<u>1,330,618</u>	<u>(51,305)</u>
<u>Expenditures:</u>				
Direct Instruction	933,459	965,008	1,296,654	(331,646)
Instructional Support	440,823	440,823	-	440,823
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,374,282</u>	<u>1,405,831</u>	<u>1,296,654</u>	<u>109,177</u>
Revenues Over (Under) Expenditures	(23,908)	(23,908)	33,964	(160,482)
Other Financing Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(171,341)	(171,341)
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>(171,341)</u>	<u>(171,341)</u>
Net Change in Fund Balance			<u>\$ (137,377)</u>	
Cash Balance Budgeted	<u>\$ (23,908)</u>	<u>\$ (23,908)</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources	7,074	8,113	7,378	(735)
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>7,074</u>	<u>8,113</u>	<u>7,378</u>	<u>(735)</u>
<u>Expenditures:</u>				
Direct Instruction	8,303	9,342	7,982	1,360
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,303</u>	<u>9,342</u>	<u>7,982</u>	<u>1,360</u>
Revenues Over (Under) Expenditures	(1,229)	(1,229)	(604)	(2,095)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ (604)</u>	
Cash Balance Budgeted	<u>\$ (1,229)</u>	<u>\$ (1,229)</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
TITLE I - IASA**

**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources	10,648	10,648	-	(10,648)
State Sources			-	-
Federal Sources			11,492	11,492
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>10,648</u>	<u>10,648</u>	<u>11,492</u>	<u>844</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	10,648	10,648	9,202	1,446
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>10,648</u>	<u>10,648</u>	<u>9,202</u>	<u>1,446</u>
Revenues Over (Under) Expenditures	-	-	2,290	(602)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	25,063	25,063
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>25,063</u>	<u>25,063</u>
Net Change in Fund Balance			<u>\$ 27,353</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
ENTITLEMENT IDEA-B
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources		51,646	41,131	(10,515)
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>51,646</u>	<u>41,131</u>	<u>(10,515)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	51,646	38,947	12,699
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>51,646</u>	<u>38,947</u>	<u>12,699</u>
Revenues Over (Under) Expenditures	-	-	2,184	(23,214)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	55,028	55,028
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>55,028</u>	<u>55,028</u>
Net Change in Fund Balance			<u>\$ 57,212</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
FRESH FRUITS IN CLASSROOM
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	27,389	27,389
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>27,389</u>	<u>27,389</u>
Net Change in Fund Balance			<u>\$ 27,389</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
ENTITLEMENT IDEA-B FEDERAL STIMULUS
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	-	21,206	18,110	(3,096)
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>21,206</u>	<u>18,110</u>	<u>(3,096)</u>
<u>Expenditures:</u>				
Direct Instruction	-	21,206	-	21,206
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>21,206</u>	<u>-</u>	<u>21,206</u>
Revenues Over (Under) Expenditures	-	-	18,110	(24,302)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 18,110</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
FEDERAL STIMULUS SEG
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	13,802	14,747	16,562	1,815
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>13,802</u>	<u>14,747</u>	<u>16,562</u>	<u>1,815</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	13,802	14,747	14,747	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>13,802</u>	<u>14,747</u>	<u>14,747</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	1,815	1,815
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 1,815</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
EDUCATION JOB FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources		38,095	38,095	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>38,095</u>	<u>38,095</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	38,095	38,095	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>38,095</u>	<u>38,095</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ -</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
FUND 26141**

**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	-	-	-	-
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance			\$ -	
Cash Balance Budgeted	\$ -	\$ -		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
FUND 26148**

**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		5,959	5,959	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>5,959</u>	<u>5,959</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	5,959	5,959	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>5,959</u>	<u>5,959</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ -</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
GO BOND STUDENT LIBRARY FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			3,311	3,311
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>3,311</u>	<u>3,311</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	3,311	3,311
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 3,311</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
FUND 27139**

**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		15,000	28,316	13,316
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	-	15,000	28,316	13,316
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	15,000	14,158	842
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	15,000	14,158	842
Revenues Over (Under) Expenditures	-	-	14,158	12,474
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance			\$ 14,158	
Cash Balance Budgeted	\$ -	\$ -		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
FUND 27141**

**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			1,152	1,152
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	-	-	1,152	1,152
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	1,152	1,152
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	61,152	61,152
Total Other Financing Sources (uses)	-	-	61,152	61,152
Net Change in Fund Balance			\$ 62,304	
Cash Balance Budgeted	\$ -	\$ -		

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
LIBRARIES GO BOND 2004
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	2,709	2,709
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>2,709</u>	<u>2,709</u>
Net Change in Fund Balance			<u>\$ 2,709</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
BOND BUILDING FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		142,100	177,625	35,525
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>142,100</u>	<u>177,625</u>	<u>35,525</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	142,100	142,100	-
Total Expenditures	<u>-</u>	<u>142,100</u>	<u>142,100</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	35,525	35,525
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 35,525</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
CAPITAL IMPROVEMENTS SB-9
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		4,897	4,708	(189)
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>4,897</u>	<u>4,708</u>	<u>(189)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	4,897	-	4,897
Total Expenditures	<u>-</u>	<u>4,897</u>	<u>-</u>	<u>4,897</u>
Revenues Over (Under) Expenditures	-	-	4,708	(5,086)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 4,708</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
ED. TECHNOLOGY EQUIPMENT ACT
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		12,994	-	(12,994)
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>12,994</u>	<u>-</u>	<u>(12,994)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	<u>44,301</u>	<u>57,295</u>	<u>35,980</u>	<u>21,315</u>
Total Expenditures	<u>44,301</u>	<u>57,295</u>	<u>35,980</u>	<u>21,315</u>
Revenues Over (Under) Expenditures	(44,301)	(44,301)	(35,980)	(34,309)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ (35,980)</u>	
Cash Balance Budgeted	<u>\$ (44,301)</u>	<u>\$ (44,301)</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
TOTAL**

**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 22,413	\$ 22,413
Local Sources	15,744	15,744	-	(15,744)
State Sources	1,352,352	1,544,931	1,536,236	(8,695)
Federal Sources	13,802	125,694	125,390	(304)
Other	-	-	261	261
Investment and Interest Income	-	-	157	157
Total Revenues	1,381,898	1,686,369	1,684,457	(1,912)
<u>Expenditures:</u>				
Direct Instruction	941,762	995,556	1,304,636	(309,080)
Instructional Support	465,273	555,959	121,108	434,851
Food Services	-	-	-	-
Capital Outlay	44,301	204,292	178,080	26,212
Total Expenditures	1,451,336	1,755,807	1,603,824	151,983
Revenues Over (Under) Expenditures	(69,438)	(69,438)	80,633	(153,895)
Other Financing Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance			\$ 80,633	
Cash Balance Budgeted	\$ (69,438)	\$ (69,438)		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
TAOS CHARTER SCHOOL
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Agency Funds</u>
ASSETS	
Cash on Deposit	\$ 21,314
Total Assets	<u>\$ 21,314</u>
 LIABILITIES	
Cash on Deposit	\$ 21,314
Total Liabilities	<u>\$ 21,314</u>

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
FRIENDS OF TAOS CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 157,675
Cash Payments for Supplies and Maintenance	<u>(125,341)</u>
Net Cash Provided By (Used in) Operating Activities	32,334
Cash Flows From Capital and Related Financing Activities:	
Purchase of Capital Assets	(98,164)
Prepaid Lease Income	-
Proceeds on Loan	-
Interest Paid on Capital Debt	<u>-</u>
Net Cash Provided By (Used in) Capital and Related Financing Activities	(98,164)
Cash Flows From Investing Activities:	
	-
	<u>-</u>
Net Cash Provided By (Used in) Investing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	(65,830)
Cash and Cash Equivalents, Beginning of Year	<u>93,852</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 28,022</u></u>
Reconciliation of Operating Income to Net Cash Provided By (Used in) Operating Activities:	
Operating Income	\$ 157,675
Depreciation Expense	91,870
Change in Accounts Payable	(217,211)
Change in Accrued Interest Payable	<u>-</u>
Net Cash Provided By (Used in) Operating Activities	<u><u>\$ 32,334</u></u>

See Independent Auditors' Report

VISTA GRANDE CHARTER

OPERATING FUND – This fund is the chief operating fund of the District. It is used to account for all financial resources of the District except for those required to be accounted for in other funds.

INSTRUCTIONAL MATERIALS FUND – This fund is used to account for resources received from the Public Education Department to be used for the purchase of materials used as a basis of instruction.

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

EDUCATION JOB FUND– Funding received to promote jobs and education for all students.

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

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

BOND BUILDING FUND - This fund provides financing for the construction of buildings, the purchase of equipment and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds which have been approved by the voters of the District.

ED TECHNOLOGY EQUIPMENT ACT – CAPITAL PROJECTS FUND - Funded from the issuance of Educational Technology Notes to enable the District to acquire educational technology equipment for learning and administrative use in schools and related facilities, and improving related real and personal property to accommodate education technology equipment or any combination thereof. The repayment of the notes is accounted for in the Debt Service Fund.

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	Governmental Activities
ASSETS	
Cash	\$ 372,138
Accounts Receivable	
Due From Grantor	18,406
Prepaid Assets (Current Portion)	-
Total Current Assets	390,544
Capital Assets, Net	12,975
Prepaid Assets	-
Total Non-Current Assets	12,975
Total Assets	\$ 403,519
 LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ -
Accrued Liabilities	-
Due to Other Funds	-
Deferred Revenue	6,183
Deferred Lease Income	
Current Portion of Long-Term Debt	-
Total Current Liabilities	6,183
Long-Term Debt	
Deferred Lease Income	-
Total Long-Term Liabilities	-
Total Liabilities	\$ 6,183
 NET ASSETS	
Invested in Capital Assets, Net	12,975
Restricted for Capital Projects	
Unrestricted	384,361
Total Net Assets	397,336
Total Liabilities and Net Assets	\$ 403,519

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets
Functions and Programs					
EXPENSES:					
Governmental Activities:					
Direct Instruction	\$ 1,082,409	\$ 2,826	\$ 1,282,213	\$ 49,135	251,765
Instructional Support	47,089	-	-	-	(47,089)
Capital Outlay	-	-	-	-	-
Depreciation Expense	2,162	-	-	-	(2,162)
Total	<u>\$ 1,131,660</u>	<u>\$ 2,826</u>	<u>\$ 1,282,213</u>	<u>\$ 49,135</u>	202,514
General Revenues					
Property Taxes					
General Purpose					\$ -
Debt Service					
Capital Projects					
Grants and Contributions - Not Restricted					
Unrestricted Investment Earnings					-
Total General Revenues					-
Gain on Disposal of Capital Assets					-
Change in Net Assets					202,514
Beginning Net Assets					263,098
Restatement					(68,276)
Ending Net Assets					<u>\$ 397,336</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
BALANCE SHEET – ALL GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>General Fund</u>				Technology for Education PED
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Federal Stimulus SEG</u>	<u>Education Job Fund</u>	
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 383,385	\$ 976	\$ -	\$ -	\$ 5,879
Receivables:					
Delinquent Property Taxes					
Grants	-	-	-	-	-
Due From Other Governments					
Food Inventory	-	-	-	-	-
Total Assets	<u>\$ 383,385</u>	<u>\$ 976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,879</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deferred Revenue:					
Federal, State and Local Grants	-	-	-	-	5,879
Due to Operational Fund	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,879</u>
Fund Balance:					
Reserved:					
Retirement of Long-Term Debt					
Inventories					
Unreserved and Reported in:					
General Fund	383,385	976	-	-	-
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	<u>383,385</u>	<u>976</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 383,385</u>	<u>\$ 976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,879</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
BALANCE SHEET – ALL GOVERNMENTAL FUNDS (continued)
JUNE 30, 2011**

	Kindergarten 3 Plus	Bond Building	Ed. Technology Equipment Act	Total
<u>ASSETS</u>				
Pooled Cash and Investments	\$ 304	\$ (18,406)	\$ -	\$ 372,138
Receivables:				
Delinquent Property Taxes				-
Grants	-	18,406	-	18,406
Due From Other Governments				-
Food Inventory	-	-	-	-
Total Assets	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,544</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Deferred Revenue:				
Federal, State and Local Grants	304	-	-	6,183
Due to Operational Fund	-	-	-	-
Total Liabilities	<u>304</u>	<u>-</u>	<u>-</u>	<u>6,183</u>
Fund Balance:				
Reserved:				
Retirement of Long-Term Debt				
Inventories				
Unreserved and Reported in:				
General Fund	-	-	-	384,361
Capital Projects Funds	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,361</u>
Total Liabilities and Fund Balance	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,544</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT No. 3
 VISTA GRANDE CHARTER SCHOOL
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE
 STATEMENT OF NET ASSETS
 JUNE 30, 2011**

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

Total Fund Balance - Governmental Funds	\$ 384,361
---	------------

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

Cost of Capital Assets	15,136	
Accumulated Depreciation	<u>(2,161)</u>	
		12,975

Prepaid Leases acquired in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds

Total Net Assets - Governmental Funds	<u>\$ 397,336</u>
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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>			Education Job Fund	Technology for Education PED
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Federal Stimulus SEG</u>		
Revenues:					
Charges for Services	\$ 2,827	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-
State Sources	1,204,182	4,406	-	-	-
Federal Sources	17	-	14,775	34,343	-
Other	-	-	-	-	-
Investment and Interest Income	-	-	-	-	-
Total Revenues	<u>1,207,026</u>	<u>4,406</u>	<u>14,775</u>	<u>34,343</u>	<u>-</u>
Expenditures:					
Direct Instruction	1,064,193	18,216	-	-	-
Instructional Support	-	-	12,746	34,343	-
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,064,193</u>	<u>18,216</u>	<u>12,746</u>	<u>34,343</u>	<u>-</u>
Revenues Over (Under) Expenditures	142,833	(13,810)	2,029	-	-
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-	-
Net Change in Fund Balance	142,833	(13,810)	2,029	-	-
Fund Balance at Beginning of Year	240,311	17,786	-	-	-
Restatement	241	(3,000)	(2,029)	-	-
Fund Balance at End of Year	<u>\$ 383,385</u>	<u>\$ 976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Kindergarten 3 Plus	Bond Building	Ed. Technology Equipment Act	Total
Revenues:				
Charges for Services	\$ -	\$ -	\$ -	\$ 2,827
Local Sources	-	-	-	-
State Sources	-	73,625	-	1,282,213
Federal Sources	-	-	-	49,135
Other	-	-	-	-
Investment and Interest Income	-	-	-	-
Total Revenues	-	73,625	-	1,334,175
Expenditures:				
Direct Instruction	-	-	-	1,082,409
Instructional Support	-	-	-	47,089
Food Services	-	-	-	-
Capital Outlay	-	73,625	8,001	81,626
Total Expenditures	-	73,625	8,001	1,211,124
Revenues Over (Under) Expenditures	-	-	(8,001)	123,051
Other Financing Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance	-	-	(8,001)	123,051
Fund Balance at Beginning of Year	-	-	8,001	266,098
Restatement	-	-	-	(4,788)
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ 384,361

See Independent Auditors' Report

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT No. 3
 VISTA GRANDE CHARTER SCHOOL
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds \$ 123,051

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

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

Depreciation Expense	(2,162)	
Capital Outlay	<u>81,626</u>	
Excess of Capital Outlay over Depreciation Expense		79,464

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

Prepaid Leases		<u> -</u>
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Change in Net Assets of Governmental Activities		<u><u>\$ 202,515</u></u>
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**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
OPERATIONAL FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 2,827	\$ 2,827
Local Sources	1,024	1,024	-	(1,024)
State Sources	1,138,760	1,178,968	1,204,182	25,214
Federal Sources	-	-	17	17
Other	70,321	70,321	-	(70,321)
Investment and Interest Income	-	-	-	-
Total Revenues	<u>1,210,105</u>	<u>1,250,313</u>	<u>1,207,026</u>	<u>(43,287)</u>
<u>Expenditures:</u>				
Direct Instruction	525,780	565,988	1,064,193	(498,205)
Instructional Support	798,858	798,858	-	798,858
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,324,638</u>	<u>1,364,846</u>	<u>1,064,193</u>	<u>300,653</u>
Revenues Over (Under) Expenditures	(114,533)	(114,533)	142,833	(343,940)
Other Financing Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ 142,833</u>	
Cash Balance Budgeted	<u>\$ (114,533)</u>	<u>\$ (114,533)</u>		

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources	3,450	3,450	4,406	956
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>3,450</u>	<u>3,450</u>	<u>4,406</u>	<u>956</u>
<u>Expenditures:</u>				
Direct Instruction	18,216	18,216	18,216	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>18,216</u>	<u>18,216</u>	<u>18,216</u>	<u>-</u>
Revenues Over (Under) Expenditures	(14,766)	(14,766)	(13,810)	956
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ (13,810)</u>	
Cash Balance Budgeted	<u>\$ (14,766)</u>	<u>\$ (14,766)</u>		

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
FEDERAL STIMULUS SEG FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources	11,683	12,747	14,775	2,028
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>11,683</u>	<u>12,747</u>	<u>14,775</u>	<u>2,028</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	11,683	12,747	12,746	1
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>11,683</u>	<u>12,747</u>	<u>12,746</u>	<u>1</u>
Revenues Over (Under) Expenditures	-	-	2,029	2,027
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance			<u>\$ 2,029</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
EDUCATION JOB FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources		34,363	34,343	(20)
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>34,363</u>	<u>34,343</u>	<u>(20)</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	34,363	34,343	20
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>34,363</u>	<u>34,343</u>	<u>20</u>
Revenues Over (Under) Expenditures	-	-	-	(40)
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ -</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
TECHNOLOGY FOR EDUCATION FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Approved Final Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	-	-	-	-
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance			\$ -	
Cash Balance Budgeted	\$ -	\$ -		

See Independent Auditors' Report

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
KINDERGARTEN 3 PLUS FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	-	-	-	-
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance			\$ -	
Cash Balance Budgeted	\$ -	\$ -		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
BOND BUILDING FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources		73,625	73,625	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>73,625</u>	<u>73,625</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	-	73,625	73,625	-
Total Expenditures	<u>-</u>	<u>73,625</u>	<u>73,625</u>	<u>-</u>
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ -</u>	
Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
ED. TECHNOLOGY EQUIPMENT ACT
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Approved Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Local Sources			-	-
State Sources			-	-
Federal Sources			-	-
Other			-	-
Investment and Interest Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services			-	-
Capital Outlay	<u>8,001</u>	<u>8,001</u>	<u>8,001</u>	<u>-</u>
Total Expenditures	<u>8,001</u>	<u>8,001</u>	<u>8,001</u>	<u>-</u>
Revenues Over (Under) Expenditures	(8,001)	(8,001)	(8,001)	-
Other Financing Sources (uses):				
Transfers in			-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance			<u>\$ (8,001)</u>	
Cash Balance Budgeted	<u>\$ (8,001)</u>	<u>\$ (8,001)</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
TOTAL**

**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011**

	Original Budget	Approved Final Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Charges for Services	\$ -	\$ -	\$ 2,827	\$ 2,827
Local Sources	1,024	1,024	-	(1,024)
State Sources	1,142,210	1,256,043	1,282,213	26,170
Federal Sources	11,683	47,110	49,135	2,025
Other	70,321	70,321	-	(70,321)
Investment and Interest Income	-	-	-	-
Total Revenues	1,225,238	1,374,498	1,334,175	(40,323)
<u>Expenditures:</u>				
Direct Instruction	543,996	584,204	1,082,409	(498,205)
Instructional Support	810,541	845,968	47,089	798,879
Food Services	-	-	-	-
Capital Outlay	8,001	81,626	81,626	-
Total Expenditures	1,362,538	1,511,798	1,211,124	300,674
Revenues Over (Under) Expenditures	(137,300)	(137,300)	123,051	(340,997)
Other Financing Sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net Change in Fund Balance			\$ 123,051	
Cash Balance Budgeted	\$ (137,300)	\$ (137,300)		

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
VISTA GRANDE CHARTER SCHOOL
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011**

Agency Funds

ASSETS

Cash on Deposit	\$ 2,638
Total Assets	<u>\$ 2,638</u>

LIABILITIES

Cash on Deposit	\$ 2,638
Total Liabilities	<u>\$ 2,638</u>

**STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT No. 3
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balances, June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances, June 30, 2011</u>
ASSETS				
Cash on Deposit	\$ 370,317	\$3,661,359	\$ 3,649,733	\$ 381,943
Total Assets	<u>\$ 370,317</u>	<u>\$3,661,359</u>	<u>\$ 3,649,733</u>	<u>\$ 381,943</u>
LIABILITIES				
Deposits Held For Others				
Arroyo Del Norte	\$ 12,554	\$ 1,100		\$ 13,654
Enos Elementary	43,098	2,900		45,998
Ranchos Elementary	18,511	1,200		19,711
Taos Middle School	41,593	2,800		44,393
Taos High School	173,786	2,293		176,079
Administration	80,775	1,333	-	82,108
	<u>\$ 370,317</u>	<u>\$ 11,626</u>	<u>\$ -</u>	<u>\$ 381,943</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS CHARTER SCHOOL
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balances, June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances, June 30, 2011</u>
ASSETS				
Cash on Deposit	\$ 1,070	\$ 198,324	\$ 178,080	\$ 21,314
Total Assets	<u>\$ 1,070</u>	<u>\$ 198,324</u>	<u>\$ 178,080</u>	<u>\$ 21,314</u>
LIABILITIES				
Deposits Held For Others				
Activity K - 8	\$ -			\$ -
Miscellaneous Activity	380	66,108	59,360	7,128
LANL CPR	52	66,108	59,360	6,800
Plant Science	<u>638</u>	<u>66,108</u>	<u>59,360</u>	<u>7,386</u>
	<u>\$ 1,070</u>	<u>\$ 198,324</u>	<u>\$ 178,080</u>	<u>\$ 21,314</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
VISTA GRANDE CHARTER SCHOOL
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balances, June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances, June 30, 2011</u>
ASSETS				
Cash on Deposit	\$ 303	\$ 8,196	\$ 5,861	\$ 2,638
Total Assets	<u>\$ 303</u>	<u>\$ 8,196</u>	<u>\$ 5,861</u>	<u>\$ 2,638</u>
LIABILITIES				
Deposits Held For Others				
General Activity	\$ 234	\$ 4,098	\$ 2,931	\$ 1,402
Wilderness Experience	-			-
Tech Team	69	4,098	2,931	1,237
Senior Class	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 303</u>	<u>\$ 8,196</u>	<u>\$ 5,861</u>	<u>\$ 2,638</u>

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS – ALL FUNDS
BY SCHOOL DISTRICT CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 2011**

	Cash Balance, June 30, 2010	Cash Receipts, FY 2011	Cash Disbursements, FY 2011	Cash Balance, June 30, 2011
Operational	\$ 1,123,383	\$ 19,097,606	\$ (18,929,477)	\$ 1,291,512
Pupil Transportation	46,249	824,795	(855,694)	15,350
Instructional Materials	107,946	119,135	(83,696)	143,385
Food Services	74,270	1,914,586	(1,801,148)	187,708
Athletics	35,505	66,316	(61,628)	40,193
Title I IASA		1,279,611	(1,519,950)	(240,339)
Federal Projects	(761,854)	4,589,248	(4,017,959)	(190,565)
Local / State	14,585		(14,585)	-
Bond Building	16,849,710	14,126,075	(18,585,281)	12,390,504
Special Capital Outlay - State	32,153	25,000	(57,153)	-
Special Capital Outlay - Local		-	1	1
Capital Improvement SB-9	2,222,459	2,204,554	(1,631,947)	2,795,066
Educational Technology Equipment	538,715	100,307	(281,991)	357,031
Debt Service	1,055,102	2,859,364	(1,823,006)	2,091,460
Educational Technology Debt Service	802,448	670,025	(579,765)	892,708
	-	-	-	-
Total	\$ 22,140,671	\$ 47,876,622	\$ (50,243,279)	\$ 19,774,014

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
ANANSI CHARTER SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS – ALL FUNDS
BY SCHOOL DISTRICT CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 2011**

	Cash Balance, June 30, 2010	Cash Receipts, FY 2011	Cash Disbursements, FY 2011	Cash Balance, June 30, 2011
Operational	\$ 192,538	\$ 1,023,538	\$ (1,024,458)	\$ 191,618
Instructional Materials	6,821	4,406	(675)	10,552
Federal Projects	(28,168)	168,571	(140,212)	191
Local / State	(3,969)	3,969		-
Public Schools Capital Outlay	980		(980)	-
Capital Improvement SB-9	(1,577)	1,577		-
Educational Technology Equipment	596		(596)	-
	-	-	-	-
Total	<u>\$ 167,221</u>	<u>\$ 1,202,061</u>	<u>\$ (1,166,921)</u>	<u>\$ 202,361</u>

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
TAOS CHARTER SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS – ALL FUNDS
BY SCHOOL DISTRICT CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 2011**

	Cash Balance, June 30, 2010	Cash Receipts, FY 2011	Cash Disbursements, FY 2011	Cash Balance, June 30, 2011
Operational	\$ 279,231	\$ 1,330,618	\$ (1,485,528)	\$ 124,321
Instructional Materials	2,262	7,378	(7,982)	1,658
Federal Projects	(131,824)	131,880	(1)	55
Local / State	(61,703)	61,703	42,860	42,860
Public Schools Capital Outlay	(35,525)	35,525		-
Capital Improvement SB-9	(4,708)	4,708	-	-
Educational Technology Equipment	57,294		(35,980)	21,314
Non-Instructional	1,070	-	(1,070)	-
Total	<u>\$ 106,097</u>	<u>\$ 1,571,812</u>	<u>\$ (1,487,701)</u>	<u>\$ 190,208</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
VISTA GRANDE CHARTER SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS – ALL FUNDS
BY SCHOOL DISTRICT CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 2011**

	Cash Balance, June 30, 2010	Cash Receipts, FY 2011	Cash Disbursements, FY 2011	Cash Balance, June 30, 2011
Operational	\$ 240,311	\$ 1,207,026	\$ (1,063,952)	\$ 383,385
Instructional Materials	14,786	4,406	(18,216)	976
Federal Projects	(2,029)	2,029	-	-
Local / State	6,183	-	-	6,183
Bond Building	-	73,625	(92,031)	(18,406)
Capital Improvement SB-9	-	-	-	-
Educational Technology Equipment	8,001	-	(8,001)	-
Non-Instructional	303	-	(303)	-
Total	<u>\$ 267,555</u>	<u>\$ 1,287,086</u>	<u>\$ (1,182,503)</u>	<u>\$ 372,138</u>

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT No. 3
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2011**

Name of Depository	Pledged Collateral	CUSIP	Name and Location of Custodian	Fair Market Value June 30, 2011
Centinel Bank	Pojaque SD GOB Matures 8/1/2014	73085PAY5	Texas Independent Bankers Dallas, TX	\$ 116,378
Centinel Bank	Pojaque SD GOB Matures 8/1/2013	73085PAX7	Texas Independent Bankers Dallas, TX	261,400
Centinel Bank	San Juan CO NM Matures 8/1/2013	798359HY4	Texas Independent Bankers Dallas, TX	392,100
First Community Bank	MBS GNMA I Platinum 78168 Matures 12/15/2018	36225B2N7	Federal Reserve Bank	5,424,521
First Community Bank	GNR 2009-43 JP Matures 10/20/2036	38374UG62	Federal Reserve Bank	215,040
First Community Bank	GNR 2009-61 AP Matures 8/20/2039	38376FFN7	Federal Reserve Bank	2,117,499
First Community Bank	GNR 2009-104 KA Matures 8/16/2039	38376JLG7	Federal Reserve Bank	1,494,058
First Community Bank	GNR 2009-93 HB Matures 9/16/2039	38376KKX8	Federal Reserve Bank	1,312,419
First Community Bank	GNR 2010-23 LC Matures 10/20/2037	38376VL62	Federal Reserve Bank	<u>44,558</u>
Total Pledged Collateral				<u>\$ 11,377,973</u>

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Source and Program</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity #</u>	<u>Federal Expenditures</u>
<u>U.S. Dept. of Education:</u>			
Passed Through State of New Mexico			
* Title I Basic	84.010	24.101	\$ 1,023,574
* 94-142 Entitlement	84.027	24.106	770,066
IDEA-B Discretionary	84.027	24.107	9,338
94-142 Preschool	84.173	24.109	10,752
English Language Acquisition	84.365	24.153	54,869
Improving Teacher Quality	84.367	24.154	172,872
Safe and Drug Free Schools	84.186	24.157	16,554
Rural Low Income	84.358	24.160	79,306
Title I - School Improvement	84.010	24.162	5,450
Carl D. Perkins Secondary Culinary	84.048	24.174	31,599
Title I Stimulus	84.010	24.201	290,224
* Entitlement Stimulus	84.391	24.206	330,680
Preschool IDEA-B Federal Stimulus	84.209	24.209	26,087
Sub-Total			2,821,371
<u>U.S. Dept. of Education:</u>			
Direct Program			
Impact Aid - Special Education	84.041	25.145	10,506
Impact Aid - Indian Education	84.041	25.147	17,269
Indian Education	84.060	25.184	45,141
SEG -Stimulus	84.394	25.250	194,630
* Education Job Fund Federal Stimulus	84.410	25.255	524,395
Sub-Total			791,941
<u>U.S. Dept. of Health and Human Services:</u>			
Direct Program			
Title XIX Medicaid 3 - 21 Years	93.778	25.153	114,303
Sub-Total			114,303
<u>U.S. Dept. of Agriculture:</u>			
Passed Through State of New Mexico			
Public Education Dept.			
* National School Lunch Program	10.555		944,002
* School Breakfast Program	10.553		581,918
Fresh Fruits and Vegetables Program	10.582	24.118	67,209
Passed Through State of New Mexico			
Dept. of Health			
USDA Commodities	10.550	21.000	120,751
Sub-Total			1,713,880
Total Expenditures of Federal Awards			\$ 5,441,495

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(continued)
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Source and Program</u>	<u>Federal CFDA #</u>	<u>Pass- Through Entity #</u>	<u>Federal Expenditures</u>
Anansi Charter School			
SEG - Stimulus	84.394	25.250	\$ 11,074
Education Job Fund - Federal Stimulus	84.410	25.255	28,882
Title I Basic	84.010	24.101	3,300
94-142 Entitlement	84.027	24.106	<u>14,680</u>
Sub-Total			57,936
Taos Charter School			
SEG - Stimulus	84.394	25.250	14,747
Education Job Fund - Federal Stimulus	84.410	25.255	38,095
Title I Basic	84.010	24.101	9,202
94-142 Entitlement	84.027	24.106	<u>38,947</u>
Sub-Total			100,991
Vista Grande Charter School			
SEG - Stimulus	84.394	25.250	12,746
Education Job Fund - Federal Stimulus	84.410	25.255	<u>34,343</u>
Sub-Total			<u>47,089</u>
Total Expenditures of Charter School Awards			<u>\$ 206,016</u>

Notes to the Schedule of Expenditures of Federal Awards

1. Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Taos Municipal Schools and is presented on the modified accrual basis of accounting, which is the same basis as is used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Non-Cash Assistance:

The District did not receive any federal awards in the form of non-cash assistance except for USDA Commodities during the year.

3. Subrecipients:

The District did not provide any federal awards to subrecipients during the year.

* - Treated as a major program

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Part 1 – Summary of Audit Results

Financial Statements:

1. Type of Report: Unqualified
2. Internal Control Over Financial Reporting:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified? Yes
 - c. Noncompliance material to financial statements noted? No

Federal Awards:

1. Internal control over major programs:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified? No
2. Type of report issued on compliance for major programs Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No
4. Identification of major programs:

CFDA Number

84.010
84.027
84.391
84.410
10.555
10.553

Federal Program

Title I Basic
Special Education (IDEA-B)
Entitlement Stimulus
Education Job Fund Federal Stimulus
National School Lunch Program
School Breakfast Program

5. Dollar threshold used to distinguish between Type A and Type B programs \$300,000
6. Auditee qualified as low-risk auditee? No

Kubiak & Melton, LLC

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico
and
The Board of Education
Taos Municipal School District No. 3
Taos, New Mexico

We have audited 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, and the combining and individual funds and related budgetary comparison presented as supplement information of the Taos Municipal School District No. 3 (District) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 7, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain

deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting [10-21, 10-28, 11-01]. A significant deficiency is a deficiency, or 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.

Compliance and other matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items [09-02, 09-04, 10-01, 10-08, 10-09, 10-15, 10-25, 11-02, A-09-02, A-10-01, A-10-02, A-11-01, A-11-02, FA-09-02, FA-10-01, FA-10-02, FA-10-03, T-09-02, T-10-02, T-10-03, T-10-12, FT-09-02, FT-09-06, FT-10-01, FT-10-02, FT-10-03, FT-10-04, FT-10-05, V-09-02, V-10-04, V-10-05 and V-10-08].

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the District's Board of Education, the others within the District, the New Mexico Public Education Department, the State Auditor, the New Mexico Legislature and applicable federal grantors and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Kubiak & Melton, LLC

Kubiak & Melton, LLC
Albuquerque, New Mexico, January 7, 2013

Kubiak & Melton, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program And on Internal Control Over Compliance in Accordance With OMB Circular A-133

Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico
and
The Board of Education
Taos Municipal School District No. 3
Taos, New Mexico

Compliance

We have audited the compliance of the Taos Municipal School District No. 3 (District) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect

on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the District's management, the District's Board of Education, the others within the District, the New Mexico Public Education Department, the State Auditor, the New Mexico Legislature and applicable federal grantors and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Kubiak & Melton, LLC

Kubiak & Melton, LLC
Certified Public Accountants, January 7, 2013

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Status of Prior Year Findings:

1. Late Audit Report (09-02) - Repeated.
2. Budget Overruns (09-04) – Repeated.
3. Inadequate Pledged Collateral (09-05)- Resolved
4. Imprest Bank Account (10-01) – Repeated
5. Outstanding Balances (10-02) – Resolved
6. Cash Deficits (10-03) – Resolved
7. Outstanding Checks Restored to Cash (10-04) – Resolved
8. Deposits in Transit (10-05) – Resolved
9. Transfers of Cash (10-06) – Resolved
10. Monies Co-Mingled With Other Funds (10-07) – Resolved
11. CFDA Data Collection Form (10-08) – Repeated
12. Depreciation Policy (10-09) – Repeated
13. Payment Made Before Approval on Contract Received (10-10) – Resolved
14. Contract Additions (10-11) – Resolved
15. Vendor Overpaid (10-12) – Resolved
16. Required Support for Disbursements (10-13) – Resolved
17. Unnecessary Fees (10-14)- – Resolved
18. Missing Background Check Policy (10-15) – Repeated
19. Missing W-3 Report (10-16) – Resolved
20. RHCA Reports Incorrect (10-17) – Resolved
21. Missing 941 Reports (10-18) – Resolved
22. Missing Department of Labor Reports (10-19) – Resolved
23. New Hire Reporting (10-20) – Resolved
24. Segregation of Duties (10-21) – Repeated
25. Addendums to Employee Contracts (10-22) – Resolved
26. Late IRS Notices (10-23) – Resolved
27. Department of Labor Reports Not Submitted on Time (10-24) – Resolved
28. Leave Policy (10-25) – Repeated
29. Payroll Paid Before Services Rendered (10-26) – Resolved
30. Employee Overpaid (10-27) – Resolved
31. Cash Reconciliation Problems (10-28) – Repeated

Current Year Findings

1. Lack of Procurement Records (11-01)
2. Human Resource Dept. – Lack of Supporting Documentation (11-02)

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Late Audit Report
(09-02) - Other

CONDITION	The June 30, 2011 audit report was not submitted to the State Auditor's Office by the required deadline of November 15, 2011.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditor's Office by November 15, 2011.
CAUSE	The School District had turnover in the business office during the preceding years. Also, the prior year audit report was not submitted by the prior year due date.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Board and Management should ensure the audit is completed and submitted to the State Auditor's Office by its due date.
RESPONSE	We already have a contract in place for the FY 11-12 audit with the same firm who has just completed our 10-11 audit. They plan to start working on the 11-12 audit immediately after completing the 10-11 audit and this will then put us on track to have our 12-13 audit completed in a timely manner.

Budget Overruns
(09-04) - Other

CONDITION	The following funds had actual expenditures in excess of budgeted expenditures during the fiscal year ended June 30, 2011: IDEA-B Discretionary: \$9,338, English Language Acquisition, \$12,535, Entitlement IDEA-B: \$770,066, Preschool IDEA-B: \$2,624, Fresh Fruits in Classroom: \$67,209, Preschool IDEA-B Federal Stimulus: \$26,087, Federal Stimulus SEG: \$25, Education Job Fund: \$524,395, Safe and Free Drug Free Schools: \$16,554, Title I School Improvement: \$5,450, Rural and Low Income Schools: \$79,306, Northern NM Network: \$141,137, Carl Perkins Secondary Culinary: \$31,599, Dual Credit Instructional Materials: \$11,379, GO Bond Student Library: \$9,329, Entitlement IDEA-B Federal Stimulus: \$183,612, ARRA Solar Energy: \$300,000, IMPACT Indian Aid Education: \$8,525, ENLACE-UNM: \$9,235, LANL Foundation: \$50,644, Technology for Education PED: \$1,525, Breakfast for Elementary Students: \$18,335, Kindergarten 3 Plus: \$2,683, Assist Tobacco DOH: \$22,472, NM Gear UP/USDE: \$92,694, School Based Health Center: \$161,892, After School Enrichment Program: \$6,430.
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**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

CRITERIA	New Mexico State Law requires that school district stay within budgetary allocations in carrying out their operations.
CAUSE	Staff turnover combined with insufficient budget oversight led to some having actual expenditures in excess of budgeted expenditures.
EFFECT	The District exceeded budgeted appropriations in some funds.
RECOMMENDATION	It recommended that the District make strides in improvement of budgetary oversight.
RESPONSE	Since the fiscal year of this audit, significant improvements in staffing and training have allowed the District to scrutinize more closely budgetary issues.

Imprest Bank Account
(10-01) - Other

CONDITION	The imprest account payroll clearing is not being reconciled correctly on a monthly basis. Because it is not reconciled correctly on a monthly basis it is ending the year with an incorrect cash balance. The dollar variance was \$1,241.
CRITERIA	All imprest accounts should be reconciled correctly on a monthly basis, resulting in zero balances.
CAUSE	Management is not ensuring that this bank account be reconciled to a zero balance each Month. The reconciliation has some sort of balance each month that is not being investigated as to what is creating the balance.
EFFECT	The operational fund must make up for all cash deficiencies.
RECOMMENDATION	Management needs to ensure that this account is reconciled correctly each month.
RESPONSE	The payroll clearing account was reconciled on a monthly basis for the FY 10-11 by the consultant that the District hired.

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

CFDA Data Collection Form
(10-08) - Other

CONDITION	The CFDA Data Collection Form was not submitted to the federal clearing house within nine months after the fiscal year end due to the audit not being completed within nine months after the fiscal year end.
CRITERIA	The CFDA Data Collection Form is to be submitted to the federal clearing house within nine months after the fiscal year end according to OMB Circular A-133.320.
CAUSE	The audit was not completed within the nine month period after the fiscal year end. The audit report must be submitted with the Data Collection Form. Thus, the Data Collection Form could not be submitted until the audit report was completed.
EFFECT	The School District was unable to comply with OMB Circular A-133.
RECOMMENDATION	The audit report should be completed within nine months after the fiscal year end.
RESPONSE	The district has contacted the auditors who completed the 08-09 and 09-10 audits and they are in the process of completing the Data Collection Forms for those fiscal years. The auditor's for the 10-11 FY are aware of this form and will be completing it for this fiscal year. The District is now aware of this form and will be sure that the nine month deadline is complied with.

Depreciation Policy
(10-09) - Other

CONDITION	The School District has not approved a depreciation policy so depreciation can be charged to capital assets.
CRITERIA	The School District needs a depreciation policy so capital assets can be depreciated correctly per GASB 34.
CAUSE	The School Board has not approved a policy for management to follow.

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

EFFECT	Depreciation may be charged incorrectly because no set policy is in place.
RECOMMENDATION	The School Board should approve a policy as soon as possible. Management should then implement that policy when the Board has approved it.
RESPONSE	The School Board is now aware of this and will be sure to get a depreciation policy in place.

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Missing Background Check Policy
(10-15) - Other

CONDITION	The School District does not have a written policy on background checks.
CRITERIA	According to NMSA 22-10A-5 School Districts are required to have a written policy on background checks.
CAUSE	It is unclear why there is no policy as the Human Resources Department is aware of this requirement.
EFFECT	Background checks may not be obtained in accordance with NMSA 22-10A-5.
RECOMMENDATION	The School District should prepare, approve, and distribute a background check policy.
RESPONSE	The School District will prepare a policy on background checks and have it Board approved.

Segregation of Duties Policy
(10-21) – Significant Deficiency

CONDITION	The payroll Department is inputting contracts and running/preparing payroll.
CRITERIA	To keep a proper separation of duties the Human Resource Department should input all payroll information and the payroll department would then prepare payroll each pay period.
CAUSE	The Human Services Department is unwilling to accept this extra duty as it involves computer data input.
EFFECT	A proper segregation of duties is not implemented. Payroll errors/irregularities could occur.
RECOMMENDATION	The Human resources Department should be required to input all payroll information.
RESPONSE	The District is going to get the proper training for our Human Resource

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

employees so they will be able to input the payroll information.

Leave Policy
(10-25) - Other

CONDITION	The School District leave policy is not adequate as it was written in 2010. It is not specific as to who can be paid leave upon termination. It also states that any unused portions of such allowance shall accumulate indefinitely. This creates a huge liability.
CRITERIA	Personnel leave policies should be clear and precise on how leave will be accrued, used, carried forward and paid for each class of employee and every type of leave provided.
CAUSE	Management has not been provided guidance on how the leave policy should be written so as to ensure all leave is accrued, used and paid for based on the manner decided by the Board.
EFFECT	This item has never been brought to the attention of the Board. This includes prior auditors or the School District's attorney.
RECOMMENDATION	The School District should revise its leave policy as soon as possible to ensure these details are addressed so as to avoid a lawsuit.
RESPONSE	The District will review its present leave policy and make the necessary changes to avoid the possibility of a huge liability and or a lawsuit in the immediate future.

Cash Reconciliation Problems
(10-28) – Significant Deficiency

CONDITION	The School District has had trouble reconciling cash for each fund because of how entries/data are made to the system by the employees in the business office. For the year ended June 30, 2011, the total reconciled cash balance was \$19,210 different from the total cash per the trial balance.
CRITERIA	All staff should be adequately trained and knowledgeable of their duties and how to perform the various business software functions.
CAUSE	Management did not ensure all employees were adequately trained and knowledgeable of their required duties. Also, there were several business

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

managers who were not employed long enough to correct or reconcile the cash balances.

EFFECT The School District had to hire a private consultant to reconcile the June 30, 2011 cash balances and to re-reconcile the June 30, 2010 cash balances.

RECOMMENDATION Management should take steps to ensure that cash is reconciled properly and on a timely basis.

RESPONSE The School District will make all efforts to be sure all staff is well-trained in their duties through professional development opportunities and cross-training.

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Lack of Procurement Records
(11-01) – Significant Deficiency

CONDITION	One contract over \$30, 000 for professional service had only two proposals available for review. There is no evidence of a public notice request for proposals and no record related to evaluation process of the proposals on file.
CRITERIA	NM Procurement Code requires that all procurement records must be kept on file for at least three years.
CAUSE	The District did not maintain complete procurement records for applicable contracts.
EFFECT	Lack of procurement records makes it difficult for the District to provide evidence to the auditors that it had followed the procurement procedures as required
RECOMMENDATION	The District should implement policies and internal control procedures to ensure NM Procurement Code is followed and all procurement which includes retention of records.
RESPONSE	The District is aware of this requirement, and we do our best to follow all procurement code procedures. We feel that lack of evidence in this case is due to the fact that the Administrative offices have moved and some records have yet to be unboxed and re-filed.

Human Resource Department – Lack of Supporting Documentation
(11-02) - Other

CONDITION	<p>During our testwork; we noted the following exceptions:</p> <ul style="list-style-type: none">• One employee’s Form I-9 was not on file.• One employee’s Form I-9 was not completed by evidencing two forms of identification as required.• One employee’s personnel file was not located for the auditor.• One employee’s personnel file did not contain a contract.
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**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

CRITERIA	The Immigration Reform and Control Act of 1986; Form I-9s are required to be completed for new employees. Personnel files shall be kept for all District employees.
CAUSE	Lack of training on Form I-9s and their importance. The District administrative office also moved buildings in which some files may have been misplaced.
EFFECT	The District may be unable to ensure that personnel hired are eligible to be employed by the district if Form I-9s are not completed. Also, lack of personnel files opens the District up for mistakes in paying employees because Form W-4s and contracts are not readily available.
RECOMMENDATION	The School district shall ensure that all employees Form I-9s are completed and filed. We also recommend that all personnel files are completed and filed.
RESPONSE	The School District will make the effort to be sure that all staff is well-trained in their duties through professional development opportunities and cross-training.

**STATE OF NEW MEXICO
ANANSI CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

STATUS OF PRIOR YEAR FINDINGS

Late Audit Report (A-09-02) – Repeated
Budget Overruns (A-09-04) – Resolved

Board Minutes Incomplete (A-10-01) – Repeated and Modified
Receipt Books (A-10-02) - Repeated
Direct Payments Not Posted (A-10-03) - Resolved
Aftercare Charges (A-10-04) – Resolved
Aftercare Balances (A-10-05) – Resolved
Activity Programs (A-10-06) - Resolved
Bank Service Charges (A-10-07) – Resolved
Fund Deficit (A-10-08) - Resolved
Damage Deposit for Lease Agreement (A-10-09) – Resolved
Leave Policy (A-10-10) – Resolved
W-3/W-2s Incorrect (A-10-11) – Resolved
Payment for Services Not Rendered (A-10-12) – Resolved
1099 Issued Incorrectly (A-10-13) – Resolved
Department of Labor Reports Incorrect Base Wage Rate (A-10-14) – Resolved
Incorrect Cash Balance (A-10-15) – Resolved
Monies Co-Mingle in One Fund (A-10-16) - Resolved
Depreciation Policy (A-10-17) – Resolved

New Findings:

Internal Control Deficiency over Cash Disbursements (A-11-01)
Missing Background Check Files (A-11-02)

Late Audit Report
(A-09-02) - Other

CONDITION	The June 30, 2011 audit report was not submitted to the State Auditor's Office by the required deadline of November 15, 2011.
CRITERIA	According to NMAC 2.2.2; School districts are required to have their audits submitted to the State Auditor's Office by November 15 th following the end of a fiscal year.
CAUSE	The Charter School is dependent upon Taos Municipal School District which did not obtain a valid audit contact in time for the audit to be completed before the required deadline.

**STATE OF NEW MEXICO
ANANSI CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

EFFECT NMAC 2.2.2 requirements were not followed.

RECOMMENDATION The Charter School is dependent on the Taos Municipal School District and therefore, has no control over this issue.

RESPONSE The ACS will work with the District to coordinate the preparation of all materials needed for future audits and will attempt to discuss all future comments or findings with the Auditor prior to the exit conference to ensure they are clearly understood as responses are prepared.

Board Minutes
Incomplete
(A-10-01) - Other

CONDITION None of the Board Minutes were properly signed as approved.

CRITERIA According to the Open Meetings Act Article 15, Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by a formal approval in a subsequent board meeting and having a signed copy available for review.

CAUSE The Charter School is not ensuring this procedure to be completed.

EFFECT Written approved minutes of the Board are not available as required by the Open Meeting Act.

RECOMMENDATION Written approved minutes of the Board are not available as required by the Open Meeting Act.

RESPONSE The management will work the Governance Council to ensure that all minutes are properly reviewed, signed and approved at each board meeting.

Receipt Books
(A-10-02) - Other

CONDITION The Charter School does not use receipt books to record all revenue received. Sometimes they are posted by journal entry and sometimes deposit method.

CRITERIA According to NMAC 6.20.2.14 B; "The School District shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured."

CAUSE Management was not aware of this requirement.

**STATE OF NEW MEXICO
ANANSI CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

EFFECT State regulations are not being followed.

RECOMMENDATION Management should implement procedures to ensure receipt books are used for all revenues received.

RESPONSE Management has implemented procedures in the current fiscal year for the receipting of all cash and check revenues.

Internal Control Deficiency over Cash Disbursement
(A-11-01) - Other

CONDITION Two bills were paid late in one disbursement which resulted penalties of \$46. In that instance the check amount did not match the total of the two invoices. Two payments made via electronic funds transfer (EFT) did not have any supporting documentation available for the auditors to evidence. The amount was \$900.

CRITERIA Sound Internal control procedures dictate that:

- Bills should be paid timely and accurately for goods or services received.
- No disbursements should be made without reviewed and approved invoices evidencing the receipt of goods or services for the School.

CAUSE Due to lack of monitoring procedures, the School management was unaware that the bills were not paid promptly and the necessary documents were not obtained prior to the EFT for payment was made.

EFFECT Without the proper internal control procedures, the School is exposing itself to the risk of incurring unnecessary penalties and payments and potentially over/underpaying bills.

RECOMMENDATION The School should incorporate the COSO internal control integrated framework in their organization. In particular, there must be proper control procedures in place to ensure employees follow the procedures.

RESPONSE Management will work with staff to ensure that internal controls are clearly understood, monitored and followed when paying EFT payments for the receipt amounts so as to avoid payment penalties.

**STATE OF NEW MEXICO
ANANSI CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Missing Background Check Files (A-11-02) - Other

CONDITION	The School did not obtain background checks or verification of background checks for its employees.
CRITERIA	Background checks should be performed in accordance with Section 6.60.8 NMAC.
CAUSE	Although background checks are performed upon initial teacher licensure, the School should verify by requesting copies of background checks from PED. Furthermore, if the background check is more than two years old, management should perform background checks on the employees hired at the School.
EFFECT	No background check is kept on file for most of the School's employees.
RECOMMENDATION	If the School accepts background checks from other agencies such as PED or another school, it should form a policy to obtain a copy of the background check to keep in the personnel file. If the background check is more than two years old; management should perform a background check on employees that fall into this category.
RESPONSE	Management will develop a procedure/policy to address background checks for employees whose background checks are greater than two years old.

**STATE OF NEW MEXICO
FRIENDS OF ANANSI CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

STATUS OF PRIOR YEAR FINDINGS

Late Audit Report (FA-09-02) – Repeated
Board Minutes Incomplete (FA-10-01) – Repeated
Board Minutes Not Signed (FA-10-02) – Repeated
Exemption Lost (FA-10-03) - Repeated
Lease Agreement (FA-10-04) - Resolved
Fundraising Monies (FA-10-05) - Resolved
Inadequate Pledged Collateral (FA-10-06) - Resolved

Late Audit Report
(FA-09-02) - Other

CONDITION	The June 30, 2011 audit report was not submitted to the State Auditors' Office by the required deadline of November 15, 2011.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditors' Office by November 15, 2011.
CAUSE	The Foundation is dependent upon the Taos Municipal School District of which did not obtain a valid audit contract in time for the audit to be completed before the required deadline.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Foundation is dependent on the Taos Municipal School District and therefore, has no control over this issue. The Foundation should become more involved in the audit selection process to help ensure the audit is completed and submitted in a timely basis.
RESPONSE	The FACS will work with the District to coordinate the preparation of all materials needed for future audits and will attempt to discuss all future comments or findings with the Auditor prior to the exit conference to ensure they are clearly understood as responses are prepared.

**STATE OF NEW MEXICO
FRIENDS OF ANANSI CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Board Minutes Incomplete
(FA-10-01) - Other

CONDITION	The Board Minutes were not complete. None of the minutes state whether a quorum is present. The minutes state they are approved, but do not state which ones.
CRITERIA	Board Minutes should be properly approved (signed) and kept on file at all times, according to the Open Meetings Act, 10-15-1 G NMSA 1978.
CAUSE	Management is not ensuring that these minutes are signed and kept on file.
EFFECT	Actions of items are not properly documented as approved.
RECOMMENDATION	Management should ensure that these minutes are complete and signed at each meeting when they are formally approved by the Board.
RESPONSE	The management will work the Governance Council to ensure that minutes specifically identify the date of the minutes being formally approving.

Board Meeting Minutes Not Signed
(FA-10-02) - Other

CONDITION	None of the Board Minutes reviewed were properly signed as approved.
CRITERIA	According to the Open Meetings Act Article IS,' Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by formal approval in a subsequent Board Meeting and having a signed copy available for review.
CAUSE	The Foundation is not ensuring this required procedure to be followed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	The management will work the Governance Council to ensure that all minutes are properly reviewed and signed at each meeting after the minutes are formally approved.

**STATE OF NEW MEXICO
FRIENDS OF ANANSI CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Exemption Lost
(FA-10-03) - Other

CONDITION	The exempt organization tax return for 2010 was filed late. As a result, the 501(c)(3) exemption was revoked for the period from 5-16-10 to 9-12-11. During the revocation period, corporate income tax form 1120 will have to be filed, resulting in potential income taxes due to the IRS.
CRITERIA	The exempt organization tax returns (Form 990) should be filed timely, in accordance with IRS regulations.
CAUSE	The stated reason for the delay in filing was the difficulty in locating an accountant capable of preparing the 990.
EFFECT	As a result of the revocation, it may be necessary to pay income taxes, penalties and interest which otherwise would not be due.
RECOMMENDATION	The exempt organization tax return (Form 990) should be timely filed in accordance with the IRS regulations.
RESPONSE	Management has retained a CPA tax accountant to prepare its 990 tax return for 2011 and has reapplied for and received its 501(c)(3) exemption status. See attached letter from IRS dated May 8, 2012.

**STATE OF NEW MEXICO
TAOS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

TAOS CHARTER SCHOOL
STATUS OF PRIOR YEAR FINDINGS

Late Audit Report (T-09-02) – Repeated
 Budget Overruns (T-09-03) – Resolved
 Grants Co-Mingled with Activity Funds (T-10-01) – Resolved
 Bank Service Charges (T-10-02) – Repeated
 Depreciation Policy (T-10-03) – Repeated
 State Auditor Notification of Capital Asset Disposals (T-10-04) – Resolved
 Final Payroll Payments Delayed (T-10-05) – Resolved
 Cash Deficits (T-10-06) - Resolved
 New Hire Reporting (T-10-07) – Resolved
 Department of Labor Reports Incorrect Wage Amounts (T-10-08) - Resolved
 Department of Labor Reports Incorrect Base Wage Amounts (T-10-08) – Resolved
 Leave Policy (T-10-10) - Resolved
 Missing Board meeting Minutes (T-10-11) - Resolved
 Board Meeting Minutes not signed (T-10-12) - Repeated
 Direct Payments Not Posted (T-10-13) - Resolved

Late Audit Report
(T-09-02) - Other

CONDITION	The June 30, 2011 audit report was not submitted to the State Auditor’s Office by the required deadline of November 15, 2011.
CRITERIA	According to NMAC 2.2.2; School districts are required to have their audits submitted to the State Auditor’s Office by November 15 th following the end of a fiscal year.
CAUSE	The Charter School is dependent upon Taos Municipal School District which did not obtain a valid audit contact in time for the audit to be completed before the required deadline.
EFFECT	NMAC 2.2.2 requirements were not followed.
RECOMMENDATION	The Charter School is dependent on the Taos Municipal School District and therefore, has no control over this issue.
RESPONSE	The Taos Charter School is chartered under the district and does not have any input or control as to when the audits take place.

**STATE OF NEW MEXICO
TAOS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Bank Service Charges

(T-10-02) - Other

CONDITION	The Charter School is being charged a service fee by the bank each month, and paid fees of penalty and chargeback. These are not normal expenses for a governmental agency.
CRITERIA	Governmental entities are not usually required to pay a service fee by local banks. Penalty and chargeback can be avoided by handling transactions more carefully.
CAUSE	Management was unaware that monthly fee was not normally charged to governmental agencies. Fees for penalty and chargeback were caused by handling transactions incorrectly.
EFFECT	The Charter School is paying fees that could be waived or avoided.
RECOMMENDATION	The Charter School should take action to have monthly bank fee waived, and increase monitoring over bank transactions to avoid unnecessary expenses.
RESPONSE	The Taos Charter School has set up a meeting with a representative from US Bank to identify possible solutions for eliminating the service charge.

Depreciation Policy

(T-10-03) - Other

CONDITION	The Charter School has not approved a depreciation policy for management to implement.
CRITERIA	The Charter School needs a depreciation policy so capital assets can be depreciated according to Board Policy.
CAUSE	The Charter School's Board has not approved a policy for management for follow.
EFFECT	Depreciation may be charged incorrectly because there is not depreciation policy in place.
RECOMMENDATION	The Charter School Board should approve a policy as soon as possible and management should implement it as soon as it is approved.
RESPONSE	The Taos Charter School will develop and approve a depreciation policy and depreciation schedule prior to the next audit.

**STATE OF NEW MEXICO
TAOS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Board Meeting
Minutes Not Signed
(T-10-12) - Other

CONDITION	None of the Board Minutes reviewed were properly signed as approved.
CRITERIA	According to the Open Meetings Act Article 15, Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by a formal approval in a subsequent board meeting and having a signed copy available for review.
CAUSE	The Charter is not ensuring this procedure to be completed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meeting Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	The exit conference for the audit of the 2009 – 2010 school year took place on July 15, 2012. Since that time, all Governing Council minutes have been signed and dated by the Governing Council President.

**STATE OF NEW MEXICO
 FRIENDS OF TAOS CHARTER SCHOOL
 SCHEDULE OF FINDINGS AND RESPONSES
 JUNE 30, 2012**

FRIENDS OF TAOS CHARTER SCHOOL
 STATUS OF PRIOR YEAR FINDINGS

Late Audit Report (FT-09-02) – Repeated
 Prenumbered Receipts Not Used (FT-09-06) – Repeated
 Board Meeting Minutes Incomplete (FT-10-01) - Repeated
 Missing Board Meeting Minutes (FT-10-02) - Repeated
 Board Meeting Minutes Not Signed (FT-10-03) - Repeated
 Bank Reconciliations (FT-10-04) - Repeated
 Fundraiser Collections (FT-10-05) - Repeated

Late Audit Report
 (FT-09-02) - Other

CONDITION	The June 30, 2011 audit report was not submitted to the State Auditor’s Office by the required deadline of November 15, 2011.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditor’s Office by November 15, 2011.
CAUSE	The Foundation is dependent upon the Taos Municipal School District of which did not obtain a valid audit contract in time for the audit to be completed before the required deadline
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Foundation is dependent on the Taos Municipal School District and therefore, has no control over this issue. The Foundation should become more involved in the audit selection process to help ensure the audit is completed and submitted in a timely basis
RESPONSE	Management agrees with the auditors’ recommendations and will follow-up with the Taos Municipal School District so that we can become more knowledgeable about the procurement process and procedure and to also find out how or if we can become part of this process (i.e. part of the evaluation committee).

**STATE OF NEW MEXICO
FRIENDS OF TAOS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Prenumbered Receipts Were Not Used
(FT-09-06) - Other

CONDITION	The foundation did not use prenumbered receipts in numerical order thereby limiting the level of internal control over cash receipts
CRITERIA	A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14
CAUSE	The Foundation is not controlling the issuance and collection of prenumbered receipt books
EFFECT	The Foundations internal Controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of the law due to the improper use of prenumbered documents
RECOMMENDATION	The administration office should control the issue and collection of prenumbered receipt books to ensure that they are used in numerical order and are reviewed for any missing or suspicious receipts
RESPONSE	Management agrees with the auditors' recommendations and has created a receipt log book that includes the date the prenumbered receipt book was issued/returned, receipt numbers (beginning and ending) and a signature line for the person signing out the prenumbered receipts. This task will be assigned to one of the board members. This individual will be responsible for making sure the receipt book(s) are returned and that all prenumbered receipts are accounted for.

Board Minutes Incomplete
(FT-10-01) - Other

CONDITION	The Board Minutes were not complete, and do not provide a clear view as to what was being discussed and what was approved at the meeting. Many of the motions approved to support cash payments were not recorded in the minutes. Many of the minutes were presented more like an outline and not providing full sentences as to what occurred.
CRITERIA	Board Minutes should be properly documented and kept on file at all times, according to the Open Meetings Act, 10-15-1 G NMSA 1978.
CAUSE	Management is not ensuring that these minutes are well documented and kept on file.
EFFECT	Actions of items are not properly documented as approved.

**STATE OF NEW MEXICO
FRIENDS OF TAOS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

RECOMMENDATION Management should ensure that these minutes are properly recorded to provide sufficient and clear details regarding important issues discussed and approved at each meeting.

RESPONSE Management agrees with the auditors' recommendations and will properly document and record meetings with the issues discussed and actions taken during these meetings.

Missing Board Meeting Minutes
(FT-10-02) - Other

CONDITION The Foundation could not provide Board Meeting Minutes for two board meetings.

CRITERIA According to the Open Meetings Act, Article 15, Section 10-15-1G "The board commission or other policy making body shall keep written minutes of all its meetings".

CAUSE The Foundation was not ensuring this required procedure to be followed.

EFFECT Written approved minutes of the Board are not available as required by the Open Meetings Act.

RECOMMENDATION The Board should ensure that all future Board Minutes be properly recorded, approved, signed and available for review.

RESPONSE Management agrees with the auditors' recommendations and will make sure that all Board Minutes are properly recorded, approved, signed and available for review.

Board Meeting Minutes Not Signed
(FT-10-03) - Other

CONDITION None of the Board Minutes reviewed were properly signed as approved.

CRITERIA According to the Open Meetings Act Article 15, Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by formal approval in a subsequent Board Meeting and having a signed copy available for review.

CAUSE The Foundation is not ensuring this required procedure to be followed.

**STATE OF NEW MEXICO
 FRIENDS OF TAOS CHARTER SCHOOL
 SCHEDULE OF FINDINGS AND RESPONSES
 JUNE 30, 2012**

EFFECT Written approved minutes of the Board are not available as required by the Open Meetings Act.

RECOMMENDATION The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.

RESPONSE Management agrees with the auditors' recommendations and will make sure that all Board Minutes are properly recorded, approved, signed and available for review.

Bank Reconciliations
 (FT-10-04) - Other

CONDITION Management of the Foundation is not reconciling the bank account monthly

CRITERIA The bank account should be reconciled each month upon receiving the bank statement. Any differences need to be investigated and adjusted immediately.

CAUSE Management was unaware that this procedure needed to be done to properly safeguard assets

EFFECT Cash could be understated/overstated

RECOMMENDATION The Foundation should ensure someone is reconciling the bank account monthly.

RESPONSE Management agrees with the auditors' recommendation and will ensure that the bank accounts are reconciled monthly and in a timely manner. We will also present these bank reconciliations for review during the Treasurer's Report at the Board Meetings.

Fundraiser Collections
 (FT-10-05) - Other

CONDITION There are no cash receipt documents for fundraisers. There is no indication of the verification or control of the monies collected by the individuals.

CRITERIA Proper internal controls are needed to safeguard receipts (assets) of the foundation.

**STATE OF NEW MEXICO
FRIENDS OF TAOS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

CAUSE	Management has not been instructed on how to properly handle and report/record or prepare adequate receipting documents to ensure internal controls exist.
EFFECT	The Foundation's internal controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of law due to the lack of backup documentations.
RECOMMENDATION	Management should implement proper procedures and controls over cash collection as soon as possible.
RESPONSE	Management agrees with the auditors' recommendation and shall issue receipts for all transactions (when possible), develop, establish and maintain a structure of internal controls and written procedures for the segregation of duties during fundraising events and cash collections. Create fundraising forms to account for the monies raised during events, identify the individual responsible for the petty cash box and to have a system of authorizations and recording procedures to execute a transaction, recording the transaction and the custody of assets involved in the transaction during fundraising events.

**STATE OF NEW MEXICO
VISTA GRANDE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

VISTA GRANDE CHARTER SCHOOL
STATUS OF PRIOR YEAR FINDINGS

Late Audit Report (V-09-02) – Repeated
 Non-Existent Fund (V-10-01) – Resolved
 Budget Overruns (V-10-02) – Resolved
 Employees Paid Over Contract Amount (V-10-03) - Resolved
 Missing Board Meeting Minutes (V-10-04) - Repeated
 Board Meeting Minutes Not Signed (V-10-05) - Repeated
 Excessive Expenditures Approved For Excursion (V-10-06) - Resolved
 Leases/Contracts (V-10-07) - Resolved
 Segregation of Duties (V-10-08) - Repeated
 Outstanding Balances (V-10-09) - Resolved
 Leave Policy (V-10-10) - Resolved

Late Audit Report
(V-09-02) - Other

CONDITION	The June 30, 2011 audit report was not submitted to the State Auditor’s Office by the required deadline of November 15, 2011.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditor’s Office by November 15, 2011.
CAUSE	The Charter School is dependent upon the Taos Municipal School District of which did not obtain a valid audit contract in time for the audit to be completed before the required deadline.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Charter Schools is dependent on the Taos Municipal School District and therefore, has no control over this issue. The Charter School should become more involved in the audit selection process to help ensure the audit is completed and submitted in a timely basis.
RESPONSE	The Charter School will continue to do everything within our control to complete the audit in a timely manner.

**STATE OF NEW MEXICO
VISTA GRANDE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Missing Board Meeting Minutes
(V-10-04) - Other

CONDITION	The Charter School could not provide Board Meeting Minutes for some board meetings.
CRITERIA	According to the Open Meetings Act, Article 15, Section 10-15-1G "The board commission or other policy making body shall keep written minutes of all its meetings".
CAUSE	The Charter Schools was not ensuring this required procedure to be followed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be properly recorded, approved, signed and available for review.
RESPONSE	A new policy was implemented in the 2011-12 school year to ensure all documents (agendas, minutes, and board packets) were maintained in a binder available for public review.

Board Meeting Minutes Not Signed
(V-10-05) - Other

CONDITION	None of the Board Minutes reviewed were properly signed as approved.
CRITERIA	According to the Open Meetings Act Article IS,' Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by formal approval in a subsequent Board Meeting and having a signed copy available for review.
CAUSE	The Charter School is not ensuring this required procedure to be followed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	The new policy implemented in the 2011-12 school year to ensure all documents (agendas, minutes, and board packets) were maintained in a binder available for public review also ensures that Council documents are properly signed.

**STATE OF NEW MEXICO
VISTA GRANDE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

Segregation of Duties
(V-10-08) - Other

CONDITION	The Business Manager performs all payroll functions, billing/receipting functions and procurement functions.
CRITERIA	Good internal controls require segregation of payroll, procurement and receipting functions. Employees performing incompatible functions leave the entity unable to properly safeguard assets.
CAUSE	Management has not delegated these duties to other employees.
EFFECT	The lack of segregation enables the Charter School to safeguard their assets.
RECOMMENDATION	Management should implement compensating controls in the areas of payroll, procurement and receipting to ensure its assets are safeguarded.
RESPONSE	The financial work of the school is being handled by NMCCS in Albuquerque so the segregation of duties has been addressed in the 2012-13 school year.

**STATE OF NEW MEXICO
TAOS SCHOOL DISTRICT NO. 3
EXIT CONFERENCE
JUNE 30, 2012**

The contents of this report were discussed with Taos Municipal School District at an exit conference held January 7, 2013. The firm of Kubiak & Melton, LLC was represented by Don Wittman, CPA and Daniel O. Trujillo, CPA, CFE. The District was represented by Dr. Rod Weston, Superintendent, Connie Wood, Financial Director, Monica Martinez, Finance Dept., Rebecca Romero Rainey, Board Member, Stella Gallegos, Board Member, Michelle Griego, Board Member.

The Contents of this report were discussed with Friends of Anansi on January 7, 2013. The firm of Kubiak & Melton, LLC was represented by Don Wittman, CPA and Daniel O. Trujillo, CPA, CFE. Friends of Anansi was represented by Michele Hunt, Anansi Charter School, Roberta Martinez, Anansi Charter School, Connie Wood, Taos Municipal School District and Alyson Hyder, Anansi Charter School.

The contents of this report were discussed with Anansi Charter School on January 7, 2013. The firm of Kubiak & Melton, LLC was represented by Don Wittman, CPA and Daniel O. Trujillo, CPA, CFE. Anansi Charter School was represented by Traci Chavez McAdams, Board Member, Connie Wood, Taos Municipal School District, Michele Hunt, Anansi Charter School, and Roberta Martinez, Anansi Charter School.

The contents of this report were discussed with Taos Charter School on December 7, 2012. The firm of Kubiak & Melton, LLC was represented by Don Wittman, CPA and Daniel O. Trujillo, CPA, CFE. Taos Charter School was represented by Dr. Deidre McAdam, Principal, Sue Vigil, Board Member, and Susan Benevidez, Mpower (via phone).

The contents of this report were discussed with Friends of Taos Charter School on December 7, 2012. The firm of Kubiak & Melton, LLC was represented by Don Wittman, CPA and Daniel O. Trujillo, CPA, CFE. Friends of Taos Charter School was represented by Roberta Lerman, President, Friends of Taos, Dr. Deidre McAdam, Principal, and Connie Wood, Taos Municipal School District.

The contents of this report were discussed with Vista Grande Charter School on December 13, 2012. The firm of Kubiak & Melton, LLC was represented by Don Wittman, CPA and Daniel O. Trujillo, CPA, CFE. Vista Grande was represented by Eleanor Romero, Board Member, Edna Romero, Board Member, Connie Wood, Taos Municipal School District, Maya Romero, Vista Grande and Justine Roybal, Vista Grande Board.

Preparation of Financial Statements

The audited financial statements were prepared by the District's staff with the assistance of the independent certified public accountants performing the audit. Management is responsible for ensuring the books and records adequately support the preparation of the financial statements in accordance with generally accepted accounting principles and that the information is current and in balance. Management has reviewed the approved the financial statements as presented.