

STATE OF NEW MEXICO
RATON PUBLIC SCHOOLS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
Raton Public Schools
Annual Financial Report
Year Ended June 30, 2008
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Raton Public Schools
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STATE OF NEW MEXICO
Raton Public Schools
Official Roster
June 30, 2008

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Stephanie Jansen		President
Art Armijo		Vice President
Roy Phillmore		Secretary
Michael Anne Holland		Member
Sheila Castellini		Member
	<u>School Officials</u>	
Dave Willden		Superintendent
Paul Malano		Assistant Superintendent
Erlene Bradley		Business Manager

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor and
The Board of Education
Raton Public Schools
Raton, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and major revenue funds, and the aggregate remaining fund information of the Raton Public Schools, New Mexico ("the District"), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Schools' nonmajor governmental funds and the combining financial statements for the general fund and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008 as listed in the table of contents. These financial statements are the responsibility of the Raton Public Schools, New Mexico's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we express no such opinion. 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 opinions.

The District has not maintained evidence supporting the historical cost of capital assets owned by the District prior to June 30, 2004, nor has the District estimated the historical cost of those capital assets owned by the District prior to June 30, 2004, as allowed by GASBS 34. The District has not accurately updated its list of capital assets for deletions. We were not able to verify accumulated depreciation as of July 1, 2004 or the changes to accumulated depreciation for the fiscal years ended June 30, 2006, 2007, and 2008.

In our opinion, except as noted above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of June 30, 2008, and the changes in financial position thereof 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 above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the District as of June 30, 2008, and the respective changes in financial position thereof and the budgetary comparisons for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2008, and the respective changes in financial position

thereof and the respective budgetary comparisons thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2008 on our consideration of the Raton Public Schools' 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Raton Public Schools, New Mexico's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is a not required part of the basic financial statements. The accompanying financial information listed as Supporting Schedules I through IV in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and each of the nonmajor governmental fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and each of the nonmajor governmental fund financial statements, taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Accounting & Consulting Group, L.L.P.

Albuquerque, New Mexico
September 30, 2008

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Raton Public Schools
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 3,760,653
Property tax receivables	235,151
Intergovernmental receivables	180,557
Other receivables	2,558
Inventory	<u>37,797</u>
Total current assets	<u>4,216,716</u>
Noncurrent assets	
Restricted cash and cash equivalents	226,289
Capital assets, net of accumulated depreciation	11,880,867
Bond issuance costs, net of amortization of \$370	<u>57,290</u>
Total noncurrent assets	<u>12,164,446</u>
Total assets	<u><u>\$ 16,381,162</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 36,673
Accrued compensated absences	16,572
Deferred revenue	13,786
Accrued interest	12,602
Current portion of bonds and notes payable	<u>175,000</u>
Total current liabilities	<u>254,633</u>
Noncurrent liabilities	
Bonds and notes payable	2,840,000
Accrued compensated absences	<u>9,618</u>
Total noncurrent liabilities	<u>2,849,618</u>
Total liabilities	<u>3,104,251</u>
Net assets	
Invested in capital assets, net of related debt [Note 1.D(a)]	11,136,060
Restricted for:	
Debt service	337,472
Capital projects	589,173
Other purposes	255,702
Unrestricted	<u>958,504</u>
Total net assets	<u>13,276,911</u>
Total liabilities and net assets	<u><u>\$ 16,381,162</u></u>

STATE OF NEW MEXICO
Raton Public Schools
Statement of Activities
For the Year Ending June 30, 2008

<u>Functions/Programs</u>	<u>Program Revenues</u>			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government				
Governmental activities:				
Instruction	\$ 8,005,138	26,359	1,177,114	8,357
Support services - students	1,282,757	4,162	170,765	1,393
Support services - instruction	204,604	462	18,974	155
Support services - general administration	366,352	1,387	56,922	464
Support services - school administration	822,701	2,775	113,843	929
Central services	230,758	925	37,948	310
Operation and maintenance of plant	1,782,649	6,012	246,661	2,012
Other support services	-	-	-	-
Student transportation	666,507	2,312	614,503	774
Food services operations	508,369	64,179	369,289	619
Community services operations	3,054	462	18,243	-
Interest on long-term debt	35,804	1,387	56,922	464
	<u>13,908,693</u>	<u>110,422</u>	<u>2,881,184</u>	<u>15,475</u>
Total governmental activities	<u>\$ 13,908,693</u>	<u>\$ 110,422</u>	<u>\$ 2,881,184</u>	<u>\$ 15,475</u>
Total primary government	<u>\$ 13,908,693</u>	<u>\$ 110,422</u>	<u>\$ 2,881,184</u>	<u>\$ 15,475</u>

General Revenues:

State equalization guarantee
Taxes
Property taxes, levied for operating programs
Property taxes, levied for debt services
Property taxes, levied for capital projects
Interest and investment earnings
Miscellaneous

General revenues and special items

Changes in net assets

Net assets, beginning

Net assets, ending

The accompanying notes are an integral part of these financial statements

**Net (Expenses) Revenue and
Changes in Net Assets**

Governmental Activities

\$	(6,793,309)
	(1,106,437)
	(185,013)
	(307,579)
	(705,154)
	(191,576)
	(1,527,965)
	-
	(48,918)
	(74,282)
	15,651
	22,969
	<hr/>
	(10,901,613)
	<hr/>
	(10,901,613)
	<hr/>
	10,880,410
	249,470
	42,138
	243,248
	94,843
	45,142
	<hr/>
	11,555,251
	<hr/>
	653,638
	12,623,273
	<hr/>
\$	<u><u>13,276,911</u></u>

STATE OF NEW MEXICO

Raton Public Schools

Balance Sheet

Governmental Funds

June 30, 2008

	<u>General Fund</u>	<u>Title I Special Revenue Fund</u>	<u>Bond Building</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 586,498	\$ 3,001	\$ 2,270,193
Property taxes receivable	200,943	-	-
Intergovernmental receivables	-	-	-
Other receivables	1,922	122,662	-
Inventory	37,159	-	-
Due from other funds	125,663	-	-
	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 952,185</u>	<u>\$ 125,663</u>	<u>\$ 2,270,193</u>
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 30,723	\$ -	\$ -
Deferred revenue	199,583	-	-
Due to other funds	-	125,663	-
	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	<u>230,306</u>	<u>125,663</u>	<u>-</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	37,159	-	-
Unreserved, reported in:			
General Fund	684,720	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	2,270,193
Debt service funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total fund balances</i>	<u>721,879</u>	<u>-</u>	<u>2,270,193</u>
<i>Total liabilities and fund balances</i>	<u>\$ 952,185</u>	<u>\$ 125,663</u>	<u>\$ 2,270,193</u>

The accompanying notes are an integral part of these financial statements

SB-9	Other Governmental Funds	Total Governmental Funds
\$ 657,279	\$ 469,971	\$ 3,986,942
7,094	27,114	235,151
636	40,984	41,620
-	16,911	141,495
-	638	37,797
-	24,677	150,340
<u>\$ 665,009</u>	<u>\$ 580,295</u>	<u>\$ 4,593,345</u>
\$ 3,473	\$ 2,477	\$ 36,673
-	36,978	236,561
-	24,677	150,340
<u>3,473</u>	<u>64,132</u>	<u>423,574</u>
-	638	37,797
-	-	684,720
-	259,580	259,580
661,536	25,734	2,957,463
-	230,211	230,211
<u>661,536</u>	<u>516,163</u>	<u>4,169,771</u>
<u>\$ 665,009</u>	<u>\$ 580,295</u>	<u>\$ 4,593,345</u>

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STATE OF NEW MEXICO

Raton Public Schools

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Assets

June 30, 2008

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$ 4,169,771
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	11,880,867
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the - Statement of Activities	222,775
Other liabilities are not due and payable in the current period and therefore are not reported in the funds -	
Accrued interest	(12,602)
Bond issuance costs, net of amortization	57,290
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds -	
Bonds and notes payable	(3,015,000)
Compensated absences	<u>(26,190)</u>
Total net assets - governmental funds	<u>\$ 13,276,911</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
June 30, 2008

	<u>General Fund</u>	<u>Title I Special Revenue Fund</u>	<u>Bond Building</u>
<i>Revenues</i>			
Property taxes	\$ 61,806	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	9,806	445,225	-
Federal direct	-	-	-
State flowthrough	-	-	-
State direct	11,042,873	-	-
Local grants	8,965	-	-
Transportation distribution	614,503	-	-
Charges for services	10,495	-	-
Investment income	56,368	-	5,722
Miscellaneous	40,474	-	-
<i>Total revenues</i>	<u>11,845,290</u>	<u>445,225</u>	<u>5,722</u>
<i>Expenditures</i>			
Current:			
Instruction	6,555,601	358,449	-
Support services - students	1,116,120	-	-
Support services - instruction	190,027	-	-
Support services - general administration	263,795	-	-
Support services -school administration	822,701	-	-
Central services	222,574	-	-
Operation and maintenance of plant	1,121,386	-	4,969
Student transportation	663,970	-	-
Other support services			
Food services operations	108,093	-	-
Community services operations			
Capital outlay	-	-	72,900
Debt service:			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	57,660
<i>Total expenditures</i>	<u>11,064,267</u>	<u>358,449</u>	<u>135,529</u>
 <i>Excess (deficiency) of revenues over expenditures</i>	 <u>781,023</u>	 <u>86,776</u>	 <u>(129,807)</u>
 <i>Other financing sources (uses)</i>			
Bond face amount	-	-	2,400,000
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>2,400,000</u>
 <i>Net change in fund balances</i>	 781,023	 86,776	 2,270,193
 <i>Fund balances - beginning</i>	 <u>(59,144)</u>	 <u>(86,776)</u>	 <u>-</u>
 <i>Fund balances - ending</i>	 <u>\$ 721,879</u>	 <u>\$ -</u>	 <u>\$ 2,270,193</u>

The accompanying notes are an integral part of these financial statements

SB-9	Other Governmental Funds	Total Governmental Funds
\$ 270,126	\$ 169,156	\$ 501,088
-	892,840	1,347,871
-	6,506	6,506
-	209,082	209,082
547,268	-	11,590,141
-	-	8,965
-	-	614,503
-	99,927	110,422
17,451	15,302	94,843
2,770	2,398	45,642
<u>837,615</u>	<u>1,395,211</u>	<u>14,529,063</u>
-	427,908	7,341,958
-	162,908	1,279,028
-	14,577	204,604
2,394	97,343	363,532
-	-	822,701
-	-	222,574
321,047	27,477	1,474,879
-	-	663,970
-	-	-
-	390,760	498,853
-	3,054	3,054
113,201	18,003	204,104
-	70,000	70,000
-	30,968	30,968
-	-	57,660
<u>436,642</u>	<u>1,242,998</u>	<u>13,237,885</u>
<u>400,973</u>	<u>152,213</u>	<u>1,291,178</u>
-	-	2,400,000
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
400,973	152,213	3,691,178
<u>260,563</u>	<u>363,950</u>	<u>478,593</u>
<u>\$ 661,536</u>	<u>\$ 516,163</u>	<u>\$ 4,169,771</u>

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STATE OF NEW MEXICO

Raton Public Schools

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2008

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	3,691,178
--------------------------------------------------------	----	-----------

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay		204,104
Depreciation expense		(988,138)
Loss on disposal of assets		

In the statement of activities, only the loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds from the disposition increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets disposed.

		(500)
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Deferred property taxes are not recorded as a revenue in the governmental funds; the change in deferred revenue was:

Property taxes		33,768
----------------	--	--------

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Increase in the reserve for compensated absences		(9,598)
Increase in accrued interest		(4,466)
Bond proceeds		(2,400,000)
Bond issuance costs		57,660
Amortization expense		(370)
Principal payments on bonds		70,000
		70,000

Change in net assets of governmental activities	\$	653,638
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-1

Raton Public Schools

General Fund

Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 40,070	\$ 40,070	\$ 43,155	\$ 3,085
Intergovernmental revenue:				
Federal flowthrough	8,962	8,962	9,806	844
Federal direct	-	-	-	-
State flowthrough	10,927,714	10,927,714	11,042,873	115,159
State direct	-	-	-	-
Local grants	-	-	7,043	7,043
Transportation distribution	630,603	630,603	614,503	(16,100)
Charges for services	5,500	5,500	10,495	4,995
Investment income	56,000	56,000	56,368	368
Miscellaneous	-	-	40,474	40,474
<i>Total revenues</i>	<u>11,668,849</u>	<u>11,668,849</u>	<u>11,824,717</u>	<u>155,868</u>
<i>Expenditures</i>				
Current				
Instruction	6,864,278	6,653,366	6,615,305	38,061
Support services - students	1,142,505	1,131,610	1,115,145	16,465
Support services - instruction	89,243	200,207	191,914	8,293
Support services - general administration	147,602	286,962	262,069	24,893
Support services - school administration	795,980	824,487	822,701	1,786
Central services	309,644	237,270	220,669	16,601
Operation and maintenance of plant	1,200,731	1,185,800	1,124,243	61,557
Student transportation	692,334	664,342	663,970	372
Food services operations	74,500	114,500	108,093	6,407
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,316,817</u>	<u>11,298,544</u>	<u>11,124,109</u>	<u>174,435</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>352,032</u>	<u>370,305</u>	<u>700,608</u>	<u>330,303</u>
<i>Other financing sources (uses)</i>				
Designated cash	(352,032)	(370,305)	-	370,305
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(352,032)</u>	<u>(370,305)</u>	<u>-</u>	<u>370,305</u>
<i>Net change in fund balances</i>	-	-	700,608	700,608
<i>Fund balances - beginning of year</i>	-	-	179,345	179,345
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 879,953</u>	<u>\$ 879,953</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 700,608
Adjustments to revenue for property tax accruals and local grant accruals				20,573
Adjustments to expenditures for various function accruals and compensated absences				59,842
Net change in fund balances (GAAP)				<u>\$ 781,023</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-2

Raton Public Schools

Title I Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	372,397	372,397	386,201	13,804
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>372,397</u>	<u>372,397</u>	<u>386,201</u>	<u>13,804</u>
<i>Expenditures</i>				
Current				
Instruction	372,397	372,228	358,562	13,666
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>372,397</u>	<u>372,228</u>	<u>358,562</u>	<u>13,666</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>169</u>	<u>27,639</u>	<u>27,470</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	(169)	-	169
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(169)</u>	<u>-</u>	<u>169</u>
<i>Net change in fund balances</i>	-	-	27,639	27,639
<i>Fund balances - beginning of year</i>	-	-	(86,776)	(86,776)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,137)</u>	<u>\$ (59,137)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 27,639
Adjustments to revenue for federal flowthrough accrual				59,024
Adjustments to expenditures for instructional accrual				113
Net change in fund balances (GAAP)				<u>\$ 86,776</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Raton Public Schools
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

Exhibit E-1

<i>Assets</i>	
Cash and cash equivalents	<u>118,313</u>
<i>Total assets</i>	<u><u>\$ 118,313</u></u>
 <i>Liabilities</i>	
Deposits held in trust for others	<u>118,313</u>
<i>Total liabilities</i>	<u><u>\$ 118,313</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies

Raton Public Schools (“the District”) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the City of Raton. 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 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 Raton Public School’s District management who is responsible for their integrity and objectivity. The financial statements of the Raton Public School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financials reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of the following subsequent private-sector guidance for their government wide financial statements, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The more significant of the District’s accounting policies are described below.

A. Financial Reporting Entity

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

The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A third criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate the potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units as described in the following paragraph, and is not a component unit of another governmental agency.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognized all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

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

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District does not have any enterprise funds.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Ad valorem taxes (property taxes), licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period; net of estimated refunds and uncollectible amounts. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items (which include state equalization and state revenue sharing) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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 in another fund. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds.

The *Title I Special Revenue Fund* is used to account for a program funded by a Federal grant to assist the District in providing supplemental education opportunities for academically disadvantaged children in the area in which they reside. Funding is allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A, Chapter I, Title I of the Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 102-383.

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

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

The government reports the following fund types:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Assets or Fund Equity

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 District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

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

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

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

Inventory: The District has changed its method of accounting for inventory in its fund financial statements from the purchase method to the consumption method. Under the purchase method, inventories of materials and supplies are recognized immediately as expenditures when they are purchased. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. There was no change to net assets as a result of this change in accounting method for inventory from the purchase method to the consumption method.

Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District was a phase II government for purposes of implementing GASB 34. However, the District does not have any infrastructure assets to report.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Library books are not capitalized because the District does not believe they have a life of more than one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Capital expenditures made on the school district's building construction projects by the NM Public School Facilities Authority are included in the District's capital assets as appropriate.

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

Land improvements	20 years
Buildings and building improvements	20-40 years
Furniture, fixtures and equipment	5-20 years

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements. The District's period of availability is 60 days after the end of the fiscal year.

Compensated Absences: The District permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid at the employee's current hourly rate if not used, upon termination from the District. Accumulated sick leave benefits vest with each employee in accordance with District policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability amount is reported in the government funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service by the employees.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. For bonds issued after the District implemented GASB 34 in the year ended June 30, 2003 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 the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as a financing source while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance 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.

D. *Assets, Liabilities and Net Assets or Fund Equity - (continued)*

Equity Classifications

Government-wide Statements

Equity is classified as net assets and is displayed in three components:

- a. *Invested in capital assets, net of accumulated depreciation and related debt:*
Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, note or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At June 30, 2008, \$2,270,193 of the 2008 bond series remained unexpended. Therefore, the \$2,270,193 does not reduce the capital assets, net of accumulated depreciation.
- b. *Restricted Net Assets:*
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Description for the related restrictions for net assets restricted for "special revenue" are described on pages 58-59. The government-wide statement of net assets reports \$ 1,182,347 of restricted net assets, of which \$1,182,347 is restricted by enabling legislation.
- c. *Unrestricted Net Assets:*
All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$10,880,410, in state equalization guarantee distributions during the year ended June 30, 2008.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. *Revenues - (continued)*

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$501,088 in tax revenues in the governmental fund financial statements during the year ended June 30, 2008. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects County, City and school taxes and distributes some to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each School district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$614,503 in transportation distributions during the year ended June 30, 2008.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various Districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the Public Education Department "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2008 totaled \$162,463. Allocations received and utilized are reflected in revenues and expenditures of the General Fund.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$547,268 in state SB-9 matching during the year ended June 30, 2008.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program per Section 22-24-4(B), core administrative function of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4 (G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. *Revenues - (continued)*

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 Department or the flow through agency (usually the New Mexico Public Education Department). The various budgets are approved by the local School Board and the New Mexico Public Education Department.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on a Non-GAAP basis and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

The 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 Board of Education a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board and the New Mexico Public Education Department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP).

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 2. Stewardship, Compliance and Accountability – (Continued)

Budgetary Information- (continued)

The appropriated budget for the year ended June 30, 2008, was properly amended by the Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ 352,032	\$ 370,305
Title I Special Revenue Fund	-	169
Bond Building Capital Projects Fund	-	(2,400,000)
Capital Improvements SB-9 Capital Projects Fund	(267,265)	(808,197)
Nonmajor Funds	(511,056)	(887,496)

The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each nonmajor governmental fund and enterprise fund are included in each individual budget statement.

NOTE 3. Deposits and Investments

Section 22-8-40, NMSA 1978 authorizes the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2008.

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 collateralized by the financial institution as required by statute.

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

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

The collateral pledged is listed on Schedule II in this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, District or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 3. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2008, \$4,504,481 of the District deposits of \$4,704,481 was exposed to custodial credit risk. \$2,221,442 was uninsured and collateralized by collateral held by the pledging bank's trust department, but not in the District's name. \$2,283,039 was uninsured and uncollateralized. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution.

	<u>International Bank</u>	<u>First National Bank of New</u>	<u>Total</u>
Amount of deposits	\$ 4,583,039	\$ 121,442	\$ 4,704,481
FDIC Coverage	<u>(100,000)</u>	<u>(100,000)</u>	<u>(200,000)</u>
Total uninsured public funds	<u>4,483,039</u>	<u>21,442</u>	<u>4,504,481</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>2,200,000</u>	<u>21,442</u>	<u>2,221,442</u>
Uninsured and uncollateralized	<u>\$ 2,283,039</u>	<u>\$ -</u>	<u>\$ 2,283,039</u>
Collateral requirement (50% of uninsured funds)	\$ 2,241,519	\$ 10,721	\$ 2,252,240
Pledged Collateral	<u>2,200,000</u>	<u>78,086</u>	<u>2,278,086</u>
Over (Under) collateralized	<u>\$ (41,519)</u>	<u>\$ 67,365</u>	<u>\$ 25,846.00</u>

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 3,760,653
Restricted cash and cash equivalents per Exhibit A-1	226,289
Agency funds cash per Exhibit E-1	<u>118,313</u>
Total cash and cash equivalents	<u>4,105,255</u>
Add: deposits in transit and other reconciling items	<u>599,226</u>
Bank balance of deposits	<u>\$ 4,704,481</u>

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 3. Deposits and Investments - (Continued)

Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheet as of June 30, 2008. The following individual funds had negative cash balances as of June 30, 2008:

Special Revenue Funds:	
Entitlement IDEA-B	\$ 2,697
Discretionary IDEA-B	601
Enhancing Education through Technology	1,570
Title V Innovative Education Program	1,453
English Language Acquisition	6,992
Title IIA Teacher/Principal Training & Recruiting	147
Safe and Drug Free	2,831
Rural & Low Income District	3,057
GO Bond Library	4,785
Total	<u>\$ 24,133</u>

NOTE 4. Receivables

Governmental receivables as of June 30, 2008, are as follows:

	<u>General</u>	<u>Title I</u>	<u>Bond Building</u>	<u>SB-9</u>	<u>Total Nonmajor Funds</u>	<u>Total</u>
Property taxes	\$ 200,944	\$ -	\$ -	\$ 7,094	\$ 27,113	\$ 235,151
Other taxes:						
Gross receipts taxes	-	-	-	-	-	-
Gasoline and oil taxes	-	-	-	636	-	636
Lodger's taxes	-	-	-	-	-	-
Other receivables:						
Licenses and fees	-	-	-	-	-	-
Intergovernmental-grants:						
State	-	-	-	-	16,911	16,911
Federal	-	122,662	-	-	40,984	163,646
Miscellaneous	<u>1,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,922</u>
Totals by category	<u>\$ 202,866</u>	<u>\$ 122,662</u>	<u>\$ -</u>	<u>\$ 7,730</u>	<u>\$ 85,008</u>	<u>\$ 418,266</u>

The above receivables are deemed 100% collectible.

NOTE 5. Accounts Payable and Accrued Interest Payable

Accounts Payable and accrued liabilities as of June 30, 2008, are as follows:

Payable to suppliers	\$ 36,673
Payable to and on behalf of employees	7,078
Accrued interest	<u>12,602</u>
Total accounts payable and accrued expenses:	<u>\$ 56,353</u>

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 6. Interfund Receivables and Payables, and Transfers

The District's fund financial statements include inter-fund receivables and payables to enable the funds to operate until grant monies are received. The composition of inter-fund balances as of June 30, 2008 is as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General Fund	\$ 125,663	
Title I Special Revenue Fund		125,663
Non-major Funds:		
IDEA -B Entitlement		2,697
Discretionary IDEA-B		601
Enhancing Education through Technology (E2T2-F)		1,570
Title II IASA	385	
Title IV Drug Free Schools	159	
Title V Innovative Education Program		1,453
English Language Acquisition		6,992
Title IIIA Teacher/Principal Training		532
Safe and Drug Free		2,990
Rural and Low Income Schools		3,057
GO Bond Library		4,785
Incentives for School Improvement	24,133	-
	<u>\$ 150,340</u>	<u>\$ 150,340</u>

All interfund balances are to be repaid within one year.

The District did not make any transfers between funds during the fiscal year ended June 30, 2008.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2008 follows. Land is not subject to depreciation.

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Capital assets not being depreciated:				
Land	\$ 107,911	\$ -	\$ -	\$ 107,911
Construction in progress	-	72,899	-	72,899
Total assets not being depreciated	<u>107,911</u>	<u>72,899</u>	<u>-</u>	<u>180,810</u>
Capital assets being depreciated				
Buildings and improvements	18,299,628	-	-	18,299,628
Equipment and vehicles	<u>2,363,363</u>	<u>131,205</u>	<u>48,525</u>	<u>2,446,043</u>
Total assets being depreciated	<u>20,662,991</u>	<u>131,205</u>	<u>48,525</u>	<u>20,745,671</u>
Total capital assets	<u>20,770,902</u>	<u>204,104</u>	<u>48,525</u>	<u>20,926,481</u>
Less accumulated depreciation:				
Buildings and improvements	6,777,349	863,892	-	7,641,241
Equipment and vehicles	<u>1,328,152</u>	<u>124,246</u>	<u>48,025</u>	<u>1,404,373</u>
Total accumulated depreciation	<u>8,105,501</u>	<u>988,138</u>	<u>48,025</u>	<u>9,045,614</u>
Total capital assets net of depreciation	<u>\$12,665,401</u>	<u>\$ (784,034)</u>	<u>\$ 500</u>	<u>\$11,880,867</u>

The District has active construction projects as of June 30, 2008. The projects include renovations and improvements to existing school buildings and grounds. A portion of the outstanding projects is funded by payments made directly to contractors by the Deficiencies Correction Unit (DCU). The DCU was created by Laws 2001, Chapter 338, pursuant to the Public School Capital Outlay Act as codified in Section 22-24-4.2 NMSA 1978 to assist in identifying and funding all outstanding deficiencies in public schools and grounds that may adversely affect the health or safety of students and school personnel no later than June 30, 2008.

Depreciation expense for the year ended June 30, 2008 was charged to governmental activities as follows:

Instruction	\$ 643,344
Support services – students	3,729
Support services – general administration	2,820
Central Services	8,184
Operations and maintenance of plant	318,008
Student transportation	2,537
Food services	<u>9,516</u>
	<u>\$ 988,138</u>

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 8. Long-term Debt

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was \$685,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2008 are for governmental activities.

The following is a summary of the long-term debt and the related activity for the year ended June 30, 2008:

	<u>Series 5/1/1998</u>	<u>Series 6/1/2008</u>
Original Issue:	1,100,000	2,400,000
Principal:	October 1	June 1
Interest:	April 1 October 1	December 1 June 1
Interest Rates:	4.45% - 6.45%	3.35% - 4.15%
Maturity Date:	October 2014	June 2021

		Balance			Balance	Due Within
		June 30, 2007	Additions	Retirements	June 30, 2008	One Year
General obligation bonds	Series 5/1/1998	685,000	\$ -	70,000	\$ 615,000	\$ 75,000
General obligation bonds	Series 6/1/2008	-	2,400,000	-	2,400,000	100,000
Compensated Absences		17,672	25,090	16,572	26,190	16,572
Total Long-Term Debt		<u>\$ 702,672</u>	<u>\$ 2,425,090</u>	<u>\$ 86,572</u>	<u>\$ 3,041,190</u>	<u>\$ 191,572</u>

The annual requirements to amortize the May 1, 1998 Series general obligation bonds as of June 30, 2008, including interest payments are as follows:

Fiscal Year			Total
Ending June 30,	Principal	Interest	Debt Service
2009	\$ 75,000	\$ 27,668	\$ 102,668
2010	80,000	24,103	104,103
2011	85,000	20,265	105,265
2012	85,000	16,228	101,228
2013	90,000	11,994	101,994
2014-2018	<u>200,000</u>	<u>10,045</u>	<u>210,045</u>
	<u>\$ 615,000</u>	<u>\$ 110,303</u>	<u>\$ 725,303</u>

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 8. Long-term Debt (Continued)

The annual requirements to amortize the June 1, 2008 Series general obligation bonds as of June 30, 2008, including interest payments are as follows:

Fiscal Year			Total
Ending June 30,	Principal	Interest	Debt Service
2009	\$ 100,000	\$ 120,108	\$ 295,108
2010	100,000	113,193	293,193
2011	110,000	106,005	301,005
2012	115,000	98,118	298,118
2013	120,000	89,859	299,859
2014-2018	1,080,000	304,430	1,584,430
2019-2023	775,000	63,400	838,400
	<u>\$ 2,400,000</u>	<u>\$ 895,113</u>	<u>\$ 3,910,113</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2008, the long-term portion of compensated absences increased \$26,190 over the prior year accrual. Compensated absences are usually paid from the general fund. See Note 1 for more details.

NOTE 9. Risk Management

The District is a member of the New Mexico Public District Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible for contents and \$10,000 deductible for each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$500,000 per occurrence for Faithful Performance. A limit of \$500,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2008, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. District Expenditures exceeded budget expenditures in the following fund:

Major Funds:

Capital Improvements SB-9- Supportive Services	\$	84
------------------------------------------------	----	----

The District designated cash appropriations in excess of available balances for the beginning budgets in the following funds:

Major Funds:

Capital Improvements SB-9	\$	59,757
---------------------------	----	--------

Nonmajor Funds:

Title V Innovative Education Program		51
Title IIA Teacher/Principal Training & Recruiting		2,749
Title XIX Medicaid		142,293
Beginning Teacher Mentoring		3,716
Gear-Up New Mexico		9,840
Sloan-Prince Grant		2,700
School Based Health Center		43,337
Debt Service		<u>95,991</u>
	\$	<u><u>360,434</u></u>

The District plans to monitor its budget and cash balances more closely in the future.

NOTE 11. ERA Pension Plan

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

Funding Policy. Plan members are required to contribute 7.42 percent of their gross salary. The District is required to contribute 10.90 percent of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERA for the years ended June 30, 2008, 2007, and 2006 were \$757,386, \$645,439, and \$590,353 respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 12. Post-Employment Benefits

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

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

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

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

The 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 requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 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, 2008, 2007 and 2006 were \$90,767 \$87,359 and \$80,356, respectively which equaled the required contributions each year.

NOTE 13. Contingent Liabilities

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

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

STATE OF NEW MEXICO
Raton Public District
Notes to the Financial Statements
June 30, 2008

NOTE 14. Commitments

The District has entered into a contract for the Raton High School remodeling project. Contract totaled \$19,500. At June 30, 2008, the District owed Progressive Management \$5,606.

The District has entered into a contract for the bleacher renovation at Raton High School and Raton Middle School. Contracts totaled \$51,991 and \$30,495 respectively.

NOTE 15. Joint Powers Agreements

Cooperative Procurement Agreement

Participants – Raton Public Schools

Cooperative Education Services

Responsible party – All participants

Description – To conduct cooperative procurement utilizing services of each entity.

Begin date – July 1, 1984

Ending date – Until notified

Estimated amount of project – Unknown

Amount contributed – None

Audit responsibility – Each participant

Fiscal agent – Not applicable

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SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

Raton Public Schools

General Fund

Combining Balance Sheet

June 30, 2008

	General Fund		
	Operational	Pupil Transportation	Instructional
<i>Assets</i>			
Cash and cash equivalents	\$ 529,144	\$ 49,858	\$ 7,496
Property taxes receivable	200,943	-	-
Intergovernmental receivables	-	-	-
Other receivables	1,922	-	-
Inventory	37,159	-	-
Due from other funds	125,663	-	-
<i>Total assets</i>	<u>\$ 894,831</u>	<u>\$ 49,858</u>	<u>\$ 7,496</u>
<i>Liabilities</i>			
Accounts payable	\$ 24,378	\$ -	\$ 6,345
Accrued compensated absences	-	-	-
Accrued payroll	-	-	-
Deferred revenue	199,583	-	-
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>223,961</u>	<u>-</u>	<u>6,345</u>
<i>Fund balances</i>			
Reserved			
Designated for subsequent year	37,159	-	-
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unrestricted	633,711	49,858	1,151
<i>Total fund balances</i>	<u>670,870</u>	<u>49,858</u>	<u>1,151</u>
<i>Total liabilities and fund balances</i>	<u>\$ 894,831</u>	<u>\$ 49,858</u>	<u>\$ 7,496</u>

The accompanying notes are an integral part of these financial statements

<u>Total General Fund</u>	
\$	586,498
	200,943
	-
	1,922
	37,159
	<u>125,663</u>
\$	<u>952,185</u>
	30,723
	-
	-
	199,583
	-
	<u>230,306</u>
	37,159
	-
	-
	<u>684,720</u>
	<u>721,879</u>
\$	<u>952,185</u>

STATE OF NEW MEXICO
Raton Public Schools
Combing Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2008

	Special Revenue		
	Operational	Pupil Transportation	Instructional
<i>Revenues</i>			
Property taxes	\$ 61,806	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	9,806	-	-
Federal direct			
State flowthrough			
State direct	10,880,410	-	162,463
Local grants	8,965	-	-
Transportation distribution	-	614,503	-
Charges for services	10,495	-	-
Investment income	56,368	-	-
Miscellaneous	36,183	-	4,291
<i>Total revenues</i>	11,064,033	614,503	166,754
<i>Expenditures</i>			
Current:			
Instruction	6,378,734	-	176,867
Support services - students	1,116,120	-	-
Support services - instruction	179,013	-	11,014
Support services - general administration	263,795	-	-
Support services - school administration	822,701	-	-
Central services	222,574	-	-
Operation and maintenance of plant	1,121,386	-	-
Student transportation	-	663,970	-
Food service operations	108,093	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	10,212,416	663,970	187,881
<i>Excess (deficiency) of revenues over expenditures</i>	851,617	(49,467)	(21,127)
<i>Other financing sources (uses)</i>			
Transfers in/(out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	851,617	(49,467)	(21,127)
<i>Fund balances - beginning</i>	(180,747)	99,325	22,278
<i>Fund balances - ending</i>	\$ 670,870	\$ 49,858	\$ 1,151

The accompanying notes are an integral part of these financial statements

<u>Total General Fund</u>	
\$	61,806
	9,806
	11,042,873
	8,965
	614,503
	10,495
	56,368
	40,474
	<u>11,845,290</u>
	6,555,601
	1,116,120
	190,027
	263,795
	822,701
	222,574
	1,121,386
	663,970
	108,093
	-
	-
	-
	<u>11,064,267</u>
	<u>781,023</u>
	-
	-
	781,023
	<u>(59,144)</u>
\$	<u><u>721,879</u></u>

STATE OF NEW MEXICO

Statement B-1

Raton Public Schools

General Fund - Operational

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 40,070	\$ 40,070	\$ 43,155	\$ 3,085
Intergovernmental revenue:				
Federal flowthrough	8,962	8,962	9,806	844
Federal direct	-	-	-	-
State flowthrough	10,792,629	10,792,629	10,880,410	87,781
State direct	-	-	-	-
Local grants	-	-	7,043	7,043
Charges for services	5,500	5,500	10,495	4,995
Investment income	56,000	56,000	56,368	368
Miscellaneous	-	-	36,183	36,183
<i>Total revenues</i>	<u>10,903,161</u>	<u>10,903,161</u>	<u>11,043,460</u>	<u>140,299</u>
<i>Expenditures</i>				
Current				
Instruction	6,633,900	6,482,445	6,444,783	37,662
Support services - students	1,142,505	1,131,610	1,115,145	16,465
Support services - instruction	78,306	184,377	180,900	3,477
Support services - general administration	309,644	237,270	220,669	16,601
Support services - school administration	795,980	824,487	822,701	1,786
Central services	309,644	237,270	262,069	(24,799)
Operation and maintenance of plant	1,200,731	1,185,800	1,124,243	61,557
Student transportation	-	-	-	-
Other support services	544,806	544,806	-	544,806
Food services operations	222,102	401,462	108,093	293,369
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,237,618</u>	<u>11,229,527</u>	<u>10,278,603</u>	<u>950,924</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(334,457)</u>	<u>(326,366)</u>	<u>764,857</u>	<u>1,091,223</u>
<i>Other financing sources (uses)</i>				
Designated cash	334,457	326,366	-	(326,366)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>334,457</u>	<u>326,366</u>	<u>-</u>	<u>(326,366)</u>
<i>Net change in fund balances</i>	-	-	764,857	764,857
<i>Fund balances - beginning of year</i>	-	-	30,397	30,397
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 795,254</u>	<u>\$ 795,254</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 764,857
Adjustments to revenue for property tax accrual and local sources accrual				20,573
Adjustments to expenditures for various function accruals				66,187
Net change in fund balances (GAAP)				<u>\$ 851,617</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
General Fund - Pupil Transportation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-2

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	630,603	630,603	614,503	(16,100)
Transportation distribution	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>630,603</u>	<u>630,603</u>	<u>614,503</u>	<u>(16,100)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	692,334	664,342	663,970	372
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>692,334</u>	<u>664,342</u>	<u>663,970</u>	<u>372</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(61,731)</u>	<u>(33,739)</u>	<u>(49,467)</u>	<u>(15,728)</u>
<i>Other financing sources (uses)</i>				
Designated cash	61,731	33,739	-	(33,739)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>61,731</u>	<u>33,739</u>	<u>-</u>	<u>(33,739)</u>
<i>Net change in fund balances</i>	-	-	(49,467)	(49,467)
<i>Fund balances - beginning of year</i>	-	-	99,325	99,325
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,858</u>	<u>\$ 49,858</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (49,467)
No adjustments for revenue accruals				-
Adjustments to expenditures for student transportation function accrual				-
Net change in fund balances (GAAP)				<u>\$ (49,467)</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Statement B-3

Raton Public Schools

General Fund - Instructional

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	135,085	135,085	162,463	27,378
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	4,291	4,291
<i>Total revenues</i>	<u>135,085</u>	<u>135,085</u>	<u>166,754</u>	<u>31,669</u>
<i>Expenditures</i>				
Current				
Instruction	230,378	170,921	170,522	399
Support services - students	-	-	-	-
Support services - instruction	10,937	15,830	11,014	4,816
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>241,315</u>	<u>186,751</u>	<u>181,536</u>	<u>5,215</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(106,230)</u>	<u>(51,666)</u>	<u>(14,782)</u>	<u>36,884</u>
<i>Other financing sources (uses)</i>				
Designated cash	106,230	51,666	-	(51,666)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>106,230</u>	<u>51,666</u>	<u>-</u>	<u>(51,666)</u>
<i>Net change in fund balances</i>	-	-	(14,782)	(14,782)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>22,278</u>	<u>22,278</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,496</u>	<u>\$ 7,496</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (14,782)
No adjustments for revenue accruals				-
Adjustments to expenditures for instruction function accrual				<u>(6,345)</u>
Net change in fund balances (GAAP)				<u>\$ (21,127)</u>

The accompanying notes are an integral part of these financial statements

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO

Raton Public Schools
Non-Major Governmental Funds
June 30, 2008

Special Revenue Funds

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

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

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

Discretionary IDEA-B (24107) - To account for federal resources administered by the State Department of Education to provide for special educational needs of the handicapped 6-21 year old.

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

Title II IASA (24115) – The objective of this act is to provide federal funds for the purpose of strengthening the skills of teachers in the areas of mathematics and science. Program resources are utilized for the development of instructional materials and training of teachers in the secondary schools for utilizing these materials. Funds are acquired from federal sources through the New Mexico Public Education Department. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act (ESEA) of 1965, Title II, Part A, Public Law 100-208, as amended, Public Law 101-589.

Title IV Drug Free Schools (24128) – The objective of this program is to provide federal funds for the implementation of programs and/or curricula designed to prevent drug abuse from kindergarten through grade twelve. Federal revenues accounted for in this fund are allocated to the Schools' through the New Mexico Department of Education. Authority for creation of this fund is Public Law 103-382.

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

Title V Innovative Education Program (24150) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

English Language Acquisition (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. (P.L. 100-77).

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

Safe and Drug Free (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. (P.L. 106-553)

Rural and Low Income Schools (24160) – To account for funds used 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 of 1965 (ESEA), Title VI, Part B, as amended.

Title XIX Medicaid 3/21 Years (25153) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

STATE OF NEW MEXICO

Raton Public Schools
Non-Major Governmental Funds
June 30, 2008

Special Revenue Funds – (continued)

Technology for Education (27117) – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 through 22-15A-13.

Incentives for School Improvement Act PED (27138) – To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools. The Authority for this fund is NMSA22-13A-1 through 22-13A-6.

Beginning Teacher Mentoring (27154) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. The Authority for creation of this fund is NMSA 22-10A-19.

Core Curriculum (27160) – To account for monies received to purchase software and other services to improve reading and math skills. The Authority for this fund is NMSA 22-13-1.

GO Bond Library (27170) – To acquire library materials, including books and other library resources for public schools.

Gear-Up New Mexico (28138) – To purchase items at Raton Middle School for Gear up student who are in the seventh grade.

Career Vocational Technical Education (28181) – This program was developed to serve public school districts in northeast New Mexico. The program offers oil and gas training, homeland security training, and digital computer technology. The amounts are to be spent on moveable equipment and to provide vocational equipment for the programs.

Sloan-Prince Grant (29102) – To purchase literature sets that served as a model for developing writing skills and strategies.

School Based Health Center (29130) – To develop and integrate an operational plan for health services to be offered to all students in the District.

Capital Projects Funds

Special Capital Outlay State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996.

Public Schools Capital Outlay 20% (32100) – To account for the 20 percent of the operational property tax revenues that have been set aside for capital outlay projects.

Debt Service Fund

Debt Service (41000) – To accumulate resources for payment of principal and interest due on educational technology bonds. Financing is provided by a special tax levy approved by the voters of the Schools' and assessed by the County Assessor and collected and remitted to the Schools' by the County Treasurer.

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

	Special Revenue		
	Cafeteria	Athletics	Entitlement IDEA-B
<i>Assets</i>			
Cash and cash equivalents	\$ 118,980	\$ 18,729	\$ -
Property taxes receivable	-	-	-
Intergovernmental receivables	-	-	2,697
Other receivables	-	-	-
Inventory	638	-	-
Due from other funds	-	-	-
	<u>\$ 119,618</u>	<u>\$ 18,729</u>	<u>\$ 2,697</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	2,697
	<u>-</u>	<u>-</u>	<u>2,697</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	638	-	-
Unreserved, reported in:			
Special revenue funds	118,980	18,729	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
	<u>119,618</u>	<u>18,729</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 119,618</u>	<u>\$ 18,729</u>	<u>\$ 2,697</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Discretionary IDEA-B	Preschool IDEA-B	Title II IASA	Title IV Drug Free Schools	Enhancing Ed Thru Tech (E2T2 F)	Title V Innovative Education Program
\$ -	\$ 944	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	853	1,453
601	-	-	-	-	-
-	-	-	-	-	-
-	-	385	159	-	-
<u>\$ 601</u>	<u>\$ 944</u>	<u>\$ 385</u>	<u>\$ 159</u>	<u>\$ 853</u>	<u>\$ 1,453</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	944	385	159	(717)	-
601	-	-	-	1,570	1,453
<u>601</u>	<u>944</u>	<u>385</u>	<u>159</u>	<u>853</u>	<u>1,453</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 601</u>	<u>\$ 944</u>	<u>\$ 385</u>	<u>\$ 159</u>	<u>\$ 853</u>	<u>\$ 1,453</u>

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

	Special Revenue		
	Title IIA		
	English Language Acquisition	Teacher/Principal Training & Recruiting	Safe and Drug Free
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-
Intergovernmental receivables	-	7,859	-
Other receivables	6,992	-	2,990
Inventory	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>\$ 6,992</u>	<u>\$ 7,859</u>	<u>\$ 2,990</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ 1,742	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	-
Deferred revenue	-	5,585	-
Due to other funds	6,992	532	2,990
<i>Total liabilities</i>	<u>6,992</u>	<u>7,859</u>	<u>2,990</u>
<i>Fund balances</i>			
Reserved			
Inventory	-	-	-
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 6,992</u>	<u>\$ 7,859</u>	<u>\$ 2,990</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Rural & Low Income Schools	Title XIX Medicaid 3/21 Years	Technology for Education PED	Incentives for School Improvement Act PED	Beginning Teacher Mentoring Program	Core Curriculum
\$ -	\$ 150	\$ 16,059	\$ 16,652	\$ 206	\$ 66
-	-	-	-	-	-
6,832	1,690	-	-	-	-
-	-	-	-	1,527	-
-	-	-	-	-	-
-	-	-	24,133	-	-
<u>\$ 6,832</u>	<u>\$ 1,840</u>	<u>\$ 16,059</u>	<u>\$ 40,785</u>	<u>\$ 1,733</u>	<u>\$ 66</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
3,775	1,840	-	-	1,733	66
3,057	-	-	-	-	-
<u>6,832</u>	<u>1,840</u>	<u>-</u>	<u>-</u>	<u>1,733</u>	<u>66</u>
-	-	-	-	-	-
-	-	16,059	40,785	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>16,059</u>	<u>40,785</u>	<u>-</u>	<u>-</u>
<u>\$ 6,832</u>	<u>\$ 1,840</u>	<u>\$ 16,059</u>	<u>\$ 40,785</u>	<u>\$ 1,733</u>	<u>\$ 66</u>

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

	Special Revenue		
	GO Bond Library	Gear-Up New Mexico	Career Vocational Technical Education
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-
Intergovernmental receivables	-	5,000	-
Other receivables	4,801	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 4,801	\$ 5,000	\$ -
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	-
Deferred revenue	16	-	-
Due to other funds	4,785	-	-
	4,785	-	-
<i>Total liabilities</i>	4,801	-	-
<i>Fund balances</i>			
Reserved			
Inventory	-	-	-
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	-	5,000	-
Debt service funds	-	-	-
	-	-	-
<i>Total fund balances</i>	-	5,000	-
<i>Total liabilities and fund balances</i>	\$ 4,801	\$ 5,000	\$ -

The accompanying notes are an integral part of these financial statements

<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Debt Service</u>	
<u>Sloan-Prince Grant</u>	<u>School Based Health Center</u>	<u>Special Capital Outlay - State</u>	<u>Public School Capital Outlay 20%</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 172	\$ 50,990	\$ 16,863	\$ 3,871	\$ 226,289	\$ 469,971
-	-	-	-	27,114	27,114
-	14,600	-	-	-	40,984
-	-	-	-	-	16,911
-	-	-	-	-	638
-	-	-	-	-	24,677
<u>\$ 172</u>	<u>\$ 65,590</u>	<u>\$ 16,863</u>	<u>\$ 3,871</u>	<u>\$ 253,403</u>	<u>\$ 580,295</u>
\$ -	\$ 735	\$ -	\$ -	\$ -	2,477
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	23,192	36,978
-	-	-	-	-	24,677
<u>-</u>	<u>735</u>	<u>-</u>	<u>-</u>	<u>23,192</u>	<u>64,132</u>
-	-	-	-	-	638
172	64,855	-	-	-	259,580
-	-	16,863	3,871	-	25,734
-	-	-	-	230,211	230,211
<u>172</u>	<u>64,855</u>	<u>16,863</u>	<u>3,871</u>	<u>230,211</u>	<u>516,163</u>
<u>\$ 172</u>	<u>\$ 65,590</u>	<u>\$ 16,863</u>	<u>\$ 3,871</u>	<u>\$ 253,403</u>	<u>\$ 580,295</u>

STATE OF NEW MEXICO
Raton Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue		
	Cafeteria	Athletics	Entitlement IDEA- B
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	369,289	-	269,715
Federal direct	-	-	-
State flowthrough	-	-	-
State direct			
Local grants			
Charges for services	64,179	35,016	-
Investment income	2,857	1,126	-
Miscellaneous	-	601	1,357
<i>Total revenues</i>	436,325	36,743	271,072
<i>Expenditures</i>			
Current:			
Instruction	-	62,191	150,938
Support services - students	-	-	31,047
Support services - instruction	-	-	-
Support services - general administration	-	-	97,158
Support services - school administration	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food service operations	390,760	-	-
Community services operations	-	-	3,054
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	390,760	62,191	282,197
<i>Excess (deficiency) of revenues over expenditures</i>	45,565	(25,448)	(11,125)
<i>Other financing sources (uses)</i>			
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	45,565	(25,448)	(11,125)
<i>Fund balances - beginning</i>	74,053	44,177	11,125
<i>Fund balances - ending</i>	\$ 119,618	\$ 18,729	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue

Discretionary IDEA-B	Preschool IDEA- B	Title II IASA	Title IV Drug Free Schools	Enhancing Ed Thru Tech (E2T2-F)	Title V Innovative Education Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
741	25,746	-	-	2,423	1,453
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>741</u>	<u>25,746</u>	<u>-</u>	<u>-</u>	<u>2,423</u>	<u>1,453</u>
741	26,695	385	159	1,570	1,453
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>741</u>	<u>26,695</u>	<u>385</u>	<u>159</u>	<u>1,570</u>	<u>1,453</u>
-	(949)	(385)	(159)	853	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(949)	(385)	(159)	853	-
-	949	385	159	(853)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Raton Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue		
	English Language Acquisition	Title IIA Teacher/Principal Training & Recruiting	Safe and Drug Free
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	15,549	79,142	-
Federal direct	-	-	6,506
State flowthrough	-	-	-
State direct			
Local grants			
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>15,549</u>	<u>79,142</u>	<u>6,506</u>
<i>Expenditures</i>			
Current:			
Instruction	9,948	84,727	6,506
Support services - students	-	-	-
Support services - instruction	-	-	-
Support services - general administration	-	-	-
Support services - school administration	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food service operations	-	-	-
Community services operations	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>9,948</u>	<u>84,727</u>	<u>6,506</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,601</u>	<u>(5,585)</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	5,601	(5,585)	-
<i>Fund balances - beginning</i>	<u>(5,601)</u>	<u>5,585</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Rural & Low Income Schools	Title XIX Medicaid 3/21 Years	Technology for Education PED	Incentives for School Improvement Act PED	Beginning Teacher Mentoring Program	Core Curriculum
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41,438	87,344	-	-	-	-
-	-	-	-	-	-
-	-	(5,867)	17,585	4,614	14,133
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	423	-
<u>41,438</u>	<u>87,344</u>	<u>(5,867)</u>	<u>17,585</u>	<u>5,037</u>	<u>14,133</u>
37,662	-	17,337	6,862	3,510	14,133
-	85,654	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,264	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,662</u>	<u>85,654</u>	<u>20,601</u>	<u>6,862</u>	<u>3,510</u>	<u>14,133</u>
<u>3,776</u>	<u>1,690</u>	<u>(26,468)</u>	<u>10,723</u>	<u>1,527</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,776	1,690	(26,468)	10,723	1,527	-
<u>(3,776)</u>	<u>(1,690)</u>	<u>42,527</u>	<u>30,062</u>	<u>(1,527)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,059</u>	<u>\$ 40,785</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Raton Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue		
	GO Bond Library	Gear Up New Mexico	Career Vocation Technical Education
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	-	-
Federal direct	-	-	-
State flowthrough	14,577	5,563	86,635
State direct			
Local grants			
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	14,577	5,563	86,635
<i>Expenditures</i>			
Current:			
Instruction	-	563	-
Support services - students	-	-	-
Support services - instruction	14,577	-	-
Support services - general administration	-	-	-
Support services - school administration	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food service operations	-	-	-
Community services operations	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	14,577	563	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	5,000	86,635
<i>Other financing sources (uses)</i>			
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	-	5,000	86,635
<i>Fund balances - beginning</i>	-	-	(86,635)
<i>Fund balances - ending</i>	\$ -	\$ 5,000	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue		Capital Projects		Debt Service	Total Nonmajor Governmental Funds
Sloan-Prince Grant	School Based Health Center	Special Capital Outlay - State	Public School Capital Outlay 20%	Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ 169,156	\$ 169,156
-	-	-	-	-	892,840
-	-	-	-	-	6,506
2,700	53,667	15,475	-	-	209,082
-	-	-	-	-	-
-	732	-	-	-	99,927
-	-	-	-	11,319	15,302
-	-	17	-	-	2,398
<u>2,700</u>	<u>54,399</u>	<u>15,492</u>	<u>-</u>	<u>180,475</u>	<u>1,395,211</u>
2,528	-	-	-	-	427,908
-	46,207	-	-	-	162,908
-	-	-	-	-	14,577
-	-	-	-	185	97,343
-	-	-	-	-	-
-	-	-	-	-	-
-	-	15,475	8,738	-	27,477
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	390,760
-	-	-	-	-	3,054
-	-	-	18,003	-	18,003
-	-	-	-	70,000	70,000
-	-	-	-	30,968	30,968
<u>2,528</u>	<u>46,207</u>	<u>15,475</u>	<u>26,741</u>	<u>101,153</u>	<u>1,242,998</u>
<u>172</u>	<u>8,192</u>	<u>17</u>	<u>(26,741)</u>	<u>79,322</u>	<u>152,213</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
172	8,192	17	(26,741)	79,322	152,213
-	56,663	16,846	30,612	150,889	363,950
<u>\$ 172</u>	<u>\$ 64,855</u>	<u>\$ 16,863</u>	<u>\$ 3,871</u>	<u>\$ 230,211</u>	<u>\$ 516,163</u>

STATE OF NEW MEXICO

Statement B-1

Raton Public Schools

Food Service Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	297,400	297,400	360,277	62,877
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	53,000	53,000	64,179	11,179
Investment income	-	-	2,857	2,857
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>350,400</u>	<u>350,400</u>	<u>427,313</u>	<u>76,913</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	397,485	397,485	359,096	38,389
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>397,485</u>	<u>397,485</u>	<u>359,096</u>	<u>38,389</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(47,085)</u>	<u>(47,085)</u>	<u>68,217</u>	<u>115,302</u>
<i>Other financing sources (uses)</i>				
Designated cash	47,085	47,085	-	(47,085)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>47,085</u>	<u>47,085</u>	<u>-</u>	<u>(47,085)</u>
<i>Net change in fund balances</i>	-	-	68,217	68,217
<i>Fund balances - beginning of year</i>	-	-	30,397	30,397
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,614</u>	<u>\$ 98,614</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 68,217
Adjustments to revenue for federal flowthrough accruals				9,012
Adjustments to expenditures for food services operations function accruals				(31,664)
Net change in fund balances (GAAP)				<u>\$ 45,565</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Athletics Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-2

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	30,000	30,000	35,016	5,016
Investment income	-	-	1,126	1,126
Miscellaneous	-	-	601	601
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>36,743</u>	<u>6,743</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	70,298	70,298	62,191	8,107
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>70,298</u>	<u>70,298</u>	<u>62,191</u>	<u>8,107</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(40,298)</u>	<u>(40,298)</u>	<u>(25,448)</u>	<u>14,850</u>
<i>Other financing sources (uses)</i>				
Designated cash	40,298	40,298	-	(40,298)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>40,298</u>	<u>40,298</u>	<u>-</u>	<u>(40,298)</u>
<i>Net change in fund balances</i>	-	-	(25,448)	(25,448)
<i>Fund balances - beginning of year</i>	-	-	44,177	44,177
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,729</u>	<u>\$ 18,729</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (25,448)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (25,448)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Raton Public Schools

Entitlement IDEA-B Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	280,018	280,018	267,018	(13,000)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,357	1,357
<i>Total revenues</i>	<u>280,018</u>	<u>280,018</u>	<u>268,375</u>	<u>(11,643)</u>
<i>Expenditures</i>				
Current				
Instruction	136,126	161,126	138,456	22,670
Support services - students	31,879	31,879	31,047	832
Support services - instruction	-	-	-	-
Support services - general administration	100,103	100,103	97,158	2,945
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	11,910	11,910	3,054	8,856
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>280,018</u>	<u>305,018</u>	<u>269,715</u>	<u>35,303</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(25,000)</u>	<u>(1,340)</u>	<u>23,660</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	25,000	-	(25,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<i>Net change in fund balances</i>	-	-	(1,340)	(1,340)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,357)</u>	<u>(1,357)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,697)</u>	<u>\$ (2,697)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,340)
Adjustments to revenue for federal flowthrough accrual				2,697
Adjustments to expenditures accrual in instruction function				(12,482)
Net change in fund balances (GAAP)				<u>\$ (11,125)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Raton Public Schools

Discretionary IDEA-B Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	750	750	140	(610)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	2,307	2,307
<i>Total revenues</i>	<u>750</u>	<u>750</u>	<u>2,447</u>	<u>1,697</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	750	750	741	9
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>750</u>	<u>750</u>	<u>741</u>	<u>9</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,706</u>	<u>1,706</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	1,706	1,706
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,307)</u>	<u>(2,307)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (601)</u>	<u>\$ (601)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,706
Adjustments to revenue for miscellaneous revenue accrual and federal flowthrough accrual				(1,706)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

Raton Public Schools

Preschool IDEA-B Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	26,736	26,736	26,690	(46)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>26,736</u>	<u>26,736</u>	<u>26,690</u>	<u>(46)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	26,736	26,736	26,695	41
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>26,736</u>	<u>26,736</u>	<u>26,695</u>	<u>41</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(5)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(5)	(5)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>949</u>	<u>949</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 944</u>	<u>\$ 944</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (5)
Adjustments to revenue for federal flowthrough accrual				(944)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (949)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Title II IASA Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-6

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>385</u>	<u>385</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385</u>	<u>\$ 385</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ -
Adjustment to revenue for federal flowthrough accrual				-
No adjustments for expenditure accruals				<u>(385)</u>
Net change in fund balances (GAAP)				<u>\$ (385)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

Raton Public Schools

Title IV Drug Free Schools Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principial	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>159</u>	<u>159</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159</u>	<u>\$ 159</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ -
Adjustments to revenue for federal flowthrough accruals				-
No adjustments for expenditure accruals				(159)
Net change in fund balances (GAAP)				<u>\$ (159)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

Raton Public Schools

Enhancing Ed Thru Tech Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	853	853
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>853</u>	<u>853</u>
<i>Expenditures</i>				
Current				
Instruction	-	1,570	1,570	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,570</u>	<u>1,570</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,570)</u>	<u>(717)</u>	<u>853</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	1,570	-	(1,570)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,570</u>	<u>-</u>	<u>(1,570)</u>
<i>Net change in fund balances</i>	-	-	(717)	(717)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(853)</u>	<u>(853)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,570)</u>	<u>\$ (1,570)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (717)
Adjustments to revenue for federal flowthrough accruals				1,570
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 853</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

Raton Public Schools

Title V Innovative Education Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	1,759	1,759	-	(1,759)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,708	1,708
<i>Total revenues</i>	<u>1,759</u>	<u>1,759</u>	<u>1,708</u>	<u>(51)</u>
<i>Expenditures</i>				
Current				
Instruction	1,759	1,811	1,453	358
Support services - students	1,759	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,518</u>	<u>1,811</u>	<u>1,453</u>	<u>358</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,759)</u>	<u>(52)</u>	<u>255</u>	<u>307</u>
<i>Other financing sources (uses)</i>				
Designated cash	1,759	52	-	(52)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,759</u>	<u>52</u>	<u>-</u>	<u>(52)</u>
<i>Net change in fund balances</i>	-	-	255	255
<i>Fund balances - beginning of year</i>	-	-	(1,708)	(1,708)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,453)</u>	<u>\$ (1,453)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 255
Adjustments to revenue for federal flowthrough accruals and miscellaneous revenue accruals				(255)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Raton Public Schools

English Language Acquisition Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	18,037	18,037	14,730	(3,307)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	(700)	(700)	-	700
<i>Total revenues</i>	<u>17,337</u>	<u>17,337</u>	<u>14,730</u>	<u>(2,607)</u>
<i>Expenditures</i>				
Current				
Instruction	17,337	18,848	9,948	8,900
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,337</u>	<u>18,848</u>	<u>9,948</u>	<u>8,900</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,511)</u>	<u>4,782</u>	<u>6,293</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	1,511	-	(1,511)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,511</u>	<u>-</u>	<u>(1,511)</u>
<i>Net change in fund balances</i>	-	-	4,782	4,782
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(11,774)</u>	<u>(11,774)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,992)</u>	<u>\$ (6,992)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,782
Adjustments to revenue for federal flowthrough accruals				819
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 5,601</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Raton Public Schools

Title IIA Teacher/Principal Training & Recruiting Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	94,347	94,347	76,868	(17,479)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>94,347</u>	<u>94,347</u>	<u>76,868</u>	<u>(17,479)</u>
<i>Expenditures</i>				
Current				
Instruction	102,681	102,308	82,985	19,323
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>102,681</u>	<u>102,308</u>	<u>82,985</u>	<u>19,323</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,334)</u>	<u>(7,961)</u>	<u>(6,117)</u>	<u>1,844</u>
<i>Other financing sources (uses)</i>				
Designated cash	8,334	7,961	-	(7,961)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>8,334</u>	<u>7,961</u>	<u>-</u>	<u>(7,961)</u>
<i>Net change in fund balances</i>	-	-	(6,117)	(6,117)
<i>Fund balances - beginning of year</i>	-	-	5,585	5,585
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (532)</u>	<u>\$ (532)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (6,117)
Adjustments to revenue for federal flowthrough accruals				2,274
Adjustments to expenditures for instruction function accruals				(1,742)
Net change in fund balances (GAAP)				<u>\$ (5,585)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Raton Public Schools

Safe and Drug Free Schools

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	7,291	7,291	3,516	(3,775)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,291</u>	<u>7,291</u>	<u>3,516</u>	<u>(3,775)</u>
<i>Expenditures</i>				
Current				
Instruction	7,291	7,291	6,506	785
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,291</u>	<u>7,291</u>	<u>6,506</u>	<u>785</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,990)</u>	<u>(2,990)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(2,990)	(2,990)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,990)</u>	<u>\$ (2,990)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (2,990)
Adjustments to revenue for federal direct flowthrough				2,990
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Raton Public Schools

Rural & Low Income Schools Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	40,618	40,618	79,299	38,681
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>40,618</u>	<u>40,618</u>	<u>79,299</u>	<u>38,681</u>
<i>Expenditures</i>				
Current				
Instruction	40,618	47,067	37,662	9,405
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>40,618</u>	<u>47,067</u>	<u>37,662</u>	<u>9,405</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(6,449)</u>	<u>41,637</u>	<u>48,086</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	6,449	-	(6,449)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,449</u>	<u>-</u>	<u>(6,449)</u>
<i>Net change in fund balances</i>	-	-	41,637	41,637
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(44,694)</u>	<u>(44,694)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,057)</u>	<u>\$ (3,057)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 41,637
Adjustments to revenue for federal flowthrough accruals				(37,861)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 3,776</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Raton Public Schools

Title XIX Medicaid 3/21 Years Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	87,494	87,494
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>87,494</u>	<u>87,494</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	142,293	85,654	56,639
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>142,293</u>	<u>85,654</u>	<u>56,639</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(142,293)</u>	<u>1,840</u>	<u>144,133</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	142,293	-	(142,293)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>142,293</u>	<u>-</u>	<u>(142,293)</u>
<i>Net change in fund balances</i>	-	-	1,840	1,840
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,690)</u>	<u>(1,690)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 150</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,840
Adjustments to revenue for federal direct accruals				(150)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 1,690</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Raton Public Schools

Technology for Education Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	55,367	55,367
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>55,367</u>	<u>55,367</u>
<i>Expenditures</i>				
Current				
Instruction	-	25,068	17,336	7,732
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	3,264	3,264	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>28,332</u>	<u>20,600</u>	<u>7,732</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(28,332)</u>	<u>34,767</u>	<u>63,099</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	28,332	-	(28,332)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>28,332</u>	<u>-</u>	<u>(28,332)</u>
<i>Net change in fund balances</i>	-	-	34,767	34,767
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,767</u>	<u>\$ 34,767</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 34,767
Adjustments to revenue for state flowthrough accrual				(61,234)
No adjustments for expenditure accruals				(1)
Net change in fund balances (GAAP)				<u>\$ (26,468)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

Raton Public Schools

Incentives for School Improvement Act PED Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	17,585	17,585
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>17,585</u>	<u>17,585</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	30,988	7,799	23,189
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>30,988</u>	<u>7,799</u>	<u>23,189</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(30,988)</u>	<u>9,786</u>	<u>40,774</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	30,988	-	(30,988)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>30,988</u>	<u>-</u>	<u>(30,988)</u>
<i>Net change in fund balances</i>	-	-	9,786	9,786
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,062</u>	<u>30,062</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,848</u>	<u>\$ 39,848</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 9,786
No adjustments for revenue accruals				-
Adjustments to expenditures for instruction function accruals				937
Net change in fund balances (GAAP)				<u>\$ 10,723</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

Raton Public Schools

Beginning Teacher Mentoring Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	4,820	4,820
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	423	423
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5,243</u>	<u>5,243</u>
<i>Expenditures</i>				
Current				
Instruction	-	3,716	3,510	206
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principial	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,716</u>	<u>3,510</u>	<u>206</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(3,716)</u>	<u>1,733</u>	<u>5,449</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	3,716	-	(3,716)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,716</u>	<u>-</u>	<u>(3,716)</u>
<i>Net change in fund balances</i>	-	-	1,733	1,733
<i>Fund balances - beginning of year</i>	-	-	(1,527)	(1,527)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206</u>	<u>\$ 206</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,733
Adjustments to revenue for state flowthrough accruals				(206)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 1,527</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Raton Public Schools

Core Curriculum Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	76,319	76,319
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>76,319</u>	<u>76,319</u>
<i>Expenditures</i>				
Current				
Instruction	-	14,133	14,133	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>14,133</u>	<u>14,133</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(14,133)</u>	<u>62,186</u>	<u>76,319</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	14,133	-	(14,133)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>14,133</u>	<u>-</u>	<u>(14,133)</u>
<i>Net change in fund balances</i>	-	-	62,186	62,186
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(62,120)</u>	<u>(62,120)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 66</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 62,186
Adjustments to revenue for state flowthrough accruals				(62,186)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Raton Public Schools
 GO Bond Library Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	9,792	9,792
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,792</u>	<u>9,792</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	17,307	14,577	2,730
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>17,307</u>	<u>14,577</u>	<u>2,730</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(17,307)</u>	<u>(4,785)</u>	<u>12,522</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	17,307	-	(17,307)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>17,307</u>	<u>-</u>	<u>(17,307)</u>
<i>Net change in fund balances</i>	-	-	(4,785)	(4,785)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,785)</u>	<u>\$ (4,785)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (4,785)
Adjustments to revenue for state direct accruals				4,785
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

Raton Public Schools

Gear-Up New Mexico Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	563	563
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>563</u>	<u>563</u>
<i>Expenditures</i>				
Current				
Instruction	-	9,840	563	9,277
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principial	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,840</u>	<u>563</u>	<u>9,277</u>
<i>Excess (deficiency) of revenues over expenditures</i>				
	<u>-</u>	<u>(9,840)</u>	<u>-</u>	<u>9,840</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	9,840	-	(9,840)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>9,840</u>	<u>-</u>	<u>(9,840)</u>
<i>Net change in fund balances</i>				
	-	-	-	-
<i>Fund balances - beginning of year</i>				
	-	-	-	-
<i>Fund balances - end of year</i>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ -
Adjustments to revenue for state direct accruals				5,000
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 5,000</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Raton Public Schools

Career Vocational Technical Education Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	86,635	86,635
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>86,635</u>	<u>86,635</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principial	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>86,635</u>	<u>86,635</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	86,635	86,635
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,635</u>	<u>\$ 86,635</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 86,635
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 86,635</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

Raton Public Schools

Sloan-Prince Grant Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	2,700	2,700
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,700</u>	<u>2,700</u>
<i>Expenditures</i>				
Current				
Instruction	-	2,700	2,528	172
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principial	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,700</u>	<u>2,528</u>	<u>172</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,700)</u>	<u>172</u>	<u>2,872</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	2,700	-	(2,700)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,700</u>	<u>-</u>	<u>(2,700)</u>
<i>Net change in fund balances</i>	-	-	172	172
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 172</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 172
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 172</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Raton Public Schools

School Based Health Center Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	39,067	39,067
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	732	732
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>39,799</u>	<u>39,799</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	100,000	45,472	54,528
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principial	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>100,000</u>	<u>45,472</u>	<u>54,528</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(100,000)</u>	<u>(5,673)</u>	<u>94,327</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	100,000	-	(100,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<i>Net change in fund balances</i>	-	-	(5,673)	(5,673)
<i>Fund balances - beginning of year</i>	-	-	56,663	56,663
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,990</u>	<u>\$ 50,990</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (5,673)
Adjustments to revenue for state flowthrough accruals				14,600
Adjustments to expenditures for support services- students function accruals				(735)
Net change in fund balances (GAAP)				<u>\$ 8,192</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Raton Public Schools

Special Capital Outlay State Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	15,475	15,475
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	17	17
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,492</u>	<u>15,492</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	16,846	36,125	15,475	20,650
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,846</u>	<u>36,125</u>	<u>15,475</u>	<u>20,650</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(16,846)</u>	<u>(36,125)</u>	<u>17</u>	<u>36,142</u>
<i>Other financing sources (uses)</i>				
Designated cash	16,846	36,125	-	(36,125)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>16,846</u>	<u>36,125</u>	<u>-</u>	<u>(36,125)</u>
<i>Net change in fund balances</i>	-	-	17	17
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,846</u>	<u>16,846</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,863</u>	<u>\$ 16,863</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 17
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 17</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Raton Public Schools

Public School Capital Outlay 20% Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	15,612	12,609	8,738	3,871
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	15,000	18,003	18,003	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,612</u>	<u>30,612</u>	<u>26,741</u>	<u>3,871</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(30,612)</u>	<u>(30,612)</u>	<u>(26,741)</u>	<u>3,871</u>
<i>Other financing sources (uses)</i>				
Designated cash	30,612	30,612	-	(30,612)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>30,612</u>	<u>30,612</u>	<u>-</u>	<u>(30,612)</u>
<i>Net change in fund balances</i>	-	-	(26,741)	(26,741)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,612</u>	<u>30,612</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,871</u>	<u>\$ 3,871</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (26,741)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (26,741)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Raton Public Schools

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 100,968	\$ 100,968	\$ 18,965	\$ (82,003)
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	11,319	11,319
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100,968</u>	<u>100,968</u>	<u>30,284</u>	<u>(70,684)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	1,010	1,010	185	825
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principal	466,080	466,080	70,000	396,080
Interest	30,968	30,968	30,968	-
<i>Total expenditures</i>	<u>498,058</u>	<u>498,058</u>	<u>101,153</u>	<u>396,905</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(397,090)</u>	<u>(397,090)</u>	<u>(70,869)</u>	<u>326,221</u>
<i>Other financing sources (uses)</i>				
Designated cash	397,090	397,090	-	(397,090)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>397,090</u>	<u>397,090</u>	<u>-</u>	<u>(397,090)</u>
<i>Net change in fund balances</i>	-	-	(70,869)	(70,869)
<i>Fund balances - beginning of year</i>	-	-	401,912	401,912
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,043</u>	<u>\$ 331,043</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (70,869)
Adjustments to revenue for property tax accruals				150,191
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 79,322</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Bond Building Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-27

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	-	-	-	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	1,614	1,614
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,614</u>	<u>1,614</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	2,150,000	-	2,150,000
Student transportation	-	-	-	-
Other support services	-	-	-	-
Facilities acquisition and construction	-	250,000	77,869	172,131
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,400,000</u>	<u>77,869</u>	<u>2,322,131</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,400,000)</u>	<u>(76,255)</u>	<u>2,323,745</u>
<i>Other financing sources (uses)</i>				
Designated cash				
Bond Proceeds	-	2,400,000	2,346,448	(53,552)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,400,000</u>	<u>2,346,448</u>	<u>(53,552)</u>
<i>Net change in fund balances</i>	-	-	2,270,193	2,270,193
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,270,193</u>	<u>\$ 2,270,193</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 2,270,193
Adjustments to revenue earnings on investments accruals				-
No adjustments for revenue accruals				-
Net change in fund balances (GAAP)				<u>\$ 2,270,193</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Raton Public Schools

Capital Improvements SB-9 Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	230,929	230,929	244,919	\$ 13,990
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	547,268	547,268
State direct	-	-	-	-
Local grants	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	17,451	17,451
Miscellaneous	-	-	2,770	2,770
<i>Total revenues</i>	<u>230,929</u>	<u>230,929</u>	<u>812,408</u>	<u>581,479</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	2,310	2,310	2,394	(84)
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	445,000	748,789	334,842	413,947
Student transportation	-	-	-	-
Other support services	-	-	-	-
Facilities acquisition and construction	50,884	288,027	115,126	172,901
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>498,194</u>	<u>1,039,126</u>	<u>452,362</u>	<u>586,764</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(267,265)</u>	<u>(808,197)</u>	<u>360,046</u>	<u>1,168,243</u>
<i>Other financing sources (uses)</i>				
Designated cash	267,265	808,197	-	(808,197)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>267,265</u>	<u>808,197</u>	<u>-</u>	<u>(808,197)</u>
<i>Net change in fund balances</i>	-	-	360,046	360,046
<i>Fund balances - beginning of year</i>	-	-	297,233	297,233
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,279</u>	<u>\$ 657,279</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 360,046
Adjustments to revenue for property tax accruals				25,207
Adjustments to operation and maintenance of plant and capital outlay functions accrual				15,720
Net change in fund balances (GAAP)				<u>\$ 400,973</u>

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO

Raton Public Schools

Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities

For the Year Ended June 30, 2008

Schedule I

Page 1 of 2

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Activity Fund	\$ 1,623	\$ 6,210	\$ 5,439	\$ 2,394
Orchestra	-	28	-	28
High School Baseball	511	5,986	6,043	454
High School Boys Basketball	73	-	73	-
High School Girls Basketball	2,014	5,243	6,023	1,234
High School Cheerleader	33	45,513	38,648	6,898
Middle School Cheerleader	758	9,154	5,432	4,480
High School Dance	292	3,330	3,374	248
High School Football	4,372	4,505	8,814	63
High School Boys Golf	35	-	35	-
High School Girls Golf	113	35	-	148
RMS S Fair	-	390	361	29
RMS PE	-	564	41	523
RHS Rodeo	-	476	325	151
High School Softball Team	6,938	3,686	2,060	8,564
High School Tennis	2,219	6,322	6,344	2,197
After School Lunch	-	1,138	944	194
Middle School Track	350	-	-	350
Middle School Volleyball	922	4,525	2,585	2,862
High School Volleyball	4,058	12,556	14,686	1,928
RMS PAWS	-	6,930	5,663	1,267
RHS Ski	-	2,399	2,151	248
High School Art	190	2,682	2,561	311
Middle School Art	3,106	1,286	1,272	3,120
High School Bank	582	37	508	111
Middle School Band	582	360	-	942
National Spanish Exam	55	-	-	55
High School Track	303	-	-	303
High School Building Trade	27	-	-	27
High School CADD Drafting	3	-	-	3
High School Chorus	2,383	202	922	1,663
Middle School Chorus	1,062	-	310	752
Middle School FACS	648	640	306	982
RMS Adult	-	3,404	1,202	2,202
Middle School Industrial Arts	191	955	398	748
High School Library	318	360	258	420
Middle School Library	348	102	-	450
High School Science	691	-	136	555
Middle School Science	251	80	250	81
Kearny Library	157	2,796	2,720	233
Longfellow Library	26	-	-	26
Class of 2013	-	48	-	48
Marquee Dona	-	200	-	200
Culinary Art	-	150	150	-
High School Annual	3,468	22,081	22,956	2,593

See accompanying independent auditors' report.

STATE OF NEW MEXICO

Raton Public Schools

Agency Funds (continued)

Schedule of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2008

Schedule I

Page 2 of 2

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Middle School Annual	5,064	9,913	11,320	3,657
High School Arts/Crafts	779	370	306	843
High School Fund	3,858	210	-	4,068
High School BPA	1,717	19,058	19,108	1,667
Counseling Fund	1,081	66	77	1,070
Class of 2011	-	451	100	351
Class of 2007	413	-	-	413
Class of 2010	255	1,389	437	1,207
Class of 2008	1,627	1,328	1,988	967
Class of 2009	412	2,988	3,333	67
Katrina Fund	439	-	-	439
High School Drama	680	-	-	680
High School FCCLA	815	8,120	8,301	634
Middle School FCCLA	605	43,419	39,236	4,788
High School FFA	1,592	18,952	19,704	840
Fines on Textbooks	6,203	183	6,113	273
High School RSPEC	333	-	90	243
High School Honor Society	309	671	518	462
Northeastern District	196	600	687	109
High School Key Club	76	30	-	106
High School LDZ	1,032	-	-	1,032
High School Mock Trial	1,667	1,026	1,322	1,371
High School Principle Fund	2,617	4,898	5,212	2,303
Middle School Principle Fund	4,079	40,596	43,811	864
Kearney Principle	7,927	6,412	6,111	8,228
Columbian Principle	829	3,855	3,298	1,386
Longfellow Principle	1,089	7,942	6,439	2,592
Mesa View ACA	39	25	-	64
Middle School Girls Basketball	493	1,200	-	1,693
Middle School Boys Basketball	-	1,200	-	1,200
High School Special Fund	703	-	703	-
High School Spirit Club	162	-	30	132
High School ST Senate	2,039	8,999	7,950	3,088
Middle School Senate	2,186	4,250	4,041	2,395
High School Welding	1,208	620	247	1,581
High School Woodshop	2,293	1,090	531	2,852
Columbian ACCE RDR	17	685	596	106
Columbian Book Fair	592	3,364	3,484	472
Columbian Card Factory	9,297	6,123	5,645	9,775
REG BPA	(225)	225	-	-
Kearney Science	163	-	-	163
Student Publishing	4,634	1,617	2,204	4,047
	<u>\$ 107,997</u>	<u>356,248</u>	<u>345,932</u>	<u>\$ 118,313</u>

See accompanying independent auditors' report.

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STATE OF NEW MEXICO

Schedule II

Raton Public Schools

Schedule of Collateral Pledged by Depository For Public Funds

June 30, 2008

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2008</u>	<u>Name and Location of Safekeeper</u>
International Bank					
	FHLB 15 QF	6/12/2015	3133XBTS4	\$ 675,000	Federal Reserve Bank - Dallas,
	FHOR 06-10 568	8/16/2010	3133XCSY0	25,000	Federal Reserve Bank - Dallas,
	FHLB 12 C8	12/14/2012	3133XDTB7	525,000	Federal Reserve Bank - Dallas,
	FHLB 11X4	9/9/2011	3133XF5T9	100,000	Federal Reserve Bank - Dallas,
	FHOR 05-10-9I	9/17/2010	3133X4LX7	275,000	Federal Reserve Bank - Dallas,
	FHOR 03-10 XD	12//10/10	31339X4H4	<u>600,000</u>	Federal Reserve Bank - Dallas,
	Total International Bank			<u>2,200,000</u>	
First National Bank of New Mexico					
	FHLB Fixed Rate Note	8/26/2010	3133XCXV0	<u>78,086</u>	Federal Reserve Bank-Dallas, TX
	Total First National Bank of New Mexico			<u>78,086</u>	
	Total Pledged Collateral			<u><u>\$ 2,278,086</u></u>	

See accompanying independent auditor's report.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOLS
CASH RECONCILIATION
June 30, 2008

	Operational Account	Transportation Account	Instructional Materials Account	Food Services Account
Cash, June 30, 2007	\$ 1,039,077	\$ 99,679	\$ 22,278	\$ 73,300
Add:				
2007-08 receipts	11,043,460	614,503	166,754	427,313
Adjustment	-	-	-	-
Repayment of loans	303,226	-	-	-
Loans from other funds	-	-	-	-
	12,385,763	714,182	189,032	500,613
Total cash available				
Less:				
2007-08 expenditures	(11,856,619)	(664,324)	(181,536)	(381,633)
Repayment of loans	-	-	-	-
Loans to other funds	-	-	-	-
	(11,856,619)	(664,324)	(181,536)	(381,633)
Cash, June 30, 2008	\$ 529,144	\$ 49,858	\$ 7,496	\$ 118,980

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

<u>Athletics Account</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>State Flowthrough</u>	<u>State Direct</u>	<u>Local/State</u>	
\$ 44,177	\$ 237,381	\$ -	\$ 30,999	\$ -	\$ 56,662	
36,743	860,687	87,494	164,306	87,198	42,500	Ad
-	86,635	-	-	(86,635)	-	
-	51,985	-	-	-	-	
-	-	-	-	-	-	
<u>80,920</u>	<u>1,236,688</u>	<u>87,494</u>	<u>195,305</u>	<u>563</u>	<u>99,162</u>	Tot
(62,191)	(980,925)	(85,654)	(60,619)	(563)	(48,000)	Les
-	(251,274)	(1,690)	(77,570)	-	-	
-	(544)	-	(24,133)	-	-	
<u>\$ 18,729</u>	<u>\$ 3,945</u>	<u>\$ 150</u>	<u>\$ 32,983</u>	<u>\$ -</u>	<u>\$ 51,162</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOLS
CASH RECONCILIATION
June 30, 2008

	<u>Bond Building</u>	<u>Spec. Cap. Outlay-State</u>	<u>Cap. Improve. SB-9</u>	<u>Public Schools Cap.Out.-20%</u>
Cash, June 30, 2007	\$ -	\$ 16,846	\$ 297,234	\$ 30,612
d:				
2007-08 receipts	2,348,062	15,492	812,408	-
Adjustment	-	-	-	-
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
	<u>2,348,062</u>	<u>15,492</u>	<u>812,408</u>	<u>-</u>
total cash available	2,348,062	32,338	1,109,642	30,612
as:				
2007-08 expenditures	(77,869)	(15,475)	(452,363)	(26,741)
Repayment of loans	-	-	-	-
Loans to other funds	-	-	-	-
	<u>(77,869)</u>	<u>(15,475)</u>	<u>(452,363)</u>	<u>(26,741)</u>
Cash, June 30, 2008	<u>\$ 2,270,193</u>	<u>\$ 16,863</u>	<u>\$ 657,279</u>	<u>\$ 3,871</u>

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

Debt Service Fund	Total
\$ 297,158	\$ 2,245,403
30,284	16,737,204
-	-
-	355,211
-	-
<u>327,442</u>	<u>19,337,818</u>
(101,153)	(14,995,665)
-	(330,534)
-	<u>(24,677)</u>
<u>\$ 226,289</u>	<u>\$ 3,986,942</u>

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STATE OF NEW MEXICO
Raton Public Schools
Schedule of Deposit and Investment Accounts
June 30, 2008

Bank Account	Checking International Bank	Checking The First National Bank of New Mexico	Totals
General Fund	\$ 85,000	\$ -	85,000
General Fund Interest	3,988,843	-	3,988,843
Clearing Account	303,118	-	303,118
Federal Program Fund	61,690	-	61,690
Athletic Fund	18,728	-	18,728
School Lunch Fund	104,561	-	104,561
School Lunch Interest Fund	19,769	-	19,769
Activity Fund	1,330	121,442	122,772
Total On Deposit	4,583,039	121,442	4,704,481
Reconciling Items	(594,887)	(4,339)	(599,226)
Reconciled Balance June 30, 2008	\$ 3,988,152	\$ 117,103	4,105,255
Plus: Petty Cash			-
Less: Fiduciary Funds Cash			(118,313)
Cash and cash equivalents per Government-wide Financial Statements			3,986,942

See accompanying independent auditors' report.

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COMPLIANCE SECTION

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Hector H. Balderas
New Mexico State Auditor and
To the Board of Education
Raton Public Schools
Raton, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons of the general fund and major special revenue funds, and the aggregate remaining fund information of Raton Public Schools, New Mexico, as of and for the year ended June 30, 2008, which collectively comprise Raton Public School's basis financial statements and have issued our report thereon dated September 30, 2008. We have also audited the combining and individual funds and all the budgetary comparisons of Raton Public Schools, New Mexico, as of and for the year ended June 30, 2008, which collectively comprises Raton Public School's audited supplemental information and have issued our report thereon dated September 30, 2008. We qualified our opinion on the governmental activities and changes in financial position thereof for misstatements in capital assets, accumulated depreciation and current year depreciation expense. 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

In planning and performing our audit, we considered Raton Public Schools' 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 agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Raton Public School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the Districts' internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items FS 2008-01, FS 2008-02, FS 2008-05, FS 2008-06, FS 2006-05, FS 2007-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Raton Public Schools' internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to material weaknesses. However, of the significant deficiencies described above, we consider items FS 2008-01, FS 2008-05, and FS 2007-01 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Raton Public Schools' 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 item FS 2008-03, FS 2008-04, FS 2005-06, and FS 2008-07.

Raton Public Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Raton Public Schools' responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within Raton Public Schools, the school board, the audit committee, the Office of the State Auditor, the Public Education Department, the New Mexico Legislature, applicable federal grantors, and pass-through entities, and is not intended to be and should not be used by anyone other than these parties.

Accounting & Consulting Group, L.L.P.

Albuquerque, New Mexico
September 30, 2008

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FEDERAL FINANCIAL ASSISTANCE

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector H. Balderas
New Mexico State Auditor and
To the Board of Education
Raton Public Schools
Raton, New Mexico

Compliance

We have audited the compliance of Raton Public Schools with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Raton Public Schools' 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 Raton Public Schools' management. Our responsibility is to express an opinion on Raton Public Schools' 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 Raton Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Raton Public Schools' compliance with those requirements.

In our opinion, Raton Public School Schools' complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Raton Public School Schools 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 Raton Public Schools' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Raton Public Schools' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FS 2008-08 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Raton Public Schools' internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Raton Public Schools' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Raton Public Schools' response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within Raton Public Schools, the audit committee, the Office of the State Auditor, the Public Education Department, the school board, 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 parties.

Accounting & Consulting Group, L.L.P.

Albuquerque, New Mexico
September 30, 2008

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Education			
<i>Passed through State of New Mexico Department of Education</i>			
Title I - IASA (1)	24101	84.010	358,449
IDEA-B Entitlement	24106	84.027A	282,197
IDEA-B Discretionary	24107	84.027A	741
IDEA-B Preschool	24109	84.027A	26,695
Enhancing Education through Technology (E2T2-F)	24133	84.318X	1,570
Title V	24150	84-298O	1,453
English Language Acquisition	24153	84.365A	9,948
Title IIA Teacher/Principal Training	24154	84.367A	84,727
Title IV-A Safe and Drug Free Schools and Communities	24157	84.186A	6,506
Rural and Low Income Schools	24160	84.358B	<u>37,662</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>809,948</u>
<i>Direct U.S. Department of Education</i>			
Title XIX Medicaid 3/21 Years	25153		85,654
<i>Subtotal - Direct U.S. Department of Education</i>			<u>85,654</u>
Total U.S. Department of Education			<u>895,602</u>
U.S. Department of Agriculture			
<i>Passed through State of New Mexico</i>			
Commodities Program (1)	21000	10.550	32,303
National School Lunch Program (1)	21000	10.555	234,456
National School Breakfast Program (1)	21000	10.553	140,674
National School Snack Program (1)	21000	10.556	<u>15,630</u>
Total U.S. Department of Agriculture			<u>423,063</u>
Total Federal Financial Assistance			<u><u>\$ 1,318,665</u></u>

(1) Denotes Major Federal Financial Assistance Program

See accompanying independent auditors' report.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Raton Public Schools and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The District did not provide any federal awards to subrecipients during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,318,665
Total expenditures funded by other sources	<u>11,868,638</u>
Total expenditures	<u><u>\$ 13,187,303</u></u>

See accompanying independent auditors' report.

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STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section I – Summary of Audit Results

Financial Statements:

- | | |
|----------------------------------------------------------------------------------|-----------|
| 1. Type of auditors’ report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|-----------------------------------------------------------------------------------------------------------------------|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditors’ report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.10 10.550, 10.553, 10.555, and 10.556	Title I School Nutrition Program

- | | |
|-----------------------------------------------------------------------------|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section II – Financial Statement Findings

FS 2005-06: Overspending Budgeted Amounts and Budgeted Cash Exceeds Available Cash and Accounts Receivable

Criteria: According to 6.20.2.14(E) NMAC (11/01/97), each school district shall verify that there is sufficient cash and budget prior to disbursement of cash. When it becomes apparent that line item expenditures will exceed the budget amount, a budget line item transfer should be approved by the governing body in order to comply with state budgeting requirements as described in Section 22-8-12 NMSA 1978.

Condition: The District did not comply with budget requirements in the following cases:

A: Spending exceeded the budget for the following fund and function:

Non major Funds:

Capital Improvements SB-9- Support Services	\$	84
---------------------------------------------	----	----

B: The District designated cash appropriations in excess of available balances for the beginning budgets in the Following Funds:

Major Funds:

Capital Improvements SB-9	\$	59,757
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Nonmajor Funds:

Title V Innovative Education Program		51
Title IIA Teacher/Principal Training & Recruiting		2,749
Title XIX Medicaid		142,293
Beginning Teacher Mentoring		3,716
Gear-Up New Mexico		9,840
Sloan-Prince Grant		2,700
School Based Health Center		43,337
Debt Service		95,991
	\$	360,434

Effect: The District is in violation of Public Education Department budget regulations that could result in expenditures exceeding revenue and the District is carrying unauthorized debt.

Cause: Required budget line item transfers were not proposed or approved by the governing body for this fund.

Auditor’s Recommendation: We recommend improved monitoring of the budget.

Management’s Response: The County Treasurer did not send out the report of taxes for the month of June until after the 15th of June. I had to acknowledge the 1% upon receipt of the taxes, the 1% is what caused the line to exceed budget. Deadline for budget transfers was 6/15. I did call PED to see if an exception would or could be made but the answer was no. Management will continue to monitor budget and will hopefully prevent this from happening again.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

FS 2006-05: Negative Cash Balances

Criteria: Public Education Department Manual of Procedures PSAB Supplement 7 Cash Controls Section IX A requires the District to record “due from” and “due to” amounts for temporary inter-fund transfer. Also GASB 34 requires that inter-fund loans be recorded timely as a receivable in the lender fund and a payable in the borrower fund.

Condition: During audit testing of cash and cash equivalents, we determined that, although pooled accounts are not overdrawn in total, individual fund year-end cash balances were negative. The following funds had negative cash balances in these amounts at June 30, 2008.

Special Revenue Funds:		
Entitlement IDEA-B	\$	2,697
Discretionary IDEA-B		601
Enhancing Education through Technology		1,570
Title V Innovative Education Program		1,453
English Language Acquisition		6,992
Title IIA Teacher/Principal Training & Recruiting		147
Safe and Drug Free		2,831
Rural & Low Income District		3,057
GO Bond Library		4,785
Total	\$	<u>24,133</u>

Effect: Inter-fund loans are not being accounted for timely in accordance with GAAP and Public Education Department cash reporting requirements.

Cause: The negative cash balances occurred because procedures were not executed to record inter-fund loans in the funds with insufficient cash balances.

Auditor’s Recommendation: We recommend the District establish procedures and assign responsibility to record inter-fund loans necessary to avoid negative cash balances in individual funds.

Management’s Response: The District will record due to and due from inter-fund loans to avoid negative cash balances in individual funds.

FS 2007-01 Incomplete Listing of Capital Assets

Criteria: Section 12-6-10, NMSA 1978 requires each agency to conduct an annual physical inventory of its capital assets. In addition, Section 2.20.1.8 A NMAC Capital Asset Accounting System, states each agency should implement systematic and well documented methods for accounting for their capital assets.

Condition: The District’s capital asset records do not include all of the improvements to land, easements, buildings, building improvements, vehicles, equipment, and other tangible and intangible assets that are used in operations and that have useful lives extending beyond a year. The District’s capital asset records are not properly updated for additions and deletions. The amount of this misstatement is undeterminable.

Cause: The Districts’ internal policies and procedures relating to accounting for capital assets were not in compliance with the applicable New Mexico law or generally accepted government accounting standards as of June 30, 2008. During the June 30, 2008 audit, this was brought to the District’s attention and between then and the June 30, 2008 audit the District did not have enough time to complete this listing accurately.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

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FS 2007-01 Incomplete Listing of Capital Assets (Continued)

Effect: Capital assets and accumulated depreciation are materially misstated and not adequately safeguarded. The District is at risk of misappropriation of capital assets which may or may not be detected in a timely manner.

Auditors' Recommendation: We recommend that the school review its policies and procedures over capital assets to ensure they are in compliance with applicable New Mexico regulations, laws, and GASB 34. The District needs to have an inventory count taken by all department heads annually in order to account for and safeguard District assets properly.

Management's Response: Administration is aware the accounting for the district's capital assets needs attention. This duty would require a full time employee until it could be labeled 'in order'. After the ACG was here in the spring 2008 for the 06-07 audit, the central office sent out an asset listing to each school, cafeteria and maintenance asking for their assistance in verifying items at their location or knowledge of items that are broke or no longer of use to the District. The district simply did not have enough time nor man power to accomplish this before the 07-08 audit. We are aware what is currently in place is not compliant with the State Board of Education Title 6, GASB 34 and State rules and regulations as of June 30, 2008, we will work on this tasks until we are compliant.

FS 2008-01 — Inadequate Internal Controls Over Accounting Procedures

Criteria: Section 6.20.2.11 of NMAC states "Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Condition: The District's accounting software can be accessed by anyone in the administration office using the same User ID and Password. The accounting software has only one User ID and Password, and the business manager, secretary, payroll clerk, accounts payable clerk and secretary all know and use that same Use ID and Password.

Also, the District does not have a review process over changes made to the employee master file by the payroll clerk. The clerk can add, delete, and change the employee master file and issue updated payrolls without any review of the changes made. .

Cause: The school officials believed that they had adequate internal controls.

Effect: Individuals no longer employed by the District who know the User ID and Password have access to the District's accounting system and can add or subtract information or write unauthorized checks. Current employees who have the common User ID and Password can inappropriately alter District accounting records they have no authorization to access, or write unauthorized checks.

Auditors' Recommendations: ACG recommends that the school set up a unique User ID and Password for each employee that allows the employee access to change only the accounting records that employee is responsible for, and no other accounting records. All employee Passwords should be changed at regular intervals. Access to the password used to sign checks, should be limited to a few select individuals who can review, authorize and sign checks, but who do not perform the following functions: open the mail, prepare the checks, mail the checks out, edit the master files, investigate payment discrepancies, or reconcile the bank accounts.

We also recommend that the business manager approve any changes made to the employee payroll master file by the payroll clerk, prior to the next payroll being issued.

Management's Response: The District has had each user of the accounting system set a unique user name and password. The business manager then segregated duties in the accounting system where employees only have access to change and work in the accounting records they are directly responsible for. Only the Superintendent, Assistant Superintendent and the Business Manager have the password to review and approve purchase orders and to review and approve check writing in accounts payable and payroll. The Superintendent, Assistant Superintendent and the Business Manager do not open the mail, prepare the checks, mail the checks out, edit the master files or investigate payment discrepancies.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

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FS 2008-02 — Lack of Segregation of Duties

Criteria: Segregation of duties in payroll and other processes, such as the closing process, as indicated in NMAC Section 6.20.2.11, is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

Condition: The Business Manager and administrative personnel are capable of performing many of the duties and functions that are required to process payroll and closing without review by another party.

Cause: Due to limited resources, the School relies on the expertise of few individuals to process payroll and closing procedures. Limited resources in these areas appear to result in a lack of segregation of duties.

Effect: Without adequate segregation of duties or a formal review process, errors may be made without detection and the risk of fraudulent activities increases.

Auditor's Recommendations: Develop a formal review process for the payroll transaction cycle and the closing process. Implement procedures which require that all individuals trained in the processes periodically perform these processes.

Management's Response: The District has limited resources to perform duties. Integrating some payroll duties into the other positions in the office will relieve the payroll clerk of being solely responsible for payroll and reduce the risk of errors and the possibility of fraudulent activities. However, each individual already wears many hats. Possibly, an addition to staff will be necessary. Administration is looking at options that will segregate duties, increase internal controls and reduce the risk of fraud.

FS 2008-03 Incorrect Per Diem and Mileage Reimbursements

Criteria: The District has opted to adopt their own policy in regards to travel and per diem reimbursements. The District's policy does not supersede the State's policy per NMAC 10-8-4. The District is not following their own policy adopted in regards to travel and per diem.

Condition: During testwork we noted the following conditions. Two transactions totaling \$169.46 out of ten transactions tested totaling \$1,126.97 were coded to the wrong account. One of ten transactions totaling \$208.00 was reimbursed at the incorrect amount of \$32.50 because a- full day of per diem was paid for a 12-hour period. Lastly two of the items did not have adequate supporting documentation, such as receipts. They were both written to the Superintendent for \$45.00 and \$237.00 for meals reimbursement. Other employees generally receive \$22.50 for meal reimbursements and receipts are required for reimbursement.

Cause: The school does not have a clear policy in place regarding per diem and mileage reimbursements.

Effect: The school is not in compliance with the Per Diem and Mileage policy as set forth by the District.

Auditors' Recommendations: We recommend that the school follow the Per Diem and Mileage Act when paying per diem and mileage reimbursements either set by the State or District. The policy should be clear, written, communicated with all to whom it applies and enforced uniformly.

Management's Response: The District had revised the Per Diem/Reimbursement form so that there will be a clear understanding of being reimbursed per diem or actual reimbursement. There will be no discrimination between administration and regular employees. The district will make every effort to see that transactions are coded to the proper accounts at the proper amount.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

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FS 2008-04 — Non-Cancelable Lease

Criteria: Section 6-6-11, NMSA 1978, Yearly expenditures limited to income; Bateman Act. It is unlawful for any board of county commissioners, municipal governing body or any local school board, for any purpose whatever to become indebted or contract any debts of any kind or nature whatsoever during any current year which, at the end of such current year, is not and cannot then be paid out of the money actually collected and belonging to that current year, and any indebtedness for any current year which is not paid and cannot be paid, as above provided for, is void. Any officer of any county, municipality, school district or local school board, who shall issue any certificate or other form of approval of indebtedness separate from the account filed in the first place or who shall at any time use the fund belonging to any current year for any other purpose than paying the current expenses of that year, or who shall violate any of the provisions of this section, is guilty of a misdemeanor.

Condition: The School District has two copy machines that have been leased since 2005. The leases on the copiers are non-cancelable leases and the School District is bound by the terms of the lease until the lease terms have been completely fulfilled.

Cause: The District entered into two non-cancelable leases in 2005 and is still subject to the terms of the leases.

Effect: The District must pay the remainder of the lease regardless of usefulness of the copy machines. Having to pay for the leases also prohibits the school district from being able to acquire new machines at a better leased rate. The client is not in compliance with the Bateman Act

Auditor's Recommendation: ACG recommends that the District follow the criteria outlined by the State of New Mexico.

Management's Response: Because these leases were entered into in 2005, the district is obligated to complete the lease. In the future, the district will follow the criteria outlined by the State of New Mexico.

FS 2008-05 No Internal Controls Over Non-Standard Journal Entries

Criteria: According to the State Board of Education Title 6, section 6.20.2.11, policies and procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practices require review and approval of all non-standard journal entries.

Condition: The District does not have adequate internal controls over non standard journal entries entered into its accounting system.

Cause: The District experienced turnover in all management positions and there was no control over non-standard journal entries.

Effect: Management override of controls which is a fraud risk can not be proven to be mitigated.

Auditors' Recommendation: We recommend the District update their policies and procedures regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved, and supported.

Management's Response: The District will update policies and procedures to ensure manual journal entries are reviewed, approved and supported.

FS 2008-06 Financial Statements not Prepared by the District

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. It includes controls over financial statement preparation, including footnote disclosures.

Condition: The financial statements and related disclosures are not being prepared by the District.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

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FS 2008-06 Financial Statements not Prepared by the District (Continued)

Cause: The District's personnel do not have the time and have not been trained in the preparation of financial statements and related disclosures.

Effect: The District has a control deficiency since there are not sufficient controls over the preparation of financial statements and related disclosures.

Auditors' Recommendation: We recommend District management and personnel receive training on understanding the requirements of external financial reporting. The training should include, but not limited to selection of appropriate accounting policies which include Governmental Accounting Standards Board, Generally Accepted Accounting Principles (specifically as applied to governmental units), and Financial Accounting Standards Board. The training should also include understanding the reporting entity, government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information such as the management's discussion and analysis, and supplementary information required by the Office of the State Auditor. In addition, we recommend the District develop and implement policies and procedures designed to prevent or detect possible misstatements in its financial statements and related footnote disclosures.

Management's Response: The District has discussed contracting with a consultant to prepare financial statements. If we don't go this route, we would still be facing a finding as the same employee that works with the financials would be preparing the financial statements. The District personnel will be trained on preparation of financial statements and related disclosures under the Generally Accepted Accounting Standards. As management, we do not believe this should be a legitimate finding in the future. Not only will the need be for Districts to contract with an accounting firm to do the yearly audit, they will also be contracting with a firm or consultant to prepare the financials.

FS 2008-07 Cash Deposit Under Collateralized

Criteria: Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the District. (Section 6-10-17 NMSA 1978)

Condition: During the year ended June 30, 2008, the District maintained and utilized deposits with financial institutions which were not covered by 50% of pledged collateral as required by State of New Mexico Statutes. As of June 30, 2008 the under collateralization at the institutions totaled \$41,519.

Cause: The District monitored the book balance in regards to collateralization requirement, when the bank balance should be monitored to ensure the District has proper collateralization per New Mexico State Statutes. Monitoring collateralization of the County's funds is essential in ensuring compliance with State of New Mexico Statutes.

Effect: Lack of proper collateralization may result in non-compliance with state statutes and increase potential liability and exposure to the loss of the District's public funds in the event of bank closure.

Auditors' Recommendations: As part of a formal policy implemented by the District, an individual within the Finance Department should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

Management's Response: The District has started monitoring the monthly collateral reports. It appears the bank left off the Clearing Account on the June 30, 2008 report. The District has been in contact with the Bank informing them we do indeed need to have this account included in the total deposits of the District.

Section III – Major Programs Finding

FS 2008-08 — School Nutrition Program CFDA# 10.553 & 10.555 Compliance (Cash Management Internal Control)

Questioned Costs - None

Criteria: OMB Circular A-133 Compliance Supplement Section C “Cash Management” states that the District must establish reasonable procedures to ensure receipts of cash balances are complete and accurate.

Condition: The District is not in compliance with cash management for the School Nutrition Program. During our test work we noted that the District did not record the proper amount of federal revenues received. The total amount of federal revenue received was \$339,477 but the amount recorded by the School District was \$336,987.

Cause: The District is not in compliance of the cash management regulation of OMB Circular A-133 due to a lack of internal control over postings of cash receipts. The district posted \$23,643, as per the wire transfer directly into the bank from bank statements, instead of the amount \$26,133 which was requested and confirmed.

Effect: The lack of internal control over posting of cash receipts puts the District at risk of being deficient in revenues over expenditures. The lack of internal control over posting of cash receipts put the District at risk of fraud by posting revenues to the wrong account or not posting them at all and diverting the revenues to an outside person or entity.

Auditor’s Recommendation: We recommend that the District implement internal control policies and procedures to ensure that revenues are being posted completely and accurately. The District should review the bank draw to the requested funds to verify that the monies requested were equal to the amount of monies received.

Management’s Response: The district can only deposit to the account what is actually received. Upon investigating the difference of what was requested vs. what was received allowed that the Student Nutrition Bureau was running low on funds and would issue the balance of those requests that were shortened in the beginning of the 2008-2009 school year. In the future, the district will verify each claim request equals what is being received by the district. If there is a difference, an investigation into the matter will be made on a timely basis.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

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D. PRIOR YEAR AUDIT FINDINGS

2003-03: Late Audit Report – Resolved
2005-05: Improper Contract Awards and Incomplete Bid Files – Resolved
2005-06: Overspending Budgeted Amounts – Modified and Repeated
2006-05: Negative Cash Balances – Repeated
2006-11: Incomplete Receipts-School Lunch – Resolved
2006-12: Depreciation Expense not calculated Correctly – Resolved
2006-13: Incorrect Bank Reconciliations – Resolved
2007-01: Incomplete Listing of Capital Assets – Repeated
2007-02: No Supporting Documentation for Attendance at Training, Conferences, and Meetings – Resolved
2007-03: Internal Control Deficiency – Resolved
2007-04: Disbursements Made Without Proper Authorization – Resolved
2007-05: No Supply Inventory Listing Completed – Resolved
2007-06: Payments Made Before Services Rendered – Resolved
2007-07: Late Deposits – Resolved
2007-08: Budget Adjustment Requests Unable to be Tested – Resolved

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STATE OF NEW MEXICO
Raton Public Schools
Other Disclosures
For the Year Ended June 30, 2008

Exit Conference

An exit conference was held on October 16, 2008. The following individuals were in attendance.

Raton Public Schools

Dave Willden – Superintendent
Earlene Bradley – Business Manager
Michael Anne Holland – Board Member

Accounting & Consulting Group, LLP

Jeff McWhorter, CPA- Audit Director

Auditor Prepared Financials

Although it would be preferred and desirable for the Schools' to prepare its own financial statements, the Schools' personnel did not have the time to prepare them. Accounting & Consulting Group, LLP prepared the financial statements of the Raton Public Schools from the original books and records provided to them by the management of the Schools.