

STATE OF NEW MEXICO
RATON PUBLIC SCHOOLS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
Raton Public Schools
Annual Financial Report
Year Ended June 30, 2009
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STATE OF NEW MEXICO
Raton Public Schools
Official Roster
June 30, 2009

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

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FINANCIAL SECTION



Accounting & Consulting Group, LLP

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 special revenue fund, and the aggregate remaining fund information of the Raton Public Schools, New Mexico ("the District"), as of and for the year ended June 30, 2009, 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 the respective budgetary comparisons for the Bond Building Capital Projects Fund (major fund), the Land/Building Improvements Capital Project Fund (major fund), the Capital Improvements SB-9 Capital Projects Fund (major fund), and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 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 District'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the budgetary comparisons for the general fund and major special revenue fund, and the aggregate remaining fund information of the District as of June 30, 2009, and the respective 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 nonmajor governmental fund of the District as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparisons for the Bond Building Capital Projects Fund (major fund), the Land/Building Improvements Capital Projects Fund (major fund), the Capital Improvements SB-9 Capital Projects Fund (major fund), and the remaining nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

2700 San Pedro Northeast [87110-333] – P.O. Box 3130, Albuquerque, New Mexico 87190-3130
866.307.2727 – 505.883.2727 – Fax 505.884.6719 – albuquerque.office@acgnm.com – www.acgnm.com

Alamogordo – Albuquerque – Carlsbad – Clovis – Hobbs – Lubbock

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2009, 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.

The management's discussion and analysis on pages 12 through 17 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 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
October 21, 2009

STATE OF NEW MEXICO
Raton Public Schools
Management Discussion & Analysis
June 30, 2009

This Management Discussion and Analysis of the fiscal performance of the Raton Public School for the period ending June 30, 2009, represents the school district's implementation of the Government Accounting Standards Board Statement No. 34 (GASB 34).

Introduction

The discussion and analysis of the Raton School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the school district's financial performance as a whole. Furthermore, readers of the discussion and analysis should also review the basic financial statements and notes to enhance their understanding of the school district's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008-2009 are as follows:

- The school district has successfully maintained the financial reporting processes as required by the Governmental Accounting Standards Board Statement No. 34.
- The school district's net assets increased from \$13,276,911 for the year ending June 30, 2008 to \$15,756,680 for the year ended June 30, 2009. This represents an increase of 18.68%, or \$2,479,769. The increase in net assets reflects an improvement in school district's financial position. The cause of this change is the result of many factors, which are outlined in different sections of this Management Discussion and Analysis.
- General Fund revenues decreased from \$11,842,290 for the year ended June 30, 2008 to \$11,627,241 for the fiscal year ended June 30, 2009, a decrease of 1.81% or \$215,049. The most significant reason for the decrease is due to a decline in student numbers, a mid-year decrease in unit value and a decrease in investment income.
- Total actual general fund revenues and other financing sources exceeded total expenditures and other financing uses by \$383,045.

Using the Basic Financial Statements

The annual report consists of a series of detailed, audited financial statements, and notes to those statements. The information includes the Independent Auditors' Report, the Report on Compliance on Internal Control (Government Accounting Standards), the Report on Compliance with Requirements Applicable in each Major Program (OMB A-133), and a Schedule of Findings and Questioned Costs. Additionally, the report includes a Management Discussion and Analysis, a Statement of Net Assets, and a Statement of Activities. All of these statements are organized so the reader can gain a better understanding of the school district's overall financial performance.

The Management Discussion and Analysis, the Statement of Net Assets, and the Statement of Activities provide a review of the school district's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2009. These statements provide both an aggregate view of the school district's finances and a longer-term view of those finances.

STATE OF NEW MEXICO
Raton Public Schools
Management Discussion & Analysis
June 30, 2009

The individual fund financial statements are the next level of detail; they are reported on a modified accrual basis of accounting. For governmental funds, these statements show how services were financed in the short-term, as well as, what remains for future spending. The statements also show the most significant funds with all other non-major funds presented in total. The most significant fund in the school district is the General Fund.

The Management Discussion and Analysis will focus on the financial performance of the school district as a whole, rather than looking at specific areas of performance within individual funds.

District Wide Financial Statements

Statement of Net Assets

The Statement of Net Assets is a relatively new financial statement to the Raton Public School's annual report. The statement is required by GASB 34 and is prepared using the accrual basis of accounting. The statement reports all of the funds used by the school district to provide programs and activities during the fiscal year ended June 30, 2009. The statement is provided at Exhibit A-1.

The statement is divided into two types of activities (1) Governmental Activities and (2) Business-Type Activities. The Governmental Activities include the majority of the school district's programs and services. These services include instruction, instructional support, support services, operation and maintenance of plant, pupil transportation, and extra curricular activities. The Business-Type Activities include services that are on a charge for goods or services basis. The Food Services enterprise fund is reported as a business activity.

The statement shows that the school district's total assets increased from \$16,381,162.00 for the year ended June 30, 2008 to \$18,813,901 for the year ended June 30, 2009. This represents an increase of 14.85%, or \$2,432,739. The increase in total assets is accounted for in the next several paragraphs.

The district's current assets decreased from \$4,216,716.00 for the year ended June 30, 2008 to \$3,091,778 for the year ended June 30, 2009. This represents a decrease of 26.68%, or \$1,124,938. The decrease in current assets is primarily due to a decrease in the amount of cash and cash equivalents, property tax receivables, intergovernmental receivables and investments the district had at the end of the year due to budgeted spending in regards to the Raton High School Renovation Project.

Additionally, the district's non-current assets increased from \$12,164,446 for the year ended June 30, 2008 to \$15,722,123 for the year ended June 30, 2009. This represents an increase of 29.25%, or \$3,557,677. The increase in non-current assets is primarily the result of the construction in progress of the RHS Renovation Project.

The statement also reports the district's total liabilities decreased from \$3,104,251.00 for the year ended June 30, 2008 to \$3,057,221 for the year ended June 30, 2009. This represents a decrease of 1.52%, or \$47,030. The decrease in total liabilities is accounted for in the next several sentences. The districts current liabilities increased from \$254,633.00 for the year ended June 30, 2008 to \$378,866 for the year ended June 30, 2009. This represents an increase of 32.79%, or \$124,233. Non-current liabilities decreased from \$2,849,618.00 for the year ended June 30, 2008 to \$2,678,355. This represents a decrease of 6.01%, or \$171,263. The largest single non-current liability is outstanding general obligation bonds 1998 and 2008, which decreased \$180,000. The decrease was the result of retirement of debt on outstanding bond issues.

STATE OF NEW MEXICO
Raton Public Schools
Management Discussion & Analysis
June 30, 2009

RATON PUBLIC SCHOOLS STATEMENT OF NET ASSETS

	District Activities	
	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 3,327,609	\$ 4,500,295
Capital assets	<u>15,486,292</u>	<u>11,880,867</u>
Total assets	<u>\$ 18,813,901</u>	<u>\$ 16,381,162</u>
Long-term liabilities outstanding	\$ 2,660,000	\$ 2,840,000
Other liabilities	<u>397,221</u>	<u>264,251</u>
Total liabilities	<u>3,057,221</u>	<u>3,104,251</u>
Net assets:		
Invested in capital assets, net of related debt	12,646,292	11,136,060
Restricted	2,192,952	1,182,347
Unrestricted	<u>917,436</u>	<u>958,504</u>
Total net assets	<u>\$ 15,756,680</u>	<u>\$ 13,276,911</u>

Statement of Activities

The Statement of Activities is also a relatively new financial statement to the Raton Public School's annual report. The statement is required by GASB 34 and is prepared using the accrual basis of accounting. The report compliments the Statement of Net Assets by showing the overall change in the school district's net assets during the fiscal year ended June 30, 2009. The statement is provided as Exhibit A-2. The primary differences in the two statements is that the Statement of Net Assets provides a balance sheet view of the school district, and the Statement of Activities provides a revenue and expense view of the school district.

The reader of the financial statements will notice that one line on the Statement of Activities indicate a deficiency of revenues compared to expenses. This deficiency is primarily due to the District's capital assets and depreciation did not properly roll-forward from the prior year due to this being the first year the District was able to provide an accurate capital asset listing with related depreciation. Adjustments were needed in the amount of \$19,272 to restate prior year net assets. Adjustments were made for governmental capital assets that were overstated in the amount of \$823,227. Accumulated depreciation was understated by \$803,955. Beginning fund balance was decreased in the amount of \$19272. No funds were affected by this adjustment.

The statement shows that the school district's total net assets increased from \$13,276,911 for the year ended June 30, 2008 to \$15,756,680 for the year ended June 30, 2009. This represents an increase of 18.68%, or \$2,479,769. The increase in net assets reflects an improvement in school district's financial position. The cause of this change is the result of many factors, which are outlined in different sections of this Management Discussion and Analysis, primarily the RHS renovation and the fact that the District is monitoring expenditures closely and not allowing budget to be overspent. The District was awarded PSCOC awards which contribute to this increase.

This section contains a condensed comparison of revenues and expenditures and explanations for significant differences. The table shows the summarized revenues and expenditures for the year ended June 30, 2009 and June 30, 2008.

STATE OF NEW MEXICO
Raton Public Schools
Management Discussion & Analysis
June 30, 2009

	<u>District Activities</u>	
	<u>2009</u>	<u>2008</u>
Program revenues:		
Charges for services	\$ 128,052	\$ 110,422
Operating grants and contributions	2,477,651	2,881,184
Capital grants and contributions	2,896,622	15,475
General revenues:		
Property taxes	527,065	534,856
State equalization guarantee	10,708,599	10,880,410
Miscellaneous revenue	6,801	45,142
Interest and investment earnings	<u>48,678</u>	<u>94,843</u>
Total revenues	<u>16,793,468</u>	<u>14,562,332</u>
Program expenses:		
Education	13,816,601	13,400,324
Business-type: Student nutrition	<u>477,825</u>	<u>508,369</u>
Total expenses	<u>14,294,426</u>	<u>13,908,693</u>
Increase in net assets	<u>\$ 2,499,041</u>	<u>\$ 653,638</u>

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the school district's major funds. The school district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The school district's major governmental funds are the General, Title I, Bond Building, Land/Building Improvements, and Capital Improvements SB-9.

Governmental Funds

Most of the school district's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at the fiscal year end for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

Governmental Activities

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The Statement of Activities indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by revenues from state entitlements.

Cafeteria Fund

The Cafeteria Fund had an increase in operating and non-operating revenues from \$436,325 for the year ended June 30, 2008 to \$526,665 for the year ended June 30, 2009. This is a 23% increase, or \$99,352. The increase in revenues is

STATE OF NEW MEXICO
Raton Public Schools
Management Discussion & Analysis
June 30, 2009

primarily the result of implementing the JMAC billing software and increasing the cost of meals. The JMAC billing software provides more accountability for actual meals served.

Total operating expenses for the Cafeteria Fund increased from \$359,096 for the year ended June 30, 2008 to \$418,700 for the year ended June 30, 2009. This represents a 17% increase or \$59,604 in the operation of the Cafeteria Fund. Even though this is an increase of expenditures from the Cafeteria Fund, there was actually a decrease of \$108,093 from Operational, as the Operational fund supplemented the Cafeteria Fund in the amount of \$108,093 for year ending June 30, 2008. The Elementary Breakfast Grant in the amount of \$53,537, and monitoring expenditures for the student nutrition program contributes to an over-all lower cost of meals. In 2009, the Cafeteria Fund was self-operating without assistance from the General Fund.

The School District's Governmental Funds

The school district's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds' revenues and other financing sources decreased from \$16,929,063 for the year ended June 30, 2008 to \$16,842,879 for the year ended June 30, 2009. The increase represents an overall change of 0.5%, or \$86,184. The net decrease is the result of the increased PSCOC awards and the decrease in bond proceeds from the prior year.

Additionally, the total governmental funds' expenditures and other financing uses increased from \$13,237,885 for the year ended June 30, 2008 to \$18,047,942 for the year ended June 30, 2009. This represents an overall increase of 36.34%, or \$4,810,057. The increase is the result of expenditures related to the RHS renovation project.

The net change in fund balance for the year was a decrease of \$1,205,063. The decrease is primarily the result of expenditures exceeding revenue in the Bond Building Fund and the SB9 Fund. Due to the sale of Bonds, revenue was received prior to June 30, 2008 and the expenditures relative to the RHS renovation were made after June 30, 2008. In the School Year ending June 30, 2008, it was discovered that SB9's State Match had not been requested for 3 prior years. It was requested and received prior to June 30, 2008, again the expenditures were not realized until after July 1. Therefore The Bond Building Fund and SB-9 had more expenditures than revenue for year ending June 30, 2009.

General Fund Budgeting Highlights

The school district's budget is prepared according to New Mexico law and State Public Education Department regulations. Additionally, it is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal year, the school district amended its General Fund budget because of a decrease in student numbers and a mid-year decrease in unit value. The only significant change in the general fund was an increase in support services expenditures and a decrease of expenditures in the Food Service Operations.

For the General Fund, final actual revenues exceeded expenditures and other financing uses by \$364,869.

The increase was not due to additional revenue, rather closely monitoring expenditures and the fact that the Operational Budget did not have to supplement the Food Service Program. Also, the purchase of an activity bus helped lower the student travel expenditures. The purchase of the activity bus from SB9 was possible through requisitioning for the prior years SB9 State Match.

Capital Assets

The school district has \$24,681,224 invested in capital assets with corresponding accumulated depreciation of \$9,194,932 for the year ended June 30, 2009. The capital assets increased by 17.94%, or \$3,754,743 from the fiscal year ended June 30, 2008, amount of \$20,926,481. The increase was the result of the High School renovation project.

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Management Discussion & Analysis
June 30, 2009

Debt

The school district had outstanding bonds payable of \$2,840,000 on June 30, 2009. The district had a Moody's Baa2 bond rating for the fiscal year ended June 30, 2009. The school district did not issue new GO School Building Bonds in the 08-09 school year, and made principal payments of \$175,000 on existing debt during the year. The school district has never defaulted on any of its debt or other obligations.

Future Events

The District will hold a bond election in November 2009 in the amount \$7,000,000 to construct and consolidate the 3 elementary school, this would be contingent upon receiving a PSCOC Award.

The unit value was cut 1% during the 08-09 school year. The 2009-2010 budget was built on an additional 7% decrease in unit value. The 7% unit value decrease was to be supplemented by Stimulus Stabilization dollars. The Stimulus Stabilization dollars are to be available for school years 2009-2010 and 2010-2011. Even though Stabilization dollars are available, we anticipate an additional 1.5 - 10% cut in State Equalization in the 2009-2010 school year. If this happens, it will be a challenge to operate and keep all programs in place. Raton, as well as many other districts, are concerned about State Equalization after ARRA dollars are gone.

Management of the Raton Public Schools is extremely concerned with the use of ARRA stimulus money to supplant state aid to public education. When the ARRA monies are no longer available, school districts in New Mexico could face dire financial consequences.

2008-2009 was the first full year the District received tax dollars for oil and gas produced in Raton's school boundaries of Colfax County, the District will continue to see revenue from the oil and gas.

The District hopefully anticipates an increase in student population with the La Mesa Park opening in May 2010.

With the projected opening of La Mesa Park Racetrack and Casino in May of 2010, the property tax base of the Raton School District should increase thus lowering the tax liability of individual property owners.

The District has basically depleted the additional monies seen in SB9 from collecting back SB9 State Match, therefore expenditure in SB9 will stay within the revenue generated per year.

At this time, the District knows of no other facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations in the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the school district's finances and to reflect the school district's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to:

Erlene Bradley
Finance Director
PO Box 940
Raton, NM 87740

Phone: (575) 445-9111
Fax: (575) 445-5641

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Raton Public Schools
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 2,697,351
Property taxes receivable	190,001
Intergovernmental receivables	145,739
Other receivables	20,890
Inventory	<u>37,797</u>
Total current assets	<u>3,091,778</u>
Noncurrent assets	
Restricted cash and cash equivalents	182,976
Capital assets, net of accumulated depreciation	15,486,292
Bond issuance costs, net of amortization of \$4,805	<u>52,855</u>
Total noncurrent assets	<u>15,722,123</u>
Total assets	<u><u>\$ 18,813,901</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 130,833
Accrued compensated absences	18,577
Deferred revenue	5,850
Accrued interest	43,606
Current portion of bonds and notes payable	<u>180,000</u>
Total current liabilities	<u>378,866</u>
Noncurrent liabilities	
Bonds and notes payable	2,660,000
Accrued compensated absences	<u>18,355</u>
Total noncurrent liabilities	<u>2,678,355</u>
Total liabilities	<u>3,057,221</u>
Net assets	
Invested in capital assets, net of related debt [Note 1.D(a)]	12,646,292
Restricted for:	
Other purposes-Special Revenue Funds	342,640
Capital projects	1,446,904
Debt service	403,408
Unrestricted	<u>917,436</u>
Total net assets	<u>15,756,680</u>
Total liabilities and net assets	<u><u>\$ 18,813,901</u></u>

STATE OF NEW MEXICO
Raton Public Schools
Statement of Activities
For the Year Ending June 30, 2009

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
Instruction	\$ 7,501,172	\$ 75,789	\$ 1,466,526	\$ 1,714,510
Support services - students	1,599,694	15,137	292,857	342,381
Support services - instruction	193,692	1,934	37,412	43,739
Support services - general administration	399,293	3,919	75,816	88,637
Support services - school administration	796,211	7,953	153,861	179,880
Central services	213,945	2,139	41,377	48,374
Operation and maintenance of plant	2,349,162	10,924	211,343	247,082
Student transportation	607,885	6,070	117,440	137,300
Food services operations	477,825	4,188	81,019	94,720
Interest on long-term debt	155,547	-	-	-
Total governmental activities	<u>14,294,426</u>	<u>128,052</u>	<u>2,477,651</u>	<u>2,896,622</u>
Total primary government	<u>\$ 14,294,426</u>	<u>\$ 128,052</u>	<u>\$ 2,477,651</u>	<u>\$ 2,896,622</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

Other taxes

Interest and investment earnings

Miscellaneous

General revenues and special items

Changes in net assets

Net assets, beginning

Net assets, restatement (Note 16)

Net assets, beginning as restated

Net assets, ending

The accompanying notes are an integral part of these financial statements

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

Governmental Activities

\$	(4,244,346)
	(949,319)
	(110,607)
	(230,922)
	(454,517)
	(122,056)
	(1,879,814)
	(347,075)
	(297,899)
	(155,547)
	<hr/>
	(8,792,102)
	<hr/>
	(8,792,102)

10,708,599

49,938
248,713
216,176
12,238
48,678
6,801

11,291,143

2,499,041

13,276,911
(19,272)

13,257,639

\$ 15,756,680

STATE OF NEW MEXICO

Raton Public Schools

Balance Sheet

Governmental Funds

June 30, 2009

	<u>General Fund</u>	<u>Title I Special Revenue Fund</u>	<u>Bond Building Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 961,539	\$ 13,282	\$ 927,863
Property taxes receivable	28,540	-	-
Intergovernmental receivables	-	112,325	-
Other receivables	1,029	-	-
Inventory	37,159	-	-
Due from other funds	133,611	-	-
	<u>133,611</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 1,161,878</u>	<u>\$ 125,607</u>	<u>\$ 927,863</u>
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 48,121	\$ -	\$ 18,115
Deferred revenue	27,009	-	-
Due to other funds	-	125,607	-
	<u>-</u>	<u>125,607</u>	<u>-</u>
<i>Total liabilities</i>	<u>75,130</u>	<u>125,607</u>	<u>18,115</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	37,159	-	-
Unreserved	1,049,589	-	-
Unreserved, reported in nonmajor:			
Special revenue funds	-	-	-
Capital projects funds	-	-	909,748
Debt service funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>1,086,748</u>	<u>-</u>	<u>909,748</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,161,878</u>	<u>\$ 125,607</u>	<u>\$ 927,863</u>

The accompanying notes are an integral part of these financial statements

Land/Building Improvements Fund	Capital Improvements SB-9 Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 425,434	\$ 552,209	\$ 2,880,327
-	134,799	26,662	190,001
-	-	33,414	145,739
-	294	19,567	20,890
-	-	638	37,797
-	-	66	133,677
<u>-</u>	<u>\$ 560,527</u>	<u>\$ 632,556</u>	<u>\$ 3,408,431</u>
-	\$ 20,962	\$ 43,635	\$ 130,833
-	126,591	25,613	179,213
-	-	8,070	133,677
<u>-</u>	<u>147,553</u>	<u>77,318</u>	<u>443,723</u>
-	-	638	37,797
-	-	-	1,049,589
-	-	343,428	343,428
-	412,974	21,025	1,343,747
-	-	190,147	190,147
<u>-</u>	<u>412,974</u>	<u>555,238</u>	<u>2,964,708</u>
<u>\$ -</u>	<u>\$ 560,527</u>	<u>\$ 632,556</u>	<u>\$ 3,408,431</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, 2009

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	\$ 2,964,708
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	15,486,292
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	173,363
Bond issuance costs, net of amortization	52,855
Other liabilities are not due and payable in the current period and therefore are not reported in the funds -	
Accrued interest	(43,606)
Current portion of compensated absences	(18,577)
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	(2,840,000)
Compensated absences	(18,355)
	<hr/>
Total net assets - governmental funds	<u>\$ 15,756,680</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, 2009

	<u>General Fund</u>	<u>Title I Special Revenue Fund</u>	<u>Bond Building Fund</u>
<i>Revenues</i>			
Property taxes	\$ 49,702	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	316,870	-
Federal direct	34,094	-	-
State flowthrough	10,861,768	-	-
State direct	15,531	-	-
Local grants	47,965	-	-
Transportation distribution	595,179	-	-
Charges for services	7,479	-	-
Investment income	11,094	-	29,852
Miscellaneous	4,429	-	-
<i>Total revenues</i>	<u>11,627,241</u>	<u>316,870</u>	<u>29,852</u>
<i>Expenditures</i>			
Current:			
Instruction	6,777,563	316,870	-
Support services - students	1,284,168	-	-
Support services - instruction	192,209	-	-
Support services - general administration	306,609	-	-
Support services -school administration	794,950	-	-
Central services	213,945	-	-
Operation and maintenance of plant	1,085,043	-	-
Student transportation	607,885	-	-
Other support services			
Food services operations	-	-	-
Community services operations			
Capital outlay	-	-	1,390,297
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>11,262,372</u>	<u>316,870</u>	<u>1,390,297</u>
 <i>Excess (deficiency) of revenues over expenditures</i>	 <u>364,869</u>	 <u>-</u>	 <u>(1,360,445)</u>
 <i>Net change in fund balances</i>	 364,869	 -	 (1,360,445)
 <i>Fund balances - beginning</i>	 <u>721,879</u>	 <u>-</u>	 <u>2,270,193</u>
 <i>Fund balances - ending</i>	 <u>\$ 1,086,748</u>	 <u>\$ -</u>	 <u>\$ 909,748</u>

The accompanying notes are an integral part of these financial statements

Land/Building Improvements Fund	Capital Improvements SB-9 Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 271,057	\$ 255,718	\$ 576,477
-	-	1,024,465	1,341,335
-	-	18,626	52,720
-	-	170,628	11,032,396
2,877,343	120,391	-	3,013,265
-	-	-	47,965
-	-	-	595,179
-	-	120,584	128,063
-	4,722	3,010	48,678
-	-	2,372	6,801
<u>2,877,343</u>	<u>396,170</u>	<u>1,595,403</u>	<u>16,842,879</u>
-	-	444,377	7,538,810
-	-	230,669	1,514,837
-	-	1,483	193,692
-	2,649	88,043	397,301
-	-	1,261	796,211
-	-	-	213,945
-	351,032	3,871	1,439,946
-	-	-	607,885
-	-	-	-
-	-	472,237	472,237
-	-	-	-
2,877,343	291,051	19,279	4,577,970
-	-	175,000	175,000
-	-	120,108	120,108
<u>2,877,343</u>	<u>644,732</u>	<u>1,556,328</u>	<u>18,047,942</u>
<u>-</u>	<u>(248,562)</u>	<u>39,075</u>	<u>(1,205,063)</u>
-	(248,562)	39,075	(1,205,063)
-	661,536	516,163	4,169,771
<u>\$ -</u>	<u>\$ 412,974</u>	<u>\$ 555,238</u>	<u>\$ 2,964,708</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, 2009

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

Net change in fund balances - total governmental funds	\$ (1,205,063)
--	----------------

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	4,577,970
Depreciation expense	(953,273)

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

Property taxes	(49,412)
----------------	----------

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 compensated absences	(10,742)
Increase in accrued interest	(31,004)
Amortization expense	(4,435)
Principal payments on bonds	175,000

Change in net assets of governmental activities	<u>\$ 2,499,041</u>
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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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 45,856	\$ 45,856	\$ 49,458	\$ 3,602
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	9,330	9,330	34,094	24,764
State flowthrough	10,909,802	10,878,762	10,876,343	(2,419)
State direct	-	-	-	-
Local grants	-	-	49,887	49,887
Transportation distribution	637,708	595,179	595,179	-
Charges for services	1,200	1,200	7,479	6,279
Investment income	60,580	60,580	11,094	(49,486)
Miscellaneous	-	-	4,429	4,429
<i>Total revenues</i>	<u>11,664,476</u>	<u>11,590,907</u>	<u>11,627,963</u>	<u>37,056</u>
<i>Expenditures</i>				
Current				
Instruction	7,027,070	7,055,903	6,767,684	288,219
Support services - students	1,400,502	1,400,502	1,285,143	115,359
Support services - instruction	228,949	229,905	192,209	37,696
Support services - general administration	346,355	353,192	304,699	48,493
Support services - school administration	891,909	882,132	794,950	87,182
Central services	272,833	273,523	215,709	57,814
Operation and maintenance of plant	1,270,493	1,272,743	1,071,991	200,752
Student transportation	637,708	610,710	607,885	2,825
Food services operations	119,500	43,140	-	43,140
Facilities acquisition and construction	39,500	39,500	4,648	34,852
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,234,819</u>	<u>12,161,250</u>	<u>11,244,918</u>	<u>916,332</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(570,343)</u>	<u>(570,343)</u>	<u>383,045</u>	<u>953,388</u>
<i>Other financing sources (uses)</i>				
Designated cash	570,343	570,343	-	(570,343)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>570,343</u>	<u>570,343</u>	<u>-</u>	<u>(570,343)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>383,045</u>	<u>383,045</u>
<i>Fund balances - beginning of year, as originally stated</i>	-	-	852,608	852,608
<i>Restatement</i>	-	-	(140,503)	(140,503)
<i>Fund balances - beginning of year, as restated</i>	-	-	712,105	712,105
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,095,150</u>	<u>\$ 1,095,150</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 383,045
Adjustments to revenue for property tax accruals and local grant accruals				(722)
Adjustments to expenditures for various function accruals and compensated absences				(17,454)
Net change in fund balances (GAAP)				<u>\$ 364,869</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, 2009

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	341,483	341,483	327,207	(14,276)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>341,483</u>	<u>341,483</u>	<u>327,207</u>	<u>(14,276)</u>
<i>Expenditures</i>				
Current				
Instruction	346,483	346,483	316,926	29,557
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>346,483</u>	<u>346,483</u>	<u>316,926</u>	<u>29,557</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,000)</u>	<u>(5,000)</u>	<u>10,281</u>	<u>15,281</u>
<i>Other financing sources (uses)</i>				
Designated cash	5,000	5,000	-	(5,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>10,281</u>	<u>10,281</u>
<i>Fund balances - beginning of year, as originally stated</i>	-	-	(59,137)	98,614
<i>Restatement</i>	-	-	62,138	20,366
<i>Fund balances - beginning of year, as restated</i>	<u>-</u>	<u>-</u>	<u>3,001</u>	<u>118,980</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,282</u>	<u>\$ 129,261</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 10,281
Adjustments to revenue for federal flowthrough accrual				(10,337)
Adjustments to expenditures for instructional accrual				56
Net change in fund balances (GAAP)				<u>\$ -</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, 2009

Exhibit D-1

<i>Assets</i>	
Cash and cash equivalents	<u>\$ 143,953</u>
<i>Total assets</i>	<u><u>\$ 143,953</u></u>
 <i>Liabilities</i>	
Deposits held in trust for others	<u>\$ 143,953</u>
<i>Total liabilities</i>	<u><u>\$ 143,953</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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 Raton Public Schools. 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 Schools 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 second 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, and is not a component unit of another governmental agency.

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.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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

B. Government-wide and fund financial statements (Continued)

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes 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.

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 for government-wide statements. For fund financial statements these revenues are recognized as revenues when measurable and available. 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.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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

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

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.

Land/Building Improvements Capital Projects Fund is used to account for PSCOC awards received and expended. 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.

Capital Improvements 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 *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or those used for major capital projects) that are legally restricted to be spent for a particular purpose.

The *Capital Project Funds* accounts for receipt and disbursement of resources used to acquire major capital facilities through purchase or construction.

The *Debt Service Funds* are used to account for the accumulation of resources that will be used to make payments of principal and interest on general long-term debt.

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 Schools
Notes to the Financial Statements
June 30, 2009

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 Local Government 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. As of June 30, 2009 the District does not have any investments.

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. As of June 30, 2009 the District does not have any prepaid items.

Inventory: Raton Public Schools values inventory at lower of cost or market value. The method that the District uses is the consumption approach. 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.

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 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).

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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

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

Collections of works of art are valued at fair market value. They are capitalized and included in the government-wide financials statements. Works of art are not depreciated because the value will appreciate over time. The District maintains a work of art valued at \$250,000 at June 30, 2009.

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:

Buildings and improvements	20-40 years
Equipment and vehicles	5-20 years

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue (voluntary exchange transactions) be recognized as revenue on the government-wide financial statements when all eligibility requirements have been met and recognized as revenue on the fund financials based on the same factors subject to the availability criterion. Therefore, amounts received for reimbursement basis grant revenue is recorded as deferred revenue when received after 60 days from year end. 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 are due and payable. 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 Schools
Notes to the Financial Statements
June 30, 2009

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

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

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, 2009, \$909,748 of the 2008 bond series remained unexpended. Therefore, the \$909,748 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 \$ 2,192,952 of restricted net assets, of which \$2,192,952 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. Significant estimates for Raton Public Schools are management's estimate of depreciation on assets over their estimated useful lives and accrued compensated absences.

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 ensure 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 \$10,708,599, in state equalization guarantee distributions during the year ended June 30, 2009.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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 \$576,477 in tax revenues in the governmental fund financial statements during the year ended June 30, 2009. 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 \$595,179 in transportation distributions during the year ended June 30, 2009.

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, 2009 totaled \$94,200. 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 \$120,391 in state SB-9 matching during the year ended June 30, 2009.

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). The District received \$2,877,343 in PSCOC awards during the year ended June 30, 2009.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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 cash 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.

The appropriated budget for the year ended June 30, 2009, was properly amended by the Board of Education throughout the year. These amendments resulted in the following changes:

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ (570,343)	\$ (570,343)
Title I Special Revenue Fund	(5,000)	(5,000)
Bond Building Capital Projects Fund	(2,300,000)	(2,300,000)
Land/Building Improvements Capital Projects Fund	-	-
Capital Improvements SB-9 Capital Projects Fund	(574,228)	(574,228)
Nonmajor Funds	(349,781)	(472,876)

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.

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 \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The FDIC board approved the Temporary Liquidity Guarantee Program (TLGP) on October 13, 2008. This program provides a full guarantee on non-interest-bearing transaction deposits accounts above \$250,000, regardless of dollar amount. The guarantee is effective until December 31, 2009. As of June 30, 2009, the District did not have any deposits that met the criteria of the TLGP.

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, 2009, \$3,110,160 of the District deposits of \$3,515,866 was exposed to custodial credit risk. \$2,963,463 was uninsured and collateralized by securities held by pledging banks trust department, not in the District's name and \$146,698 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.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 3. Deposits and Investments (Continued)

	International Bank	First National Bank of New Mexico	Total
Amount of deposits	\$ 3,360,161	\$ 155,706	\$ 3,515,867
FDIC Coverage	(250,000)	(155,706)	(405,706)
Total uninsured public funds	<u>3,110,161</u>	<u>-</u>	<u>3,110,161</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	2,963,463	-	2,963,463
Uninsured and uncollateralized	<u>\$ 146,698</u>	<u>\$ -</u>	<u>\$ 146,698</u>
Collateral requirement (50% of uninsured funds)	\$ 1,555,081	\$ -	\$ 1,555,081
Pledged Collateral	2,963,463	-	2,963,463
Over (Under) collateralized	<u>\$ 1,408,383</u>	<u>\$ -</u>	<u>\$ 1,408,383</u>

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 2,697,351
Restricted cash and cash equivalents per Exhibit A-1	182,976
Agency funds cash per Exhibit D-1	<u>143,953</u>
Total cash and cash equivalents	<u>3,024,280</u>
Add: deposits in transit and other reconciling items	<u>491,587</u>
Bank balance of deposits	<u>\$ 3,515,867</u>

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 4. Receivables

Governmental receivables as of June 30, 2009, are as follows:

	<u>General</u>	<u>Title I</u>	<u>SB-9</u>	<u>Total Nonmajor Funds</u>	<u>Total</u>
Property taxes receivable	\$ 28,540	\$ -	\$ 134,799	\$ 26,662	\$ 190,001
Intergovernmental receivables:					
State	-	-	294	22,461	22,755
Federal	-	112,325	-	10,659	122,984
Other receivables:					
Gasoline and oil taxes	<u>1,029</u>	<u>-</u>	<u>-</u>	<u>19,861</u>	<u>20,890</u>
Totals by category	<u>\$ 29,569</u>	<u>\$ 112,325</u>	<u>\$ 135,093</u>	<u>\$ 79,643</u>	<u>\$ 356,630</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, 2009, are as follows:

Payable to suppliers	\$ 130,833
Accrued interest	<u>43,606</u>
Total accounts payable and accrued expenses:	<u>\$ 174,439</u>

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, 2009 is as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General Fund	\$ 133,611	
Title I Special Revenue Fund	-	125,607
Non-major Funds:		
IDEA -B Entitlement	-	14
English Language Acquisition	-	5,574
Rural and Low Income Schools	-	66
Core Curriculum	66	-
Special Capital Outlay - State	<u>-</u>	<u>2,416</u>
	<u>\$ 133,677</u>	<u>\$ 133,677</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, 2009.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2009 follows. Land is not subject to depreciation.

The District has active construction projects as of June 30, 2009. The projects include additions, renovations and improvements to school buildings and grounds. A portion of the outstanding projects is funded by payments made directly to contractors by the Public School Capital Outlay Council (PSCOC). The PSCOC was created under the public school capital outlay council pursuant to Subsection A of Section 22-24-9 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, 2009.

	<u>Balance</u> <u>June 30, 2008</u>	<u>Prior period</u> <u>adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Capital assets not being depreciated:					
Land	\$ 107,911	\$ -	\$ -	\$ -	\$ 107,911
Collections of works of art	-	-	250,000	-	250,000
Construction in progress	<u>72,899</u>	<u>230,721</u>	<u>4,033,446</u>	<u>-</u>	<u>4,337,066</u>
Total assets not being depreciated	<u>180,810</u>	<u>230,721</u>	<u>4,283,446</u>	<u>-</u>	<u>4,694,977</u>
Capital assets being depreciated					
Buildings and improvements	18,299,628	(41,714)	131,775	-	18,389,689
Equipment and vehicles	<u>2,446,043</u>	<u>(1,012,234)</u>	<u>162,749</u>	<u>-</u>	<u>1,596,558</u>
Total assets being depreciated	<u>20,745,671</u>	<u>(1,053,948)</u>	<u>294,524</u>	<u>-</u>	<u>19,986,247</u>
Total capital assets	<u>20,926,481</u>	<u>(823,227)</u>	<u>4,577,970</u>	<u>-</u>	<u>24,681,224</u>
Less accumulated depreciation:					
Buildings and improvements	7,641,241	25,924	860,965	-	8,528,130
Equipment and vehicles	<u>1,404,373</u>	<u>(829,879)</u>	<u>92,308</u>	<u>-</u>	<u>666,802</u>
Total accumulated depreciation	<u>9,045,614</u>	<u>(803,955)</u>	<u>953,273</u>	<u>-</u>	<u>9,194,932</u>
Total capital assets net of depreciation	<u>\$11,880,867</u>	<u>\$ (19,272)</u>	<u>\$3,624,697</u>	<u>\$ -</u>	<u>\$15,486,292</u>

Depreciation expense for the year ended June 30, 2009 was charged to governmental activities as follows:

Instruction	\$ 44,915
Support services – students	399
Support services – general administration	1,992
Operations and maintenance of plant	900,379
Food services	<u>5,588</u>
	<u>\$ 953,273</u>

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

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 \$3,500,000.

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, 2009 are for governmental activities.

The following is a summary of the long-term debt and the related activity for the year ended June 30, 2009:

	<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

	<u>Balance</u>		<u>Balance</u>	<u>Due Within</u>	
	<u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2009</u>	<u>One Year</u>
General obligation bonds Series 5/1/1998	\$ 615,000	\$ -	\$ 75,000	\$ 540,000	\$ 80,000
General obligation bonds Series 6/1/2008	2,400,000	-	100,000	2,300,000	100,000
Compensated Absences	26,190	29,319	18,577	36,932	18,577
Total Long-Term Debt	\$ 3,041,190	\$ 29,319	\$ 193,577	\$ 2,876,932	\$ 198,577

The annual requirements to amortize the May 1, 1998 Series general obligation bonds as of June 30, 2009, including interest payments are as follows:

Fiscal Year	Total		
Ending June 30,	Principal	Interest	Debt Service
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	95,000	7,473	102,473
2015-2019	105,000	2,572	107,572
	<u>\$ 540,000</u>	<u>\$ 82,635</u>	<u>\$ 622,635</u>

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 8. Long-term Debt (Continued)

The annual requirements to amortize the June 1, 2009 Series general obligation bonds as of June 30, 2009, including interest payments are as follows:

Fiscal Year	Total		
Ending June 30,	Principal	Interest	Debt Service
2010	\$ 100,000	\$ 89,090	\$ 189,090
2011	110,000	85,740	195,740
2012	115,000	81,890	196,890
2013	120,000	77,865	197,865
2014	120,000	73,484	193,484
2015-2019	1,210,000	252,413	1,462,413
2020-2024	525,000	31,888	556,888
	<u>\$ 2,300,000</u>	<u>\$ 692,370</u>	<u>\$ 2,992,370</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, 2009, the long-term portion of compensated absences increased \$10,742 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, 2009, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 10. Other Required Individual Fund Disclosures

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

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

Major Funds:		
Bond Building Capital Projects Fund	\$	29,807

The District plans to monitor it's 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, 2009, 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, 2009, 2008, and 2007 were \$825,472, \$757,386, and \$645,439 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12. Post-Employment Benefits

Plan Description. Raton Public Schools 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 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.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 12. Post-Employment Benefits (Continued)

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, 2009, 2008 and 2007 were \$92,670, \$90,767, and \$87,359, 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.

NOTE 14. Commitments

The District has entered into a contract for the Raton High School remodeling project. At June 30, 2009, the remaining balance the District owes for the unfinished portion of construction is approximately \$895,958.

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

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 16. Budgetary Fund Balance and Net Asset Restatement

The District has restated prior year budget basis fund balances. Adjustments were made to the following funds:

Major Funds

General Fund	\$ (266,110)
Title I Special Revenue Fund	<u>62,138</u>
Total Major Funds	<u>\$ (203,972)</u>

Nonmajor Funds

Cafeteria Special Revenue Fund	20,366
Title VI IASA Special Revenue Fund	385
English Language Acquisition Special Revenue Fund	558
Title IIA Teacher/Principal Training & Recruiting Special Revenue Fund	386
Safe and Drug Free Schools Special Revenue Fund	159
Technology for Education Special Revenue Fund	(18,708)
Incentives for School Improvement Act PED Special Revenue Fund	937
Core Curriculum Special Revenue Fund	(66)
Debt Service Fund	<u>(104,757)</u>
Total Nonmajor Fund	<u>\$ (100,740)</u>
Total Governmental Fund	<u><u>\$ (304,712)</u></u>

These adjustments were made to properly restate prior year ended budget basis fund balances in these funds. These balances were incorrectly stated due to incorrect entries by the District to fund balances.

The District's capital assets and depreciation did not properly roll-forward from the prior year since this is the first year the District was able to provide an accurate capital asset listing with related depreciation. Adjustments were needed in the amount of \$19,272 to restate prior year net assets. Adjustments were made for governmental capital assets that were overstated in the amount of \$823,227. Accumulated depreciation was understated by \$803,955. Beginning fund balance was decreased in the amount of \$19,272. No funds were affected by this adjustment.

NOTE 17. Subsequent Pronouncements

In July 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which is effective for periods beginning after June 15, 2009. For governments that were classified as phase 1 or phase 2 governments, retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated. Retroactive reporting of these intangible assets by phase 3 governments is encouraged but not required. Retroactive reporting is not required but is permitted for intangible assets considered to have indefinite useful lives as of the effective date of this Statement and those considered to be internally generated. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The District is analyzing the effect that this standard will have on the financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2009

NOTE 17. Subsequent Pronouncements (Continued)

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 15, 2010 with earlier implementation encouraged. GASB Statement No. 54 distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purpose for which specific amounts can be spent. This statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. The District is analyzing the effect that this standard will have on the financial statements.

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SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Raton Public Schools
General Fund
Combining Balance Sheet
June 30, 2009

	General Fund			
	Operational	Pupil Transportation	Instructional	Total General Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 852,732	\$ 52,683	\$ 56,124	\$ 961,539
Property taxes receivable	28,540	-	-	28,540
Other receivables	73	-	956	1,029
Inventory	37,159	-	-	37,159
Due from other funds	133,611	-	-	133,611
	<u>\$ 1,052,115</u>	<u>\$ 52,683</u>	<u>\$ 57,080</u>	<u>\$ 1,161,878</u>
<i>Liabilities</i>				
Accounts payable	\$ 48,121	\$ -	\$ -	48,121
Deferred revenue	27,009	-	-	27,009
Due to other funds	-	-	-	-
	<u>75,130</u>	<u>-</u>	<u>-</u>	<u>75,130</u>
<i>Fund balances</i>				
Reserved for:				
Inventory	37,159	-	-	37,159
Unreserved	939,826	52,683	57,080	1,049,589
	<u>976,985</u>	<u>52,683</u>	<u>57,080</u>	<u>1,086,748</u>
<i>Total fund balances</i>	<u>976,985</u>	<u>52,683</u>	<u>57,080</u>	<u>1,086,748</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,052,115</u>	<u>\$ 52,683</u>	<u>\$ 57,080</u>	<u>\$ 1,161,878</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2009

	General Fund			Total General Fund
	Operational	Pupil Transportation	Instructional	
<i>Revenues</i>				
Property taxes	\$ 49,702	\$ -	\$ -	\$ 49,702
Intergovernmental revenue:				
Federal direct	34,094	-	-	34,094
State flowthrough				
State direct	10,708,599	15,531	153,169	10,877,299
Local grants	47,965	-	-	47,965
Transportation distribution	-	595,179	-	595,179
Charges for services	7,479	-	-	7,479
Investment income	11,094	-	-	11,094
Miscellaneous	3,652	-	777	4,429
<i>Total revenues</i>	<u>10,862,585</u>	<u>610,710</u>	<u>153,946</u>	<u>11,627,241</u>
<i>Expenditures</i>				
Current:				
Instruction	6,684,682	-	92,881	6,777,563
Support services - students	1,284,168	-	-	1,284,168
Support services - instruction	187,073	-	5,136	192,209
Support services - general administration	306,609	-	-	306,609
Support services - school administration	794,950	-	-	794,950
Central services	213,945	-	-	213,945
Operation and maintenance of plant	1,085,043	-	-	1,085,043
Student transportation	-	607,885	-	607,885
<i>Total expenditures</i>	<u>10,556,470</u>	<u>607,885</u>	<u>98,017</u>	<u>11,262,372</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>306,115</u>	<u>2,825</u>	<u>55,929</u>	<u>364,869</u>
<i>Net change in fund balances</i>	306,115	2,825	55,929	364,869
<i>Fund balances - beginning</i>	<u>670,870</u>	<u>49,858</u>	<u>1,151</u>	<u>721,879</u>
<i>Fund balances - ending</i>	<u>\$ 976,985</u>	<u>\$ 52,683</u>	<u>\$ 57,080</u>	<u>\$ 1,086,748</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Statement B-1

Raton Public School District

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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 45,856	\$ 45,856	\$ 49,458	\$ 3,602
Intergovernmental revenue:				
Federal direct	(9,330)	(9,330)	34,094	43,424
State flowthrough	10,786,422	10,710,062	10,708,599	(1,463)
Local grants	-	-	49,887	49,887
Charges for services	1,200	1,200	7,479	6,279
Investment income	60,580	60,580	11,094	(49,486)
Miscellaneous	-	-	3,652	3,652
<i>Total revenues</i>	<u>10,884,728</u>	<u>10,808,368</u>	<u>10,864,263</u>	<u>55,895</u>
<i>Expenditures</i>				
Current				
Instruction	6,911,044	6,911,044	6,668,458	242,586
Support services - students	1,400,502	1,400,502	1,285,143	115,359
Support services - instruction	221,595	221,595	187,073	34,522
Support services - general administration	272,833	273,523	215,709	57,814
Support services - school administration	891,909	882,132	794,950	87,182
Central services	272,833	273,523	304,699	(31,176)
Operation and maintenance of plant	1,270,493	1,272,743	1,071,991	200,752
Student transportation	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	39,500	39,500	4,648	34,852
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,746,985</u>	<u>11,671,315</u>	<u>10,532,671</u>	<u>1,138,644</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(862,257)</u>	<u>(862,947)</u>	<u>331,592</u>	<u>1,194,539</u>
<i>Other financing sources (uses)</i>				
Designated cash	862,257	862,947	-	(862,947)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>862,257</u>	<u>862,947</u>	<u>-</u>	<u>(862,947)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>331,592</u>	<u>331,592</u>
<i>Fund balances - beginning of year, as originally stated</i>	-	-	795,254	795,254
<i>Restatement</i>			(140,503)	(140,503)
<i>Fund balances - beginning of year, as restated</i>	-	-	654,751	654,751
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 986,343</u>	<u>\$ 986,343</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 331,592
Adjustments to revenue for property tax accrual and local sources accrual				(1,678)
Adjustments to expenditures for various function accruals				(23,799)
Net change in fund balances (GAAP)				<u>\$ 306,115</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, 2009

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	-	15,531	15,531	-
State direct	637,708	595,179	595,179	-
Transportation distribution	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>637,708</u>	<u>610,710</u>	<u>610,710</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	637,708	610,710	607,885	2,825
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>637,708</u>	<u>610,710</u>	<u>607,885</u>	<u>2,825</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,825</u>	<u>2,825</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>	-	-	2,825	2,825
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>49,858</u>	<u>49,858</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,683</u>	<u>\$ 52,683</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 2,825
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 2,825</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Raton Public School District

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, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	123,380	153,169	152,213	(956)
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	777	777
<i>Total revenues</i>	<u>123,380</u>	<u>153,169</u>	<u>152,990</u>	<u>(179)</u>
<i>Expenditures</i>				
Current				
Instruction	116,026	144,859	99,226	45,633
Support services - students	-	-	-	-
Support services - instruction	7,354	8,310	5,136	3,174
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>123,380</u>	<u>153,169</u>	<u>104,362</u>	<u>48,807</u>
<i>Excess (deficiency) of revenues over expenditures</i>				
	-	-	48,628	48,628
<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>				
	-	-	48,628	48,628
<i>Fund balances - beginning of year</i>				
	-	-	7,496	7,496
<i>Fund balances - end of year</i>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,124</u>	<u>\$ 56,124</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 48,628
Adjustments to revenue for state source accrual				956
Adjustments to expenditures for instruction function accrual				6,345
Net change in fund balances (GAAP)				<u>\$ 55,929</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
Nonmajor Governmental Funds
June 30, 2009

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.

Entitlement IDEA-B (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 education needs of the handicapped 6-21 years 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 VI IASA (24112) – To account for a program funded by a federal grant to assist the Schools to make improvements in elementary and secondary education. Funding authorized by Elementary and Secondary Act of 1965, as amended, Title I, Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements of 1988, Public Law 100-297, 20 U.S.C. 2911-2952, 2971-2976.

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

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. Funding authority is the Public Education Department.

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 & Recruiting (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. Funding authority is the Public Education Department

Safe and Drug Free Schools (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 & 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. Funding authority is the Public Education Department.

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.

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds (continued)

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 NMSA 22-13A-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.

Breakfast in the Classroom (27155) – To account for Legislative Appropriation to implement breakfast in the classroom for elementary schools in need of improvement on AYP designations. Funding authority is the Public Education Department.

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. Funding authority is the Public Education Department.

State Directed Activities (27200) – This program was developed to respond to early intervention services for district students identified in need. Funding authority is the Public Education Department.

Senate Bill 471 (27549) – This bill was passed to allocate funds to school districts for the purchase of library books. Funding authority is the Public Education Department.

Gear- Up New Mexico (28138) – To purchase items at Raton Middle School for Gear up students who are in the seventh grade. Funding authority is the Public Education Department.

Sloan-Prince Grant (29102) – To purchase literature sets that served as a model for developing writing skills and strategies. Funding authority is the Public Education Department.

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

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 School 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. Funding authority is the Public Education Department.

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, 2009

	Special Revenue		
	Cafeteria	Athletics	Entitlement IDEA-B
<i>Assets</i>			
Cash and cash equivalents	\$ 265,559	\$ 24,658	\$ -
Property taxes receivable	-	-	-
Intergovernmental receivables	-	-	5,019
Other receivables	-	-	-
Inventory	638	-	-
Due from other funds	-	-	-
	<u>\$ 266,197</u>	<u>\$ 24,658</u>	<u>\$ 5,019</u>
<i>Liabilities</i>			
Accounts payable	\$ 38,614	\$ -	\$ 5,005
Deferred revenue	-	-	-
Due to other funds	-	-	14
	<u>38,614</u>	<u>-</u>	<u>5,019</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	638	-	-
Unreserved, reported in:			
Special revenue funds	226,945	24,658	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
	<u>227,583</u>	<u>24,658</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 266,197</u>	<u>\$ 24,658</u>	<u>\$ 5,019</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Discretionary IDEA-B	Preschool IDEA-B	Title VI IASA	Enhancing Education Thru Tech	Title V Innovative Education Program
\$ -	\$ 949	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	949	-	-	-
-	-	-	-	-
-	949	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Title IIA		
	English Language Acquisition	Teacher/Principal Training & Recruiting	Safe and Drug Free Schools
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ 4,592	\$ 159
Property taxes receivable	-	-	-
Intergovernmental receivables	5,574	-	-
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>\$ 5,574</u>	<u>\$ 4,592</u>	<u>\$ 159</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	-	4,592	159
Due to other funds	5,574	-	-
<i>Total liabilities</i>	<u>5,574</u>	<u>4,592</u>	<u>159</u>
<i>Fund balances</i>			
Reserved for:			
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>\$ 5,574</u>	<u>\$ 4,592</u>	<u>\$ 159</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	Incentives for School Improvement Act PED	Beginning Teacher Mentoring
\$ -	\$ 150	\$ 18,890	\$ 26,790	\$ 2,624
-	-	-	-	-
66	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 66</u>	<u>\$ 150</u>	<u>\$ 18,890</u>	<u>\$ 26,790</u>	<u>\$ 2,624</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	150	-	-	-
66	-	-	-	-
<u>66</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	18,890	26,790	2,624
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>18,890</u>	<u>26,790</u>	<u>2,624</u>
<u>\$ 66</u>	<u>\$ 150</u>	<u>\$ 18,890</u>	<u>\$ 26,790</u>	<u>\$ 2,624</u>

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Breakfast in the Classroom	Core Curriculum	GO Bond Library
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ 16
Property taxes receivable	-	-	-
Intergovernmental receivables	-	-	-
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	66	-
	-	66	-
<i>Total assets</i>	\$ -	\$ 66	\$ 16
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	-	-	-
	-	-	-
<i>Total liabilities</i>	-	-	-
<i>Fund balances</i>			
Reserved for:			
Inventory	-	-	-
Unreserved, reported in:			
Special revenue funds	-	66	16
Capital projects funds	-	-	-
Debt service funds	-	-	-
	-	66	16
<i>Total fund balances</i>	-	66	16
<i>Total liabilities and fund balances</i>	\$ -	\$ 66	\$ 16

The accompanying notes are an integral part of these financial statements

Special Revenue

State Directed Activities	Senate Bill 471	Gear- Up New Mexico	Sloan-Prince Grant	School Based Health Center
\$ -	\$ 4,162	\$ 5,000	\$ 172	\$ 15,512
-	-	-	-	-
-	-	-	-	22,755
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 4,162</u>	<u>\$ 5,000</u>	<u>\$ 172</u>	<u>\$ 38,267</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	5,000	172	38,267
-	4,162	-	-	-
-	-	-	-	-
-	4,162	5,000	172	38,267
<u>\$ -</u>	<u>\$ 4,162</u>	<u>\$ 5,000</u>	<u>\$ 172</u>	<u>\$ 38,267</u>

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STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
	Special Capital Outlay - State	Public School Capital Outlay- 20%	Debt Service	
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 182,976	\$ 552,209
Property taxes receivable	-	-	26,662	26,662
Intergovernmental receivables	-	-	-	33,414
Other receivables	19,279	-	288	19,567
Inventory	-	-	-	638
Due from other funds	-	-	-	66
<i>Total assets</i>	\$ 19,279	\$ -	\$ 209,926	\$ 632,556
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 16	43,635
Deferred revenue	-	-	19,763	25,613
Due to other funds	2,416	-	-	8,070
<i>Total liabilities</i>	2,416	-	19,779	77,318
<i>Fund balances</i>				
Reserved for:				
Inventory	-	-	-	638
Unreserved, reported in:				
Special revenue funds	-	-	-	343,428
Capital projects funds	16,863	-	-	21,025
Debt service funds	-	-	190,147	190,147
<i>Total fund balances</i>	16,863	-	190,147	555,238
<i>Total liabilities and fund balances</i>	\$ 19,279	\$ -	\$ 209,926	\$ 632,556

The accompanying notes are an integral part of these financial statements

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, 2009

	Special Revenue		
	Cafeteria	Athletics	Entitlement IDEA- B
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	442,686	-	301,161
Federal direct	-	-	-
State flowthrough	-	-	-
Charges for services	80,738	39,846	-
Investment income	992	184	-
Miscellaneous	2,249	-	-
<i>Total revenues</i>	526,665	40,030	301,161
<i>Expenditures</i>			
Current:			
Instruction	-	34,101	146,481
Support services - students	-	-	69,145
Support services - instruction	-	-	-
Support services - general administration	-	-	85,535
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	418,700	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	418,700	34,101	301,161
<i>Excess (deficiency) of revenues over expenditures</i>	107,965	5,929	-
<i>Net change in fund balances</i>	107,965	5,929	-
<i>Fund balances - beginning</i>	119,618	18,729	-
<i>Fund balances - ending</i>	\$ 227,583	\$ 24,658	\$ -

The accompanying notes are an integral part of these financial statements

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, 2009

	Special Revenue		
	Title IIA		
	English Language Acquisition	Teacher/Principal Training & Recruiting	Safe and Drug Free Schools
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	63,333	-
Federal direct	18,626	-	-
State flowthrough	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	123	-
<i>Total revenues</i>	18,626	63,456	-
<i>Expenditures</i>			
Current:			
Instruction	15,890	63,456	-
Support services - students	1,475	-	-
Support services - instruction	-	-	-
Support services - general administration	-	-	-
Support services - school administration	1,261	-	-
Operation and maintenance of plant	-	-	-
Food service operations	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	18,626	63,456	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-
<i>Net change in fund balances</i>	-	-	-
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ -

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	Incentives for School Improvement Act PED	Beginning Teacher Mentoring
\$ -	\$ -	\$ -	\$ -	\$ -
31,633	105,580	-	-	-
-	-	-	-	-
-	-	23,610	-	6,225
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>31,633</u>	<u>105,580</u>	<u>23,610</u>	<u>-</u>	<u>6,225</u>
31,633	-	20,779	13,995	3,601
-	105,580	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>31,633</u>	<u>105,580</u>	<u>20,779</u>	<u>13,995</u>	<u>3,601</u>
-	-	2,831	(13,995)	2,624
-	-	2,831	(13,995)	2,624
-	-	16,059	40,785	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,890</u>	<u>\$ 26,790</u>	<u>\$ 2,624</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, 2009

	Special Revenue		
	Breakfast in the Classroom	Core Curriculum	GO Bond Library
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	-	-
Federal direct	-	-	-
State flowthrough	53,537	66	1,499
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	53,537	66	1,499
<i>Expenditures</i>			
Current:			
Instruction	-	-	-
Support services - students	-	-	-
Support services - instruction	-	-	1,483
Support services - general administration	-	-	-
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	53,537	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	53,537	-	1,483
<i>Excess (deficiency) of revenues over expenditures</i>	-	66	16
<i>Net change in fund balances</i>	-	66	16
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ 66	\$ 16

The accompanying notes are an integral part of these financial statements

Special Revenue

State Directed Activities	Senate Bill 471	Gear-Up New Mexico	Sloan-Prince Grant	School Based Health Center
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
2,250	4,162	-	-	60,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,250	4,162	-	-	60,000
2,250	-	-	-	84,458
-	-	-	-	2,130
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,250	-	-	-	86,588
-	4,162	-	-	(26,588)
-	4,162	-	-	(26,588)
-	-	5,000	172	64,855
\$ -	\$ 4,162	\$ 5,000	\$ 172	\$ 38,267

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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, 2009

	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Special Capital Outlay - State	Public School Capital Outlay- 20%	Debt Service		
<i>Revenues</i>					
Property taxes	\$ -	\$ -	\$ 255,718		\$ 255,718
Intergovernmental revenue:					
Federal flowthrough	-	-	-		1,024,465
Federal direct	-	-	-		18,626
State flowthrough	19,279	-	-		170,628
Charges for services	-	-	-		120,584
Investment income	-	-	1,834		3,010
Miscellaneous	-	-	-		2,372
<i>Total revenues</i>	19,279	-	257,552		1,595,403
<i>Expenditures</i>					
Current:					
Instruction	-	-	-		444,377
Support services - students	-	-	-		230,669
Support services - instruction	-	-	-		1,483
Support services - general administration	-	-	2,508		88,043
Support services - school administration	-	-	-		1,261
Operation and maintenance of plant	-	3,871	-		3,871
Food service operations	-	-	-		472,237
Capital outlay	19,279	-	-		19,279
Debt service:					
Principal	-	-	175,000		175,000
Interest	-	-	120,108		120,108
<i>Total expenditures</i>	19,279	3,871	297,616		1,556,328
<i>Excess (deficiency) of revenues over expenditures</i>	-	(3,871)	(40,064)		39,075
<i>Net change in fund balances</i>	-	(3,871)	(40,064)		39,075
<i>Fund balances - beginning</i>	16,863	3,871	230,211		516,163
<i>Fund balances - ending</i>	\$ 16,863	\$ -	\$ 190,147		\$ 555,238

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Cafeteria 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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	341,000	341,000	458,317	117,317
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	69,200	69,200	80,738	11,538
Investment income	3,000	3,000	992	(2,008)
Miscellaneous	-	-	2,249	2,249
<i>Total revenues</i>	<u>413,200</u>	<u>413,200</u>	<u>542,296</u>	<u>129,096</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	498,041	498,041	395,839	102,202
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>498,041</u>	<u>498,041</u>	<u>395,839</u>	<u>102,202</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(84,841)</u>	<u>(84,841)</u>	<u>146,457</u>	<u>231,298</u>
<i>Other financing sources (uses)</i>				
Designated cash	84,841	84,841	-	(84,841)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>84,841</u>	<u>84,841</u>	<u>-</u>	<u>(84,841)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>146,457</u>	<u>146,457</u>
<i>Fund balances - beginning of year, as originally stated</i>	-	-	98,614	98,614
<i>Restatement</i>			20,488	20,488
<i>Fund balances - beginning of year, as restated</i>	<u>-</u>	<u>-</u>	<u>119,102</u>	<u>119,102</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,559</u>	<u>\$ 265,559</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 146,457
Adjustments to revenue for state and federal lowthrough accruals				(15,631)
Adjustments to expenditures for accrual in food services function				<u>(22,861)</u>
Net change in fund balances (GAAP)				<u>\$ 107,965</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, 2009

	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	30,511	30,511	39,846	9,335
Investment income	536	536	184	(352)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>31,047</u>	<u>31,047</u>	<u>40,030</u>	<u>8,983</u>
<i>Expenditures</i>				
Current				
Instruction	48,185	48,185	34,101	14,084
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>48,185</u>	<u>48,185</u>	<u>34,101</u>	<u>14,084</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(17,138)</u>	<u>(17,138)</u>	<u>5,929</u>	<u>23,067</u>
<i>Other financing sources (uses)</i>				
Designated cash	17,138	17,138	-	(17,138)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>17,138</u>	<u>17,138</u>	<u>-</u>	<u>(17,138)</u>
<i>Net change in fund balances</i>	-	-	5,929	5,929
<i>Fund balances - beginning of year</i>	-	-	18,729	18,729
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,658</u>	<u>\$ 24,658</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 5,929
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 5,929</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	304,517	298,839	(5,678)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	304,517	298,839	(5,678)
<i>Expenditures</i>				
Current				
Instruction	-	149,037	146,481	2,556
Support services - students	-	65,313	64,140	1,173
Support services - instruction	-	-	-	-
Support services - general administration	-	90,167	85,535	4,632
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>	-	304,517	296,156	8,361
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	2,683	2,683
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	2,683	2,683
<i>Fund balances - beginning of year</i>	-	-	\$ (2,697)	(2,697)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (14)	\$ (14)
Net change in fund balances (non-GAAP budgetary basis)				\$ 2,683
Adjustments to revenue for federal flowthrough accrual				2,322
Adjustments to expenditures for accrual in instruction function				(5,005)
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	601	601
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	601	601
<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				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	601	601
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	601	601
<i>Fund balances - beginning of year</i>	-	-	(601)	(601)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ 601
Adjustments to revenue for federal flowthrough accrual				(601)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	27,412	27,417	5
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	27,412	27,417	5
<i>Expenditures</i>				
Current				
Instruction	-	27,412	27,412	-
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>	-	27,412	27,412	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	5	5
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	5	5
<i>Fund balances - beginning of year</i>	-	-	944	944
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 949	\$ 949
Net change in fund balances (non-GAAP budgetary basis)				\$ 5
Adjustments to revenue for federal flowthrough accrual				(5)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Title VI 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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	52,339	52,339	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	52,339	52,339	-
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	52,339	52,339	-
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>	-	52,339	52,339	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year, as originally stated</i>	-	-	385	385
<i>Restatement</i>	-	-	(385)	(385)
<i>Fund balances - beginning of year as restated</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
 Enhancing Education 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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	1,570	1,570
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	1,570	1,570
<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				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1,570	1,570
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	1,570	1,570
<i>Fund balances - beginning of year</i>	-	-	(1,570)	(1,570)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,570
Adjustments to revenue for federal flowthrough accruals				(1,570)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	1,774	1,774
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	1,774	1,774
<i>Expenditures</i>				
Current				
Instruction	359	359	321	38
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>	359	359	321	38
<i>Excess (deficiency) of revenues over expenditures</i>	(359)	(359)	1,453	1,812
<i>Other financing sources (uses)</i>				
Designated cash	359	359	-	(359)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	359	359	-	(359)
<i>Net change in fund balances</i>	-	-	1,453	1,453
<i>Fund balances - beginning of year</i>	-	-	(1,453)	(1,453)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,453
Adjustments to revenue for federal flowthrough accruals and miscellaneous revenue accruals				(1,453)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	23,900	31,666	20,044	(11,622)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>23,900</u>	<u>31,666</u>	<u>20,044</u>	<u>(11,622)</u>
<i>Expenditures</i>				
Current				
Instruction	17,291	24,833	15,890	8,943
Support services - students	5,559	5,559	1,475	4,084
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	1,050	1,274	1,261	13
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>23,900</u>	<u>31,666</u>	<u>18,626</u>	<u>13,040</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,418</u>	<u>1,418</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>	-	-	1,418	1,418
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,992)</u>	<u>(6,992)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,574)</u>	<u>\$ (5,574)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,418
Adjustments to revenue for federal flowthrough accruals				(1,418)
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
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	97,705	97,516	70,199	(27,317)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	123	123
<i>Total revenues</i>	<u>97,705</u>	<u>97,516</u>	<u>70,322</u>	<u>(27,194)</u>
<i>Expenditures</i>				
Current				
Instruction	97,705	97,516	65,584	31,932
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>97,705</u>	<u>97,516</u>	<u>65,584</u>	<u>31,932</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,738</u>	<u>4,738</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>	<u>-</u>	<u>-</u>	<u>4,738</u>	<u>4,738</u>
<i>Fund balances - beginning of year, as originally stated</i>	-	-	(532)	(532)
<i>Restatement</i>			386	386
<i>Fund balances - beginning of year, as restated</i>	<u>-</u>	<u>-</u>	<u>(146)</u>	<u>(146)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,592</u>	<u>\$ 4,592</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,738
Adjustments to revenue for federal flowthrough accruals				(6,866)
Adjustments to expenditures for instruction function accruals				2,128
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Safe and 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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	6,082	6,082	3,149	(2,933)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>6,082</u>	<u>6,082</u>	<u>3,149</u>	<u>(2,933)</u>
<i>Expenditures</i>				
Current				
Instruction	6,082	6,082	-	6,082
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>6,082</u>	<u>6,082</u>	<u>-</u>	<u>6,082</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,149</u>	<u>3,149</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>	-	-	3,149	3,149
<i>Fund balances - beginning of year,</i>	<u>-</u>	<u>-</u>	<u>(2,990)</u>	<u>(2,990)</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)				\$ 3,149
Adjustments to revenue for federal direct flowthrough				(3,149)
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
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	50,783	50,783	34,624	(16,159)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,783</u>	<u>50,783</u>	<u>34,624</u>	<u>(16,159)</u>
<i>Expenditures</i>				
Current				
Instruction	50,783	50,783	31,633	19,150
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>50,783</u>	<u>50,783</u>	<u>31,633</u>	<u>19,150</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,991</u>	<u>2,991</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>	-	-	2,991	2,991
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>\$ (3,056)</u>	<u>(3,056)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (65)</u>	<u>\$ (65)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 2,991
Adjustments to revenue for federal flowthrough accruals				(2,991)
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
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	116,905	105,580	(11,325)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	116,905	105,580	(11,325)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	116,905	105,580	11,325
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>	-	116,905	105,580	11,325
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	150	150
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 150	\$ 150
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	23,610	23,610	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	23,610	23,610	-
<i>Expenditures</i>				
Current				
Instruction	-	39,669	20,779	18,890
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>	-	39,669	20,779	18,890
<i>Excess (deficiency) of revenues over expenditures</i>	-	(16,059)	2,831	18,890
<i>Other financing sources (uses)</i>				
Designated cash	-	16,059	-	(16,059)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	16,059	-	(16,059)
<i>Net change in fund balances</i>	-	-	2,831	2,831
<i>Fund balances - beginning of year, as originally stated</i>	-	-	34,767	34,767
<i>Restatement</i>	-	-	(18,708)	(18,708)
<i>Fund balances - beginning of year as restated</i>	-	-	16,059	16,059
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 18,890	\$ 18,890
Net change in fund balances (non-GAAP budgetary basis)				\$ 2,831
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ 2,831

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	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>	-	-	-	-
<i>Expenditures</i>				
Current				
Instruction	-	40,785	13,995	26,790
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>	-	40,785	13,995	26,790
<i>Excess (deficiency) of revenues over expenditures</i>	-	(40,785)	(13,995)	26,790
<i>Other financing sources (uses)</i>				
Designated cash	-	40,785	-	(40,785)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	40,785	-	(40,785)
<i>Net change in fund balances</i>	-	-	(13,995)	(13,995)
<i>Fund balances - beginning of year, as originally stated</i>	-	-	39,848	39,848
<i>Restatement</i>	-	-	937	937
<i>Fund balances - beginning of year as restated</i>	-	-	40,785	40,785
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 26,790	\$ 26,790
Net change in fund balances (non-GAAP budgetary basis)				\$ (13,995)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ (13,995)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	6,019	6,019	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	6,019	6,019	-
<i>Expenditures</i>				
Current				
Instruction	-	6,019	3,601	2,418
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				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Principal</i>	-	6,019	3,601	2,418
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	2,418	2,418
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	2,418	2,418
<i>Fund balances - beginning of year</i>	-	-	206	206
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,624	\$ 2,624
Net change in fund balances (non-GAAP budgetary basis)				\$ 2,418
Adjustments to revenue for state flowthrough accruals				206
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ 2,624

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Breakfast in the Classroom 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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	53,537	53,537	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	53,537	53,537	-
<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	-	53,537	53,537	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Principal</i>	-	53,537	53,537	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances 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				
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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year, as originally stated</i>	-	-	66	66
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>(66)</u>	<u>(66)</u>
<i>Fund balances - beginning of year, as restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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 flowthrough accruals				66
No adjustments for expenditure accruals				<u>-</u>
Net change in fund balances (GAAP)				<u>\$ 66</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	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	-	-	6,284	6,284
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	6,284	6,284
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	2,729	1,483	1,246
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>Principal</i>	-	2,729	1,483	1,246
<i>Excess (deficiency) of revenues over expenditures</i>	-	(2,729)	4,801	7,530
<i>Other financing sources (uses)</i>				
Designated cash	-	2,729	-	(2,729)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	2,729	-	(2,729)
<i>Net change in fund balances</i>	-	-	4,801	4,801
<i>Fund balances - beginning of year</i>	-	-	(4,785)	(4,785)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 16	\$ 16
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,801
Adjustments to revenue for state direct accruals				(4,785)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ 16

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
State Directed Activities 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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	2,250	2,250	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	2,250	2,250	-
<i>Expenditures</i>				
Current				
Instruction	-	2,250	2,250	-
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				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Principal</i>	-	2,250	2,250	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Raton Public Schools
 Senate Bill 471 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, 2009

	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	-	4,162	4,162	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	4,162	4,162	-
<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				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Principal</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	4,162	4,162	-
<i>Other financing sources (uses)</i>				
Designated cash	-	(4,162)	-	4,162
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	(4,162)	-	4,162
<i>Net change in fund balances</i>	-	-	4,162	4,162
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 4,162	\$ 4,162
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,162
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ 4,162

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	5,000	5,000
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<i>Expenditures</i>				
Current				
Instruction	-	5,000	-	5,000
Support services - students	-	-	-	-
Support services - instruction	-	4,162	-	4,162
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>Principal</i>	<u>-</u>	<u>9,162</u>	<u>-</u>	<u>9,162</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(9,162)</u>	<u>5,000</u>	<u>14,162</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	9,162	-	(9,162)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>9,162</u>	<u>-</u>	<u>(9,162)</u>
<i>Net change in fund balances</i>	-	-	5,000	5,000
<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>\$ 5,000</u>	<u>\$ 5,000</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 5,000
No adjustments to revenues for accruals				(5,000)
No adjustments to expenditures for accruals				<u>-</u>
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	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>	-	-	-	-
<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				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Principal</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	172	172
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 172	\$ 172
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	60,000	51,845	(8,155)
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	60,000	51,845	(8,155)
<i>Expenditures</i>				
Current				
Instruction	-	102,252	84,458	17,794
Support services - students	-	8,737	2,865	5,872
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				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Principal</i>	-	110,989	87,323	23,666
<i>Excess (deficiency) of revenues over expenditures</i>	-	(50,989)	(35,478)	15,511
<i>Other financing sources (uses)</i>				
Designated cash	-	50,989	-	(50,989)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	50,989	-	(50,989)
<i>Net change in fund balances</i>	-	-	(35,478)	(35,478)
<i>Fund balances - beginning of year</i>	-	-	50,990	50,990
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 15,512	\$ 15,512
Net change in fund balances (non-GAAP budgetary basis)				\$ (35,478)
Adjustments to revenue for state flowthrough accruals				8,155
Adjustments to expenditures for support services- students function accruals				735
Net change in fund balances (GAAP)				\$ (26,588)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

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, 2009

	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	19,279	19,279	-	(19,279)
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,279</u>	<u>19,279</u>	<u>-</u>	<u>(19,279)</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	16,845	16,845	-	16,845
Facilities acquisition and construction	19,279	19,279	19,279	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>36,124</u>	<u>36,124</u>	<u>19,279</u>	<u>16,845</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(16,845)</u>	<u>(16,845)</u>	<u>(19,279)</u>	<u>(2,434)</u>
<i>Other financing sources (uses)</i>				
Designated cash	16,845	16,845	-	(16,845)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>16,845</u>	<u>16,845</u>	<u>-</u>	<u>(16,845)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(19,279)</u>	<u>(19,279)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,863</u>	<u>16,863</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,416)</u>	<u>\$ (2,416)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (19,279)
Adjustments to revenue for state direct				19,279
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-26

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, 2009

	Budgeted Amounts		Actual	Variances 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>				
<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	-	3,871	3,871	-
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>3,871</u>	<u>3,871</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(3,871)</u>	<u>(3,871)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	3,871	-	(3,871)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,871</u>	<u>-</u>	<u>(3,871)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,871)</u>	<u>(3,871)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,871</u>	<u>3,871</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (3,871)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (3,871)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 7,200	\$ 201,890	\$ 252,453	\$ 50,563
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	4,137	4,137	1,834	(2,303)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,337</u>	<u>206,027</u>	<u>254,287</u>	<u>48,260</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	750	3,000	2,492	508
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principal	213,507	313,507	175,000	138,507
Interest	27,678	120,118	120,108	10
<i>Principal</i>	<u>241,935</u>	<u>436,625</u>	<u>297,600</u>	<u>139,025</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(230,598)</u>	<u>(230,598)</u>	<u>(43,313)</u>	<u>187,285</u>
<i>Other financing sources (uses)</i>				
Designated cash	230,598	230,598	-	(230,598)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>230,598</u>	<u>230,598</u>	<u>-</u>	<u>(230,598)</u>
<i>Net change in fund balances</i>	-	-	(43,313)	(43,313)
<i>Fund balances - beginning of year, as originally stated</i>	<u>-</u>	<u>-</u>	<u>331,043</u>	<u>331,043</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>(104,754)</u>	<u>(104,754)</u>
<i>Fund balances- beginning of year, as restated</i>	<u>-</u>	<u>-</u>	<u>226,289</u>	<u>226,289</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,976</u>	<u>\$ 182,976</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (43,313)
Adjustments to revenue for property tax accruals				3,265
Adjustments to expenditures for support services accrual				(16)
Net change in fund balances (GAAP)				<u>\$ (40,064)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

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, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental revenue:</i>				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	29,852	29,852
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>29,852</u>	<u>29,852</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	-	-	-	-
Facilities acquisition and construction	2,300,000	2,300,000	1,372,182	927,818
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,300,000</u>	<u>2,300,000</u>	<u>1,372,182</u>	<u>927,818</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>(1,342,330)</u>	<u>957,670</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,300,000	2,300,000	-	(2,300,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,300,000</u>	<u>2,300,000</u>	<u>-</u>	<u>(2,300,000)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,342,330)</u>	<u>(1,342,330)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,270,193</u>	<u>2,270,193</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 927,863</u>	<u>\$ 927,863</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,342,330)
No adjustments to revenue for accruals				-
Adjustments to expenditures for facilities acquisition and construction function accruals				(18,115)
Net change in fund balances (GAAP)				<u>\$ (1,360,445)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Raton Public Schools
Land/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, 2009

Statement B-29

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental revenue:</i>				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	4,917,039	2,877,343	(2,039,696)
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	4,917,039	2,877,343	(2,039,696)
<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	-	-	-	-
Facilities acquisition and construction	-	4,917,039	2,877,343	2,039,696
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	4,917,039	2,877,343	2,039,696
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2009

Statement B-30

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 255,866	\$ 255,866	\$ 270,285	\$ 14,419
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	127,768	120,391	(7,377)
State direct	-	-	-	-
Local grants	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	18,375	18,375	4,722	(13,653)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>274,241</u>	<u>402,009</u>	<u>395,398</u>	<u>(6,611)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	2,559	3,059	2,631	428
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	505,910	632,848	330,088	302,760
Student transportation	-	-	-	-
Other support services	-	-	-	-
Facilities acquisition and construction	340,000	340,330	294,524	45,806
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>848,469</u>	<u>976,237</u>	<u>627,243</u>	<u>348,994</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(574,228)</u>	<u>(574,228)</u>	<u>(231,845)</u>	<u>342,383</u>
<i>Other financing sources (uses)</i>				
Designated cash	574,228	574,228	-	(574,228)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>574,228</u>	<u>574,228</u>	<u>-</u>	<u>(574,228)</u>
<i>Net change in fund balances</i>	-	-	(231,845)	(231,845)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>657,279</u>	<u>657,279</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,434</u>	<u>\$ 425,434</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (231,845)
Adjustments to revenue for property tax accruals				772
Adjustments to expenditures for operation and maintenance of plant function accruals				<u>(17,489)</u>
Net change in fund balances (GAAP)				<u>\$ (248,562)</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, 2009

Schedule I

Page 1 of 2

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Activity Fund	\$ 2,394	\$ 3,414	\$ 5,031	\$ 777
Orchestra	28	335	57	306
High School Baseball	454	6,960	3,978	3,436
High School Boys Basketball	-	1,414	711	703
High School Girls Basketball	1,234	2,863	2,930	1,167
High School Cheerleader	6,898	53,587	54,001	6,484
Middle School Cheerleader	4,480	21,740	25,284	936
High School Dance	248	8,502	8,700	50
High School Football	63	-	-	63
High School Girls Golf	149	-	-	149
RMS S Fair	29	523	366	186
RMS PE	523	777	1,073	227
RHS Rodeo	151	325	165	311
High School Softball Team	8,565	3,217	2,539	9,243
High School Tennis	2,196	585	1,418	1,363
After School Lunch	194	1,686	1,614	266
Middle School Track	350	50	207	193
Middle School Volleyball	2,862	2,697	2,679	2,880
High School Volleyball	1,928	6,446	5,787	2,587
RMS PAWS	1,267	4,154	3,247	2,174
RHS Ski	248	511	473	286
High School Art	311	2,482	1,918	875
Middle School Art	3,120	220	526	2,814
High School Bank	111	824	571	364
Middle School Band	942	1,245	364	1,823
National Spanish Exam	55	-	-	55
High School Track	303	100	100	303
High School Building Trade	27	-	-	27
High School CADD Drafting	3	-	-	3
High School Chorus	1,663	100	-	1,763
Middle School Chorus	752	100	454	398
Middle School FACS	982	346	-	1,328
RMS Adult	2,202	5,454	4,283	3,373
Middle School Industrial Arts	748	1,845	1,248	1,345
High School Library	420	28	-	448
Middle School Library	450	102	17	535
High School Science	555	-	-	555
Middle School Science	81	-	-	81
Kearny Library	233	3,331	3,214	350
Longfellow Library	26	-	-	26
Class of 2013	48	-	-	48
Marquee Dona	200	-	-	200
Culinary Art	-	2,254	1,382	872
Class of 2012	-	835	468	367
RMS Diabetes	-	3,161	3,136	25
Kearny Adult	-	1,649	375	1,274
RMS Ski	-	660	295	365
Kearny K Hall	-	676	628	48

See accompanying independent auditors' report.

STATE OF NEW MEXICO

Raton Public Schools

Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2009

Schedule I

Page 2 of 2

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
FCA	-	335	-	335
High School Annual	2,593	28,510	26,938	4,165
Middle School Annual	3,657	10,728	10,400	3,985
High School Arts/Crafts	843	421	828	436
High School BPA	4,068	-	-	4,068
High School Fund	1,667	23,786	18,171	7,282
Counseling Fund	1,070	846	441	1,475
Class of 2011	351	1,459	276	1,534
Class of 2007	413	-	-	413
Class of 2010	1,207	4,476	3,128	2,555
Class of 2008	967	-	-	967
Class of 2009	67	4,439	4,277	229
Katrina Fund	439	-	439	-
Col Adult Prin	-	262	180	82
High School Drama	680	698	666	712
High School FCCLA	634	14,295	12,664	2,265
Middle School FCCLA	4,788	24,843	24,155	5,476
High School FFA	840	16,116	15,651	1,305
Fines on Textbooks	273	295	102	466
High School REPEC	243	-	-	243
High School Honor Society	462	516	233	745
Northeastern District	109	540	595	54
High School Key Club	106	-	-	106
High School LDZ	1,032	-	-	1,032
High School Mock Trial	1,371	4,367	5,377	361
High School Principal Fund	2,303	12,030	8,407	5,926
Middle School Principal Fund	864	30,914	26,195	5,583
Kearney Principal	8,228	4,523	8,007	4,744
Columbian Principal	1,386	925	1,820	491
Longfellow Principal	2,592	5,940	6,869	1,663
Mesa View ACA	64	467	101	430
Middle Schools Girls Basketball	1,694	1,517	2,535	676
Middle Schools Boys Basketball	1,200	1,208	534	1,874
High School Spirit Club	132	-	-	132
High School ST Senate	3,088	6,431	8,918	601
Middle School Senate	2,394	10,471	5,843	7,022
High School Welding	1,581	600	457	1,724
High School Woodshop	2,852	2,480	1,444	3,888
Columbian ACCE RDR	106	-	86	20
Columbian Book Fair	472	4,634	4,698	408
HS Adult Principal	-	674	500	174
Columbian Card Factory	9,774	5,592	6,679	8,687
Kearney Science	163	-	162	1
Student Publishing	4,047	10,724	10,276	4,495
L Adult Principal	-	740	214	526
Ag/Science	-	263	139	124
Welding Act	-	1,021	-	1,021
	<u>\$ 118,313</u>	<u>\$ 383,284</u>	<u>\$ 357,644</u>	<u>\$ 143,953</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, 2009

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2009	Name and Location of Safekeeper
International Bank					
	FHLB 15 QF	6/12/2015	3133XBTS4	\$ 722,946	Federal Reserve Bank - Dallas, TX
	FHOR 06-10 568	8/16/2010	3133XCSY0	26,143	Federal Reserve Bank - Dallas, TX
	FHLB 12 C8	12/14/2012	3133XDTB7	572,535	Federal Reserve Bank - Dallas, TX
	FHLB 11X4	9/9/2011	3133XF5T9	107,444	Federal Reserve Bank - Dallas, TX
	FHOR 05-10-9I	9/17/2010	3133X4LX7	285,401	Federal Reserve Bank - Dallas, TX
	FHOR 03-10 XD	12/10/2010	31339X4H4	633,994	Federal Reserve Bank - Dallas, TX
Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Par Value June 30, 2009	Name and Location of Safekeeper
International Bank					
	Bernalillo Jt Wtr & Swr Imp	6/1/2014	08527VAH1	100,000	Federal Reserve Bank - Dallas, TX
	Bernalillo Jt Wtr & Swr Imp	6/1/2015	09638VAJ7	265,000	Federal Reserve Bank - Dallas, TX
	Raton Pub Sd No 011	6/1/2019	754179BVO	250,000	Federal Reserve Bank - Dallas, TX
Total International Bank				<u>2,963,463</u>	
Total Pledged Collateral				<u>\$ 2,963,463</u>	

See accompanying independent auditors' report.

STATE OF NEW MEXICO

Raton Public Schools

Cash Reconciliation

June 30, 2009

	<u>Operational Account</u>	<u>Transportation Account</u>	<u>Instructional Materials Account</u>	<u>Food Services Account</u>
Cash, June 30, 2008	\$ 529,146	\$ 49,856	\$ 7,496	\$ 118,976
Add:				
2008-09 receipts	10,864,262	610,710	152,990	542,296
Repayment of loans	577	-	-	-
Loans from other funds	-	-	-	122
	<u>11,393,985</u>	<u>660,566</u>	<u>160,486</u>	<u>661,394</u>
Total cash available	11,393,985	660,566	160,486	661,394
Less:				
2008-09 expenditures	(10,533,250)	(607,883)	(104,362)	(395,835)
Repayment of loans	-	-	-	-
Loans to other funds	(8,004)	-	-	-
	<u>(10,541,254)</u>	<u>(607,883)</u>	<u>(104,362)</u>	<u>(395,835)</u>
Cash, June 30, 2009	<u>\$ 852,731</u>	<u>\$ 52,683</u>	<u>\$ 56,124</u>	<u>\$ 265,559</u>

See accompanying independent auditors' report

<u>Athletics Account</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>State Flowthrough</u>	<u>State Direct</u>	<u>Local/State</u>
\$ 18,728	\$ (15,401)	\$ 150	\$ 52,842	\$ -	\$ 51,162
40,030	837,726	105,580	95,861	5,000	51,845
-	5,588	-	-	-	-
-	-	-	-	-	-
<u>58,758</u>	<u>827,913</u>	<u>105,730</u>	<u>148,703</u>	<u>5,000</u>	<u>103,007</u>
(34,100)	(808,930)	(105,580)	(95,645)	-	(87,323)
-	-	-	-	-	-
-	-	-	(576)	-	-
<u>\$ 24,658</u>	<u>\$ 18,983</u>	<u>\$ 150</u>	<u>\$ 52,482</u>	<u>\$ 5,000</u>	<u>\$ 15,684</u>

STATE OF NEW MEXICO

Raton Public Schools

Cash Reconciliation

June 30, 2009

	<u>Bond Building</u>	<u>Public School Capital Outlay</u>	<u>Spec. Cap. Outlay-State</u>	<u>Cap. Improve. SB-9</u>
Cash, June 30, 2008	\$ 2,270,193	\$ -	\$ 16,863	\$ 657,279
Add:				
2008-09 receipts	29,852	2,877,343	-	395,398
Repayment of loans	-	-	-	-
Loans from other funds	-	-	2,416	-
	<u>2,300,045</u>	<u>2,877,343</u>	<u>19,279</u>	<u>1,052,677</u>
Total cash available	2,300,045	2,877,343	19,279	1,052,677
Less:				
2008-09 expenditures	(1,372,182)	(2,877,343)	(19,279)	(627,243)
Repayment of loans	-	-	-	-
Loans to other funds	-	-	-	-
	<u>(1,372,182)</u>	<u>(2,877,343)</u>	<u>(19,279)</u>	<u>(627,243)</u>
Cash, June 30, 2009	<u>\$ 927,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,434</u>

See accompanying independent auditors' report

<u>Public Schools Cap.Out.-20%</u>	<u>Debt Service Fund</u>	<u>Total</u>
\$ 3,871	\$ 226,289	\$ 3,987,450
-	254,286	16,863,179
-	-	6,165
-	-	2,538
3,871	480,575	20,859,332
(3,871)	(297,599)	(17,970,425)
-	-	-
-	-	(8,580)
-	-	-
\$ -	\$ 182,976	\$ 2,880,327

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STATE OF NEW MEXICO
Raton Public Schools
Schedule of Deposit and Investment Accounts
June 30, 2009

Schedule IV

Bank Account	Checking International Bank	Checking The First National Bank of New Mexico	Totals
General Fund	\$ 85,000	\$ -	\$ 85,000
General Fund Interest	2,674,316	-	2,674,316
Clearing Account	309,198	-	309,198
Athletic Fund	25,142	-	25,142
School Lunch Fund	19,916	-	19,916
School Lunch Interest Fund	246,589	-	246,589
Activity Fund	-	155,706	155,706
Total in Deposit	3,360,161	155,706	3,515,867
Reconciling Items	(479,834)	(11,753)	(491,587)
Reconciled Balance June 30, 2009	<u>\$ 2,880,327</u>	<u>\$ 143,953</u>	<u>\$ 3,024,280</u>
Less: Fiduciary Funds Cash			<u>143,953</u>
Cash and cash equivalents per Government-wide Financial Statements			<u><u>\$ 2,880,327</u></u>

See accompanying independent auditors' report.

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP

**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 for the general fund and major special revenue fund, and the aggregate remaining fund information of Raton Public Schools, New Mexico, as of and for the year ended June 30, 2009, which collectively comprise Raton Public School's basis financial statements and have issued our report thereon dated October 21, 2009. We have also audited the combining and individual funds and the budgetary comparisons for the Bond Building Capital Projects Fund (major fund), the Land/Building Improvements Capital Projects Fund (major fund), the Capital Improvement SB-9 Capital Projects Fund (major fund) and the remaining nonmajor governmental funds of Raton Public Schools, New Mexico, as of and for the year ended June 30, 2009, which collectively comprises Raton Public School's audited supplemental information and have issued our report thereon dated October 21, 2009. 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 Raton Public Schools' 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 2008-02, FS 2009-01, FS 2009-02, and FS 2009-03.

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.

Certified Public Accountants

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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 be material weaknesses. However, of the significant deficiencies described above, FS 2009-01 is considered to be a material weakness.

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 no instances of non-compliance that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding FS 2005-06.

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
October 21, 2009

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP

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, 2009. 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, 2009.

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 of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

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

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inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FA 2009-03 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. Of the significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs, we do not consider it to be a material weakness as defined above.

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
October 21, 2009

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

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	24101	84.010	\$ 316,870
IDEA-B Entitlement (1)	24106	84.027A	301,161
IDEA-B Preschool (1)	24109	84.027A	27,412
Title- VI IASA	24112	84.027	52,339
Title V	24150	84-298O	321
Title IIA Teacher/Principal Training	24154	84.367A	63,456
Rural and Low Income Schools	24160	84.358B	31,633
 <i>Federal Direct Grants</i>			
English Language Acquisition	25153	84.365A	18,626
Impact Aid , Public Law 103-382	11000	84.041	2,278
Total U.S. Department of Education			<u>814,096</u>
 U.S. Department of Agriculture			
<i>Federal Direct Payments</i>			
Forest Reserve	11000	10.665	31,816
 <i>Passed through State of New Mexico</i>			
Commodities Program (1)	21000	10.550	22,983
National School Lunch Program (1)	21000	10.555	251,220
National School Breakfast Program (1)	21000	10.553	150,732
National School Snack Program (1)	21000	10.556	16,748
Total U.S. Department of Agriculture			<u>473,499</u>
Total Federal Financial Assistance			<u><u>\$ 1,287,595</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, 2009

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	\$ 1,287,595
Total expenditures funded by other sources	<u>16,760,347</u>
Total expenditures	<u><u>\$ 18,047,942</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, 2009

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors’ report issued | Unqualified |
| 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? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.027A 10.550, 10.553, 10.555, and 10.556	IDEA B Cluster 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, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

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

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

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

Major Funds:

Bond Building Capital Projects Fund	\$ 29,807
-------------------------------------	-----------

Criteria: According to 6.20.2.14(E) NMAC (11/01/97), each school district shall verify that there is sufficient cash from the prior year to properly budget at the beginning of the . 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.

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: Budget is prepared in the spring from **projected** expenditures/revenue and cash balance. When the year ends and the audited cash balances are determined, then it is determined **if** it is necessary to prepare budget increases/decreases. It was determined that there was sufficient budget so a budget decrease did not take place, however, the budget was monitored to know what cash balance was – for those who don't monitor budget balance versus cash balance, this could become a problem.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

FS 2008-02 — Lack of Segregation of Duties

Condition: Within the District's individual schools there is a lack of segregation of duties, related to cash. The secretaries of the individual schools are collecting, receipting, and depositing cash.

Criteria: NMAC Section 6.20.2.11, states the requirement to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

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

Cause: Due to limited resources, the schools relies on few individuals to handle cash and perform related procedures. Limited resources in these areas appear to result in a lack of segregation of duties.

Auditor's Recommendations: Develop a formal review process with a few individuals located at each school. Also, it is recommended to implement procedures which require that all individuals trained in the processes periodically perform these processes.

Management's Response: The District has mandated that each school site segregate duties involving cash management. The school Principal and Secretary are to implement a routine where cash is to be counted and initialed by at least two individuals (this is usually the secretary and the sponsor making the deposit), a receipt should be written and deposit slip prepared, and then another individual is to take that deposit to the bank and then a copy of that deposit and backup is brought to the business office for posting. All deposits should follow the 24 hour deposit rule. There should be an alternative plan in place at each school in case one of the individuals is gone.

The business manager posts the deposits, because of the number of deposits that cross the business manager's desk, only random deposits are checked for completeness and accuracy. The District will have individuals at each school trained to perform proper cash management issues and the Business Manager and /or Superintendent will perform an internal audit of these practices.

FS 2009-01 COSO Framework Monitoring Deficiencies

Condition: During our testwork, it was noted that the internal controls were not being monitored throughout the year.

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework suggests that internal control systems need to be monitored – a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities or separate evaluations. Internal control deficiencies detected through these monitoring activities should be reported upstream and corrective actions should be taken to ensure continuous improvement of the system.

Effect: The District cannot ascertain that all internal controls are being implemented, therefore causing increased risks of assets to be misappropriated or fraudulent activities to exist.

Cause: The District did not realize the importance of ongoing monitoring as a critical element in effective internal controls.

Auditors' Recommendation: We recommend that the District adopt and implement a policy requiring monitoring of its internal controls and make modifications as needed. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

Management's Response: The District's Board approved an Internal Controls Manual. Each school's secretary and principal was given a copy of the manual. Implementation of those procedures was put in place at the start of the 09-10 school year. The Administration will design a plan to be effective in monitoring and evaluating internal controls. Modifications will be made when needed.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

FS 2009-02 Supporting Documentation for Receipts Do Not Match Receipt Total

Condition: During our testwork of cash receipts, it was noted that there were 1 out of 5 items tested that contained supporting documentation that did not match the amount of the receipt. The total amount of difference noted was \$83.50.

Criteria: Sound accounting practices and the NMSA 6.20.2.14 require that Schools maintain records along with all other supporting documentation for receipts, so that verification of amounts reported on the receipts may be performed.

Effect: The District's cannot ascertain for certain that all cash receipts are being properly recorded and deposited. This increases the risk of misappropriation of assets within the District.

Cause: The cause appears to be lack of understanding that receipts must be written for all funds received and that those receipts should be attached to the deposit slip that is turned in to the administration office by the different schools.

Auditors' Recommendation: We recommend that the school setup training for the individuals who are responsible for receipting out payments, so that the process necessary to maintain the appropriate records is clearly understood and implemented.

Management's Response: With the implementation of the Internal Controls Manual and the short meeting between the school's secretaries/principals and the District's IPA, there is a better understanding of duties and responsibilities of each individual, and the need to maintain and provide supporting documents for all transactions.

SECTION III – FEDERAL AWARD FINDING

FA 2009-03 — School Nutrition Program CFDA# 10.553 & 10.555 Compliance

Questioned Costs: None

Condition: During our test work it was noted that the District had 1 out of 15 Eligibility applications that was not properly reviewed and authorized. The District, also, had 8 out of 15 Eligibility applications that had a signature stamp used for authorization, but it could not be confirmed that the stamp had been used or the application had been reviewed by an authorized individual.

Criteria: OMB Circular A-133 Compliance Supplement Section E "Eligibility" states that the District must have responsible individuals determine eligibility by comparing the data reported by the child's household in an annual application to published income eligibility guidelines.

Effect: The lack of internal control over Eligibility puts the District at risk of not properly determining the eligibility of its students and issuing the students a meal at a reduced or free price when they do not meet the requirements of that category.

Cause: The District had ineffective monitoring of their internal controls over compliance.

Auditor's Recommendation: We recommend that the District implement internal control policies and procedures to ensure that annual applications are being reviewed and authorized by responsible individuals.

Management's Response: The District will require each school Secretary/Principal to distribute free/reduced lunch applications to each student enrolled in their perspective school. The school Secretaries will evaluate each application to determine if the student is eligible for free/reduced meal classification. Each Principal will review and authorize, by original signature, each application. The secretary will then notify each applicant of their status.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Schedule VI
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SECTION IV – PRIOR YEAR AUDIT FINDINGS

- 2005-06: Overspending Budgeted Amounts – Modified and Repeated
- 2006-05: Negative Cash Balances – Resolved
- 2007-01: Incomplete Listing of Capital Assets – Resolved
- 2008-01: Inadequate Internal Controls Over Accounting Procedures-Resolved
- 2008-02: Lack of Segregation of Duties-Modified and Repeated
- 2008-03: Incorrect Per Diem and Mileage Reimbursements – Resolved
- 2008-04: Non-Cancelable Lease – Resolved
- 2008-05: No Internal Control Over Non-Standard Journal Entries – Resolved
- 2008-06: Financial Statements not Prepared by the District– Resolved
- 2008-07: Cash Deposit Under Collateralized – Resolved
- 2008-08: School Nutrition Program CFDA#10.553 & 10.555 Compliance (Cash Management Internal Control) – Resolved

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STATE OF NEW MEXICO
Raton Public Schools
Other Disclosures
For the Year Ended June 30, 2009

Exit Conference

An exit conference was held on October 21, 2009. The following individuals were in attendance.

Raton Public Schools

Dave Willden – Superintendent
Paul Malano – Assistant Superintendent
Erlene Bradley – Business Manager
Michael Anne Holland – Board Member
Art Salazar – Board Member

Accounting & Consulting Group, LLP

Jeff McWhorter, CPA- Audit Director

Auditor Prepared Financials

Although it would be preferred and desirable for the District to prepare its own financial statements, the District 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 District.