

STATE OF NEW MEXICO
RATON PUBLIC SCHOOLS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
Raton Public Schools
Annual Financial Report
For the Year Ended June 30, 2010
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STATE OF NEW MEXICO
Raton Public Schools
Official Roster
June 30, 2010

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Art Salazar		President
Art Armijo		Vice President
Michael Anne Holland		Secretary
Sheila Castellini		Member
Stephanie Jansen		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
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor and
The Board of Education
Office of Management and Budget
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 Raton Public Schools, New Mexico ("the District"), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds, the combining financial statements for the general fund and the respective budgetary comparisons for 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, 2010 as listed in the table of contents. These financial statements are the responsibility of the District'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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position thereof, and the respective budgetary comparisons for the general fund and major special revenue fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 and the combining financial statements for general fund of the District as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The 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 District'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.

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
October 22, 2010

STATE OF NEW MEXICO
Raton Public Schools
Management's Discussion & Analysis
June 30, 2010

This Management Discussion and Analysis of the fiscal performance of the Raton Public School for the period ending June 30, 2010, 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, 2010. 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 2009-2010 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 \$15,756,680 for the year ending June 30, 2009 to \$17,242,316 for the year ended June 30, 2010. This represents an increase of 9.43%, or \$1,485,636. 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. However, we can attribute most of this to the high school renovation project.
- General Fund revenues again decreased from \$11,627,241 for the year ended June 30, 2009 to \$10,201,536 for the fiscal year ended June 30, 2010, a decrease of 12.26% or \$1,425,705. The same factors for the decrease in 2009 come in to play in 2010 - a decrease in student numbers, another decrease in unit value and a decrease in investment income - the District received less in local and State Directed grants.
- Total actual general fund revenues and other financing sources exceeded total expenditures and other financing uses by \$185,920.

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, 2010. These statements provide both an aggregate view of the school district's finances and a longer-term view of those finances.

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Raton Public Schools
Management's Discussion & Analysis
June 30, 2010

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, 2010. 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 \$18,813,901 for the year ended June 30, 2009 to \$20,837,547 for the year ended June 30, 2010. This represents an increase of 10.76%, or \$2,023,646. The increase in total assets is accounted for in the next several paragraphs.

The district's current assets increased from \$3,091,778 for the year ended June 30, 2009 to \$3,226,186 for the year ended June 30, 2010. This represents an increase of 4.35%, or \$134,408. The increase in current assets is primarily due to an increase in property tax receivables due to the increase and receipt of property taxes for the bond payments for the Raton High School Renovation Project.

Additionally, the district's non-current assets increased from \$15,722,123 for the year ended June 30, 2009 to \$17,611,361 for the year ended June 30, 2010. This represents an increase of 12.02%, or \$1,889,238. 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 increased from \$3,057,221 for the year ended June 30, 2009 to \$3,595,231 for the year ended June 30, 2010. This represents an increase of 17.6% or \$538,010. The majority of the increase in total liabilities is accounted for in the balance owing on the renovation project and the accrued payroll. The District deducts insurance premiums (Health, Dental and Vision) for summer months from each employee that takes that benefit. Because NMPSIA directs district to pay as billed. The amount of the summer months insurance remains in the District's clearing account and is a liability, also the ERB payment was made after June 30, 2010. Even though the payment was made on time, it was a liability as of June 30, 2010.

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Raton Public Schools
Management's Discussion & Analysis
June 30, 2010

RATON PUBLIC SCHOOLS STATEMENT OF NET ASSETS

	District Activities	
	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 3,425,051	\$ 3,327,609
Capital assets	<u>17,412,496</u>	<u>15,486,292</u>
Total assets	<u>\$ 20,837,547</u>	<u>\$ 18,813,901</u>
Long-term liabilities outstanding	\$ 2,465,000	\$ 2,660,000
Other liabilities	<u>1,130,231</u>	<u>397,221</u>
Total liabilities	<u>3,595,231</u>	<u>3,057,221</u>
Net assets:		
Invested in capital assets, net of related debt	14,683,565	12,646,292
Restricted	1,598,238	2,192,952
Unrestricted	<u>960,513</u>	<u>917,436</u>
Total net assets	<u>\$ 17,242,316</u>	<u>\$ 15,756,680</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, 2010. 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.

Because the District was able to provide an accurate capital asset listing, there was not a need for an adjustment to prior year assets.

The statement shows that the school district's total net assets increased from \$15,756,680 for the year ended June 30, 2009 to \$17,242,316 for the year ended June 30, 2010. This represents an increase of 9.43%, or \$1,485,636. 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 contributes 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, 2010 and June 30, 2009.

STATE OF NEW MEXICO
Raton Public Schools
Management's Discussion & Analysis
June 30, 2010

	<u>District Activities</u>	
	<u>2010</u>	<u>2009</u>
Program revenues:		
Charges for services	\$ 113,568	\$ 128,052
Operating grants and contributions	3,455,935	2,477,651
Capital grants and contributions	1,784,496	2,896,622
General revenues:		
Property and oil and gas taxes	753,082	527,065
State equalization guarantee	9,415,180	10,708,599
Miscellaneous revenue less loss on disposal	2,411	6,801
Interest and investment earnings	<u>4,740</u>	<u>48,678</u>
Total revenues	<u>15,529,412</u>	<u>16,793,468</u>
Program expenses:		
Education	13,518,832	13,816,601
Student nutrition	<u>497,968</u>	<u>477,825</u>
Total expenses	<u>14,016,800</u>	<u>14,294,426</u>
Increase in net assets	<u>\$ 1,512,612</u>	<u>\$ 2,499,042</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 a decrease in operating and non-operating revenues from \$542,296 for the year ended June 30, 2009 to \$489,445 for the year ended June 30, 2010. This is a 9.74% decrease, or \$52,851. The decrease in revenues is

STATE OF NEW MEXICO
Raton Public Schools
Management's Discussion & Analysis
June 30, 2010

primarily the result of less students and less students eating. The District continues to use the JMAC billing software which provides more accountability for actual meals served.

Total operating expenses for the Cafeteria Fund increased from \$395,839 for the year ended June 30, 2009 to \$478,744 for the year ended June 30, 2010. This represents a 20.9% increase or \$82,905 in the operation of the Cafeteria Fund. This increase in expenditures includes purchasing a new oven, walk-in-cooler, ice machine and a delivery truck to deliver meals made at the high school to each elementary and the middle school. The Elementary Breakfast Grant in the amount of \$50,087 contributes to lowering the district's cost of meals. In 2010, the Cafeteria Fund was again self-operating without assistance from the General Fund. The District will watch the cafeteria fund in 2010-2011 as the Breakfast Program's award was cut from \$50,087 to \$4,600.

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 \$16,842,879 for the year ended June 30, 2009 to \$15,364,017 for the year ended June 30, 2010. The decrease represents an overall change of 8.78%, or \$1,478,862. The decrease is the result of less students and a decrease in State Equalization.

Additionally, the total governmental funds' expenditures and other financing uses decreased from \$18,047,942 for the year ended June 30, 2009 to \$16,148,194 for the year ended June 30, 2010. This represents an overall decrease of 10.52%, or \$1,899,748. The decrease is the result of monitoring expenses and preparing to budget without the stabilization funds.

The net change in fund balance for the year was a negative (\$784,176). The negative 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, 2009. 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. Those expenditures were completed in 2009-2010.

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 and an increase of cash balance from June 30, 2009. The only significant change in the general fund was a decrease in support services expenditures as those services were paid for through our State Stabilization fund.

For the General Fund, final actual revenues exceeded expenditures and other financing uses by \$684,416.

The increase was not due to additional revenue, rather closely monitoring expenditures.

Capital Assets

The school district has \$27,560,010 invested in capital assets with corresponding accumulated depreciation of \$10,147,514 for the year ended June 30, 2010. The capital assets increased by 11.66%, or \$2,878,786 from the fiscal year ended June 30, 2009, amount of \$24,681,224. The increase was the result of the high school renovation project.

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Debt

The school district had outstanding bonds payable of \$2,660,000 on June 30, 2010. The district had a Moody's Baa2 bond rating for the fiscal year ended June 30, 2010. The school district did not issue new GO School Building Bonds in the 2009-2010 school year, and made principal payments of \$180,000 on existing debt during the year. The school district has never defaulted on any of its debt or other obligations.

Future Events

Even though the District had an additional \$190,375 cash balance from June 2009, we saw a decrease in funding because of the decrease in the unit value. The challenge the District spoke of last year to keep programs in place will become bigger. The District will continue to monitor spending as the ARRA dollars disappear.

As we start the 2010-2011 school year, we are asked to cut our equalization by 3.4%. Only 10% of what the District was allocated in stabilization dollars are available to Districts in the 2010-2011 school year. 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.

The District will continue to see revenue from the oil and gas.

It appears the dream of The La Mesa Park Racetrack and Casino coming to Raton, will not happen any time soon.

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, 2010

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 2,688,785
Property taxes receivable	364,031
Intergovernmental receivables	114,998
Other receivables	1,521
Inventory	<u>56,851</u>
Total current assets	<u>3,226,186</u>
Noncurrent assets	
Restricted cash and cash equivalents	150,445
Capital assets, net of accumulated depreciation	17,412,496
Bond issuance costs, net of amortization of \$9,240	<u>48,420</u>
Total noncurrent assets	<u>17,611,361</u>
Total assets	<u><u>\$ 20,837,547</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 303,844
Accrued payroll	547,438
Accrued compensated absences	26,906
Deferred revenue	5,960
Accrued interest	12,710
Current portion of bonds and notes payable	<u>195,000</u>
Total current liabilities	<u>1,091,858</u>
Noncurrent liabilities	
Bonds and notes payable	2,465,000
Accrued compensated absences	<u>11,397</u>
Total noncurrent liabilities	<u>2,476,397</u>
Total liabilities	<u>3,568,255</u>
Net assets	
Invested in capital assets, net of related debt	14,683,565
Restricted for:	
Other purposes	347,899
Capital projects	917,588
Debt service	332,751
Unrestricted	<u>987,489</u>
Total net assets	<u>17,269,292</u>
Total liabilities and net assets	<u><u>\$ 20,837,547</u></u>

STATE OF NEW MEXICO
Raton Public Schools
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government			
Governmental activities:			
Instruction	\$ 7,330,959	\$ 67,221	\$ 2,045,568
Support services - students	1,523,526	13,424	408,492
Support services - instruction	229,902	1,715	52,185
Support services - general administration	463,037	3,475	105,752
Support services - school administration	779,865	7,053	214,614
Central services	221,033	1,897	57,714
Operation and maintenance of plant	2,261,744	9,687	294,791
Student transportation	622,034	5,383	163,811
Food services operations	497,968	3,714	113,009
Interest on long-term debt	86,732	-	-
Total governmental activities	14,016,800	113,568	3,455,935
Total primary government	\$ 14,016,800	\$ 113,568	\$ 3,455,935

General Revenues:

State equalization guarantee

Taxes:

 Property taxes, levied for operating programs

 Property taxes, levied for debt services

 Property taxes, levied for capital projects

 Oil and gas

Interest and investment earnings

Loss on disposal of capital assets

Miscellaneous

General revenues and special items

Changes in net assets

Net assets, beginning

Net assets, ending

The accompanying notes are an integral part of these financial statements

<u>Program Revenues</u>	<u>Net (Expenses) Revenue and Changes in Net Assets</u>
<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
\$ 1,056,244	\$ (4,161,927)
210,927	(890,683)
26,946	(149,057)
54,606	(299,205)
110,817	(447,382)
29,801	(131,621)
152,218	(1,805,048)
84,585	(368,254)
58,353	(322,892)
-	(86,732)
<u>1,784,496</u>	<u>(8,662,801)</u>
<u>\$ 1,784,496</u>	<u>(8,662,801)</u>
	9,415,180
	51,472
	259,140
	426,972
	15,498
	4,740
	(100)
	<u>2,511</u>
	<u>10,175,413</u>
	1,512,612
	<u>15,756,680</u>
	<u>\$ 17,269,292</u>

STATE OF NEW MEXICO

Raton Public Schools

Balance Sheet

Governmental Funds

June 30, 2010

	<u>General Fund</u>	<u>Title I Special Revenue Fund</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 1,695,124	\$ 27,698
Property taxes receivable	32,123	-
Intergovernmental receivables	-	112,053
Other receivables	169	-
Inventory	52,160	-
Due from other funds	84,442	-
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 1,864,018</u>	<u>\$ 139,751</u>
 <i>Liabilities and fund balances</i>		
<i>Liabilities</i>		
Accounts payable	\$ 95,226	\$ -
Accrued payroll	466,041	14,144
Deferred revenue	30,083	-
Due to other funds	-	125,607
	<hr/>	<hr/>
<i>Total liabilities</i>	<u>591,350</u>	<u>139,751</u>
 <i>Fund balances</i>		
Reserved for:		
Inventory	52,160	-
Unreserved	1,220,508	-
Unreserved, reported in nonmajor:		
Special revenue funds	-	-
Capital projects funds	-	-
Debt service funds	-	-
	<hr/>	<hr/>
<i>Total fund balances</i>	<u>1,272,668</u>	<u>-</u>
 <i>Total liabilities and fund balances</i>	 <u>\$ 1,864,018</u>	 <u>\$ 139,751</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
\$ -	\$ 446,424	\$ 669,984	\$ 2,839,230
-	302,594	29,314	364,031
-	-	2,945	114,998
-	677	675	1,521
-	-	4,691	56,851
-	-	43,841	128,283
<u>\$ -</u>	<u>\$ 749,695</u>	<u>\$ 751,450</u>	<u>\$ 3,504,914</u>
\$ 128,340	\$ 24,407	\$ 55,871	\$ 303,844
-	-	67,253	547,438
-	290,479	24,255	344,817
-	-	2,676	128,283
<u>128,340</u>	<u>314,886</u>	<u>150,055</u>	<u>1,324,382</u>
-	-	4,691	56,851
-	-	-	1,220,508
-	-	348,771	348,771
(128,340)	434,809	85,794	392,263
-	-	162,139	162,139
<u>(128,340)</u>	<u>434,809</u>	<u>601,395</u>	<u>2,180,532</u>
<u>\$ -</u>	<u>\$ 749,695</u>	<u>\$ 751,450</u>	<u>\$ 3,504,914</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, 2010

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	\$	2,180,532
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		17,412,496
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		338,857
Bond issuance costs, net of amortization		48,420
Other liabilities are not due and payable in the current period and therefore are not reported in the funds		
Accrued interest		(12,710)
Current portion of compensated absences		(26,906)
Long-term liabilities, including bonds payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds		
Bonds and notes payable		(2,660,000)
Compensated absences		(11,397)
		(2,671,397)
Total net assets - governmental funds	\$	17,269,292

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
For the Year Ended June 30, 2010

	General Fund	Title I Special Revenue Fund
<i>Revenues</i>		
Property taxes	\$ 48,398	\$ -
Intergovernmental revenue:		
Federal flowthrough	-	339,420
Federal direct	32,432	-
State flowthrough	9,466,655	-
State direct	-	-
Local grants	12,524	-
Transportation distribution	623,836	-
Oil and gas taxes	1,727	-
Charges for services	11,368	-
Investment income	2,920	-
Miscellaneous	1,676	-
<i>Total revenues</i>	10,201,536	339,420
<i>Expenditures</i>		
Current:		
Instruction	6,387,017	339,420
Support services - students	422,363	-
Support services - instruction	212,109	-
Support services - general administration	279,088	-
Support services -school administration	778,612	-
Central services	221,033	-
Operation and maintenance of plant	1,093,360	-
Student transportation	622,034	-
Food services operations	-	-
Capital outlay	-	-
Debt service:		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	10,015,616	339,420
<i>Net change in fund balances</i>	185,920	-
<i>Fund balances - beginning</i>	1,086,748	-
<i>Fund balances - ending</i>	\$ 1,272,668	\$ -

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
\$ -	\$ 263,084	\$ 260,608	\$ 572,090
-	-	1,232,139	1,571,559
-	-	916,979	949,411
-	-	139,441	9,606,096
1,784,496	107,689	-	1,892,185
-	-	-	12,524
-	-	-	623,836
-	6,909	6,862	15,498
-	-	102,200	113,568
-	611	1,209	4,740
-	425	410	2,511
<u>1,784,496</u>	<u>378,718</u>	<u>2,659,848</u>	<u>15,364,018</u>
-	-	559,545	7,285,982
-	-	1,100,704	1,523,067
-	-	17,793	229,902
-	1,215	180,742	461,045
-	-	1,253	779,865
-	-	-	221,033
-	261,006	-	1,354,366
-	-	-	622,034
-	-	492,405	492,405
1,912,836	94,662	877,804	2,885,302
-	-	180,000	180,000
-	-	113,193	113,193
<u>1,912,836</u>	<u>356,883</u>	<u>3,523,439</u>	<u>16,148,194</u>
(128,340)	21,835	(863,591)	(784,176)
<u>-</u>	<u>412,974</u>	<u>1,464,986</u>	<u>2,964,708</u>
<u>\$ (128,340)</u>	<u>\$ 434,809</u>	<u>\$ 601,395</u>	<u>\$ 2,180,532</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
For the Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds	\$	(784,176)
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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		2,885,302
Depreciation expense		(958,998)

In the Statement of Activities, only the loss on the disposition of capital assets is reported. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets disposed.		(100)
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Deferred property taxes are not recorded as a revenue in the governmental funds; the change in deferred revenue was:

Property taxes		165,494
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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		(1,371)
Decrease in accrued interest		30,896
Amortization expense		(4,435)
Principal payments on bonds		180,000

Change in net assets of governmental activities	\$	1,512,612
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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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 47,061	\$ 47,061	\$ 47,889	\$ 828
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	30,504	30,504	32,432	1,928
State flowthrough	9,876,333	9,469,720	9,467,611	(2,109)
State direct	-	-	-	-
Local grants	4,236	4,236	12,524	8,288
Transportation distribution	-	623,836	623,836	-
Oil and gas taxes	1,256	1,256	1,631	375
Charges for services	2,208	2,208	11,368	9,160
Investment income	7,800	7,800	2,920	(4,880)
Miscellaneous	-	-	1,676	1,676
<i>Total revenues</i>	<u>9,969,398</u>	<u>10,186,621</u>	<u>10,201,887</u>	<u>15,266</u>
<i>Expenditures</i>				
Current				
Instruction	7,129,952	7,137,544	5,943,792	1,193,752
Support services - students	782,670	511,834	409,351	102,483
Support services - instruction	217,824	227,170	212,109	15,061
Support services - general administration	319,365	367,218	252,555	114,663
Support services - school administration	796,852	791,852	778,612	13,240
Central services	237,912	235,461	211,953	23,508
Operation and maintenance of plant	1,136,710	1,155,161	1,087,065	68,096
Student transportation	-	623,836	622,034	1,802
Food services operations	7,483	7,483	-	7,483
Capital outlay	50,000	31,395	-	31,395
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,678,768</u>	<u>11,088,954</u>	<u>9,517,471</u>	<u>1,571,483</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(709,370)</u>	<u>(902,333)</u>	<u>684,416</u>	<u>1,586,749</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	709,370	902,333	-	(902,333)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>709,370</u>	<u>902,333</u>	<u>-</u>	<u>(902,333)</u>
<i>Net change in fund balances</i>	-	-	684,416	684,416
<i>Fund balances - beginning of year,</i>	-	-	1,095,150	1,095,150
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,779,566</u>	<u>\$ 1,779,566</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 684,416
Adjustments to revenue for property tax accruals and local grant accruals				(351)
Adjustments to expenditures for salaries and instruction expenditures				(498,145)
Net change in fund balances (GAAP)				<u>\$ 185,920</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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	337,999	362,392	339,692	(22,700)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>337,999</u>	<u>362,392</u>	<u>339,692</u>	<u>(22,700)</u>
<i>Expenditures</i>				
Current				
Instruction	337,999	362,392	325,276	37,116
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	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>337,999</u>	<u>362,392</u>	<u>325,276</u>	<u>37,116</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>14,416</u>	<u>14,416</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	14,416	14,416
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(112,325)</u>	<u>(112,325)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,909)</u>	<u>\$ (97,909)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 14,416
Adjustments to revenue for federal flowthrough accrual				(272)
Adjustments to expenditures for instructional accrual				(14,144)
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, 2010

Exhibit D-1

<i>Assets</i>	
Cash and cash equivalents	<u>\$ 128,251</u>
<i>Total assets</i>	<u><u>\$ 128,251</u></u>
 <i>Liabilities</i>	
Deposits held in trust for others	<u>\$ 128,251</u>
<i>Total liabilities</i>	<u><u>\$ 128,251</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, 2010

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 District. 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 the District’s 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, 2010

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 levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures 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), 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. Derived tax revenues 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, 2010

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.

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).

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.

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, 2010 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. Debt service cash is restricted for future debt payments.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Assets or Fund Equity (Continued)

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 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, 2010 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).

Collections of works of art are valued at fair market value. They are capitalized and included in the government-wide financial 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, 2010.

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 New Mexico Public School Facilities Authority are included in the District's capital assets as appropriate.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Assets or Fund Equity (Continued)

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 maximum of 240 hours 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 or the straight-line method if the amounts are inconsequential compared to 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.

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, 2010, \$68,931 of the 2008 bond series remained unexpended. Therefore, the \$68,931 does not reduce invested in capital assets, net of accumulated depreciation and related debt.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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 56-57. The government-wide statement of net assets reports \$1,598,238 of restricted net assets, all of which 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."

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 the District are management's estimate of depreciation on assets over their estimated useful lives and the current portion of 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 \$9,415,180, in state equalization guarantee distributions during the year ended June 30, 2010. In addition, as a result of revenue shortfalls and the subsequent passage of the American Recovery and Reinvestment Act (ARRA), \$916,979 in federal stabilization dollars is appropriated as part of the state equalization guarantee (SEG) for FY10. Stabilization dollars must be distributed and accounted for separately in order to provide the assurances required by the U.S. Department of Education and the ARRA. This fund is to account for the appropriated amount awarded to the District.

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 \$572,090 in tax revenues in the governmental fund financial statements during the year ended June 30, 2010. 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. Colfax 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.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

E. Revenues (Continued)

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each School district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$623,836 in transportation distributions during the year ended June 30, 2010.

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, 2010 totaled \$51,475. 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 \$107,689 in state SB-9 matching during the year ended June 30, 2010.

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 \$1,784,496 in PSCOC awards during the year ended June 30, 2010.

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.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 2. Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

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 Board of Education 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, 2010, was properly amended by the Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (709,370)	\$ (902,333)
Title I Special Revenue Fund	-	-
Land/Building Improvements Capital Projects Fund	-	-
Capital Improvements SB-9 Capital Projects Fund	(372,952)	(425,434)
Nonmajor Funds	(1,506,997)	(1,589,735)

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

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

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 (FDIC), public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing negotiable order of withdrawal 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. However, on October 14, 2008, the FDIC announced a new Transaction Account Guarantee Program, that provides depositors' with unlimited coverage for noninterest-bearing transaction accounts. With regards to this Transaction Guarantee Program, Noninterest-bearing checking accounts include Demand Deposit Accounts (DDA's) and any other transaction accounts that has unlimited withdrawals and that cannot earn interest. Also included in this program, are low-interest NOW accounts that cannot earn more than 0.5% interest.

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, 2010, none of the district's deposits are subject to custodial credit risk due to International Bank's participation in the Transaction Account Guarantee Program.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 3. Deposits and Investments (Continued)

	<u>International Bank</u>	<u>First National Bank of New Mexico</u>	<u>Total</u>
Amount of deposits	\$ 3,172,109	\$ 145,973	\$ 3,318,082
FDIC Coverage	<u>(3,172,109) *</u>	<u>(145,973)</u>	<u>(3,318,082)</u>
Total uninsured public funds	<u>-</u>	<u>-</u>	<u>-</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>-</u>	<u>-</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ -	\$ -	\$ -
Pledged Collateral	<u>2,954,199</u>	<u>260,000</u>	<u>3,214,199</u>
Over (Under) collateralized	<u>\$ 2,954,199</u>	<u>\$ 260,000</u>	<u>\$ 3,214,199</u>

* Participates in the TAGP

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 2,688,785
Restricted cash and cash equivalents per Exhibit A-1	150,445
Agency funds cash per Exhibit D-1	<u>128,251</u>
Total cash and cash equivalents	<u>2,967,481</u>
Add: outstanding checks and other reconciling items	<u>350,601</u>
Bank balance of deposits	<u>\$ 3,318,082</u>

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 4. Receivables

Accounts receivable for governmental activities as of June 30, 2010 are as follows:

	General Fund	Title I Special Revenue Fund	Capital Improvements SB-9 Fund	Other Governmental Funds	Total
Property taxes receivable	\$ 32,123	\$ -	\$ 302,594	\$ 29,314	\$ 364,031
Intergovernmental receivables					
State	-	-	-	2,436	2,436
Federal	-	112,053	-	509	112,562
Oil and gas taxes	169	-	677	675	1,521
Totals	\$ 32,292	\$ 112,053	\$ 303,271	\$ 32,934	\$ 480,550

The above receivables are deemed 100% collectible.

NOTE 5. Accounts Payable and Accrued Expenses

Accounts Payable and accruals as of June 30, 2010, are as follows

Payable to suppliers	\$ 303,844
Accrued payroll	547,438
Accrued interest	39,686
Total accounts payable and accruals	\$ 890,968

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, 2010 is as follows:

	Due From	Due To
Major Funds:		
General Fund	\$ 84,442	\$ -
Title I	-	125,607
Non-major Funds:		
Title I- IASA-Federal Stimulus	-	241
GO Bond Student Library	-	2,435
Incentives for School Improvement Act PED	26,790	-
GO Bond Library	16	-
Sloan-Prince Grant	172	-
Special Capital Outlay - State	16,863	-
	\$ 128,283	\$ 128,283

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, 2010.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010 follows. Land, collections of works of art and construction in progress are not subject to depreciation.

The District has active construction projects as of June 30, 2010. 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.

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated				
Land	\$ 107,911	\$ -	\$ -	\$ 107,911
Collections of works of art	250,000	-	-	250,000
Construction in progress	<u>4,087,066</u>	<u>2,848,876</u>	<u>-</u>	<u>6,935,942</u>
Total assets not being depreciated	<u>4,444,977</u>	<u>2,848,876</u>	<u>-</u>	<u>7,293,853</u>
Capital assets being depreciated				
Buildings and improvements	18,389,689	-	-	18,389,689
Equipment and vehicles	<u>1,846,558</u>	<u>36,426</u>	<u>6,516</u>	<u>1,876,468</u>
Total assets being depreciated	<u>20,236,247</u>	<u>36,426</u>	<u>6,516</u>	<u>20,266,157</u>
Total capital assets	<u>24,681,224</u>	<u>2,885,302</u>	<u>6,516</u>	<u>27,560,010</u>
Less accumulated depreciation:				
Buildings and improvements	8,528,130	863,018	-	9,391,148
Equipment and vehicles	<u>666,802</u>	<u>95,980</u>	<u>6,416</u>	<u>756,366</u>
Total accumulated depreciation	<u>9,194,932</u>	<u>958,998</u>	<u>6,416</u>	<u>10,147,514</u>
Total capital assets net of depreciation	<u>\$15,486,292</u>	<u>\$1,926,304</u>	<u>\$ 100</u>	<u>\$17,412,496</u>

Depreciation expense for the year ended June 30, 2010 was charged to governmental activities as follows:

Instruction	\$ 45,037
Support services – students	399
Support services – general administration	1,992
Operations and maintenance of plant	906,007
Food services	<u>5,563</u>
	<u>\$ 958,998</u>

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

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, 2010 are for governmental activities.

The following is a summary of the long-term debt and the related activity for the year ended June 30, 2010:

	<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	December 1
	October 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, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2010</u>	<u>One Year</u>
General obligation bonds Series 5/1/1998	\$ 540,000	\$ -	\$ 80,000	\$ 460,000	\$ 85,000
General obligation bonds Series 6/1/2008	2,300,000	-	100,000	2,200,000	110,000
Compensated Absences	36,932	28,277	26,906	38,303	26,906
Total Long-Term Debt	<u>\$ 2,876,932</u>	<u>\$ 28,277</u>	<u>\$ 206,906</u>	<u>\$ 2,698,303</u>	<u>\$ 221,906</u>

The annual requirements to amortize the May 1, 1998 Series general obligation bonds as of June 30, 2010, including interest payments are as follows:

<u>Fiscal Year</u>			<u>Total</u>
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
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	105,000	2,572	107,572
	<u>\$ 460,000</u>	<u>\$ 58,532</u>	<u>\$ 518,532</u>

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 8. Long-term Debt (Continued)

The annual requirements to amortize the June 1, 2008 Series general obligation bonds as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	225,000	68,926	293,926
2016-2020	1,260,000	204,730	1,464,730
2021-2025	<u>250,000</u>	<u>10,376</u>	<u>260,376</u>
	<u>\$ 2,200,000</u>	<u>\$ 603,011</u>	<u>\$ 2,803,011</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, 2010, the long-term portion of compensated absences increased \$1,371 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, 2010, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

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:

Special Revenue Funds	Designated Cash	Beginning Year Cash & AR Available	Cash Appropriation in Excess of Available Cash
Title I-IASA- Federal Stimulus	\$ 103,315	\$ -	\$ 103,315
Incentives for School Improvement Act PED	\$ 29,117	\$ 26,790	\$ 2,327

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

NOTE 11. ERA Pension Plan

Plan Description. Substantially all of the District’s full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board (ERB) 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. ERB 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, NM 87502. The report is also available on ERB’s website at www.nmerb.org.

Funding Policy. Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District’s contributions to ERB for the fiscal years ended June 30, 2010, 2009, and 2008, were \$787,875, \$825,472, and \$757,386, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12. Post-Employment Benefits

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

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 12. Post-Employment Benefits (Continued)

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.

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. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

(1)

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are 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 contribution to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$90,365, \$92,670, and \$90,767, respectively, which equal the required contribution for 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.

STATE OF NEW MEXICO
Raton Public Schools
Notes to the Financial Statements
June 30, 2010

NOTE 13. Contingent Liabilities (Continued)

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, 2010, the remaining balance the District owes for the unfinished portion of construction is approximately \$50,635.

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

NOTE 16. Subsequent Events

The Raton City Commission has given the District a Healthcare Career Pathway Grant for \$60,000. This is to hire and pay a teacher/nurse to conduct classes for students based on health issues. In addition, the State has also awarded \$75,000 to enhance the above grant.

Starting July 1, 2010, the State of New Mexico decided to give New Mexico public schools a 3% or \$76 million dollar budget cut. The budget decrease is expected to last only a year. The decreased budget is due to the economic downfall.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Fund Descriptions
June 30, 2010

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.

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.

IDEA-B “Risk Pool” (24120) –To provide additional funding in connection with Individuals with Disabilities Education Act (IDEA) for children who are considered “high cost special education needs” Local government agencies who meet qualifications will receive this funding. Any unexpended funds will be reallocation by the State to all school districts. Raton Public Schools did not submit an application for these funds but received monies due to the reallocation component.

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 I - IASA - Federal Stimulus (24201) – Under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds are intended to create an opportunity for educators to implement strategies that will improve education for at-risk students and close the achievement gaps while also stimulating the economy.

Entitlement IDEA-B - Federal Stimulus (24206) – Under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds are intended to create an opportunity for educators to implement strategies that will improve education for at-risk students and close the achievement gaps while also stimulating the economy.

Preschool IDEA-B - Federal Stimulus (24209) - Under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds are intended to create an opportunity for educators to implement strategies that will improve education for at-risk students and close the achievement gaps while also stimulating the economy.

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.

STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Fund Descriptions
June 30, 2010

Special Revenue Funds (continued)

Operational Federal Stabilization (25250) - As a result of revenue shortfalls and the subsequent passage of the American Recovery and Reinvestment Act (ARRA), \$916,979 in federal stabilization dollars is appropriated as part of the state equalization guarantee (SEG) for FY10. Stabilization dollars must be distributed and accounted for separately in order to provide the assurances required by the U.S. Department of Education and the ARRA. This fund is to account for the appropriated amount awarded to the District.

Dual Credit Instructional Materials/HB2 (27103) – To account for House Bill 2, 2009 which makes an appropriation for Dual Credit Instructional materials. The dual credit instructional materials must be for a course approved by Higher Education Department and through a college/university for which the district has an approved agreement.

GO Bond Student Library (27105) – To account for Senate Bill 333, 2008 which makes an appropriation to fund all public, charter and juvenile justice schools for public school library improvement or acquisition per school and to acquire library books, equipment, and library resources for public school and state-supported school libraries statewide.

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

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

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 (28119) – 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

Bond Building (31100) – To account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishings of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

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

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STATE OF NEW MEXICO
Raton Public Schools
Nonmajor Governmental Fund Descriptions
June 30, 2010

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 Colfax County Assessor and collected and remitted to the Schools’ by the Colfax County Treasurer.

STATE OF NEW MEXICO
Raton Public Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue		
	Cafeteria	Athletics	Entitlement IDEA-B
<i>Assets</i>			
Cash and cash equivalents	\$ 249,407	\$ 20,565	\$ 18,201
Property taxes receivable	-	-	-
Intergovernmental receivables	-	-	205
Inventory	4,691	-	-
Due from other funds	-	-	-
	<u>\$ 254,098</u>	<u>\$ 20,565</u>	<u>\$ 18,406</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	15,814	-	18,406
Deferred revenue	-	-	-
Due to other funds	-	-	-
	<u>15,814</u>	<u>-</u>	<u>18,406</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	4,691	-	-
Unreserved, reported in:			
Special revenue funds	233,593	20,565	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
	<u>238,284</u>	<u>20,565</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 254,098</u>	<u>\$ 20,565</u>	<u>\$ 18,406</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				
Preschool IDEA-B	IDEA- B "Risk Pool"	English Language Acquisition	Title IIA Teacher/Principal Training & Recruiting	Safe and Drug Free Schools
\$ 2,261	\$ -	\$ 1,919	\$ 6,218	\$ 159
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,261</u>	<u>\$ -</u>	<u>\$ 1,919</u>	<u>\$ 6,218</u>	<u>\$ 159</u>
\$ -	\$ -	\$ -	\$ 181	\$ -
1,323	-	1,534	1,657	-
938	-	385	4,380	159
-	-	-	-	-
<u>2,261</u>	<u>-</u>	<u>1,919</u>	<u>6,218</u>	<u>159</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,261</u>	<u>\$ -</u>	<u>\$ 1,919</u>	<u>\$ 6,218</u>	<u>\$ 159</u>

STATE OF NEW MEXICO
Raton Public Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue		
	Rural & Low Income Schools	Title I-IASA- Federal Stimulus	Entitlement IDEA- B- Federal Stimulus
<i>Assets</i>			
Cash and cash equivalents	\$ 3,616	\$ 8,298	\$ 4,001
Property taxes receivable	-	-	-
Intergovernmental receivables	-	246	58
Inventory	-	-	-
Due from other funds	-	-	-
	<u>\$ 3,616</u>	<u>\$ 8,544</u>	<u>\$ 4,059</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	3,616	8,303	4,059
Deferred revenue	-	-	-
Due to other funds	-	241	-
	<u>3,616</u>	<u>8,544</u>	<u>4,059</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	-	-	-
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,616</u>	<u>\$ 8,544</u>	<u>\$ 4,059</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Preschool IDEA- B- Federal Stimulus	Title XIX Medicaid 3/21 Years	Operational Federal Stabilization	Dual Credit Instructional Materials/HB2	GO Bond Student Library
\$ 771	\$ 4,476	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	2,436
-	-	-	-	-
-	-	-	-	-
<u>\$ 771</u>	<u>\$ 4,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,436</u>
\$ -	\$ -	\$ -	\$ -	\$ -
771	4,378	-	-	-
-	98	-	-	-
-	-	-	-	2,435
<u>771</u>	<u>4,476</u>	<u>-</u>	<u>-</u>	<u>2,435</u>
-	-	-	-	-
-	-	-	-	1
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>\$ 771</u>	<u>\$ 4,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,436</u>

STATE OF NEW MEXICO
Raton Public Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue		
	Technology for Education	Incentives for School Improvement Act PED	Beginning Teacher Mentoring
<i>Assets</i>			
Cash and cash equivalents	\$ 15,367	\$ -	\$ 5,781
Property taxes receivable	-	-	-
Intergovernmental receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	26,790	-
<i>Total assets</i>	<u>\$ 15,367</u>	<u>\$ 26,790</u>	<u>\$ 5,781</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	2,554	-	3,157
Deferred revenue	-	-	-
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>2,554</u>	<u>-</u>	<u>3,157</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	-	-	-
Unreserved, reported in:			
Special revenue funds	12,813	26,790	2,624
Capital projects funds	-	-	-
Debt service funds	-	-	-
<i>Total fund balances</i>	<u>12,813</u>	<u>26,790</u>	<u>2,624</u>
<i>Total liabilities and fund balances</i>	<u>\$ 15,367</u>	<u>\$ 26,790</u>	<u>\$ 5,781</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Breakfast in the Classroom</u>	<u>Core Curriculum</u>	<u>GO Bond Library</u>	<u>Senate Bill 471</u>	<u>Gear- Up New Mexico</u>
\$ -	\$ -	\$ -	\$ 264	\$ 227
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	16	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 264</u>	<u>\$ 227</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	16	264	227
-	-	-	-	-
-	-	-	-	-
-	-	16	264	227
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 264</u>	<u>\$ 227</u>

STATE OF NEW MEXICO
Raton Public Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue		Capital Projects
	Sloan-Prince Grant	School Based Health Center	Bond Building
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ 53,387	\$ 124,621
Property taxes receivable	-	-	-
Intergovernmental receivables	-	-	-
Inventory	-	-	-
Due from other funds	172	-	-
	<u>172</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 172</u>	<u>\$ 53,387</u>	<u>\$ 124,621</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 55,690
Accrued payroll	-	1,681	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>1,681</u>	<u>55,690</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	-	-	-
Unreserved, reported in:			
Special revenue funds	172	51,706	-
Capital projects funds	-	-	68,931
Debt service funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>172</u>	<u>51,706</u>	<u>68,931</u>
<i>Total liabilities and fund balances</i>	<u>\$ 172</u>	<u>\$ 53,387</u>	<u>\$ 124,621</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Debt Service</u>	
Special Capital Outlay - State	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ 150,445	\$ 669,984
-	29,314	29,314
-	-	2,945
-	-	4,691
16,863	-	43,841
<u>\$ 16,863</u>	<u>\$ 180,434</u>	<u>\$ 751,450</u>
\$ -	\$ -	55,871
-	-	67,253
-	18,295	24,255
-	-	2,676
<u>-</u>	<u>18,295</u>	<u>150,055</u>
-	-	4,691
-	-	348,771
16,863	-	85,794
<u>-</u>	<u>162,139</u>	<u>162,139</u>
<u>16,863</u>	<u>162,139</u>	<u>601,395</u>
<u>\$ 16,863</u>	<u>\$ 180,434</u>	<u>\$ 751,450</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, 2010

	Special Revenue		
	Cafeteria	Athletics	Entitlement IDEA- B
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	430,898	-	288,983
Federal direct	-	-	-
State flowthrough	-	-	-
Oil and gas	-	-	-
Charges for services	58,182	44,018	-
Investment income	340	44	-
Miscellaneous	25	-	-
<i>Total revenues</i>	<u>489,445</u>	<u>44,062</u>	<u>288,983</u>
<i>Expenditures</i>			
Current:			
Instruction	-	48,155	149,690
Support services - students	-	-	46,968
Support services - instruction	-	-	-
Support services - general administration	-	-	92,325
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	442,318	-	-
Capital outlay	36,426	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>478,744</u>	<u>48,155</u>	<u>288,983</u>
<i>Net change in fund balances</i>	10,701	(4,093)	-
<i>Fund balances - beginning</i>	<u>227,583</u>	<u>24,658</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 238,284</u>	<u>\$ 20,565</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				
Preschool IDEA-B	IDEA-B "Risk Pool"	English Language Acquisition	Title IIA Teacher/Principal Training & Recruiting	Safe and Drug Free Schools
\$ -	\$ -	\$ -	\$ -	\$ -
25,205	3,341	28,918	48,518	676
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	385	-	-
<u>25,205</u>	<u>3,341</u>	<u>29,303</u>	<u>48,518</u>	<u>676</u>
25,205	-	28,050	48,518	676
-	3,341	-	-	-
-	-	-	-	-
-	-	1,253	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>25,205</u>	<u>3,341</u>	<u>29,303</u>	<u>48,518</u>	<u>676</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Raton Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue		
	Rural & Low Income Schools	Title I-IASA- Federal Stimulus	Entitlement IDEA- B- Federal Stimulus
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	34,759	96,322	177,054
Federal direct	-	-	-
State flowthrough	-	-	-
Oil and gas	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>34,759</u>	<u>96,322</u>	<u>177,054</u>
<i>Expenditures</i>			
Current:			
Instruction	34,759	96,322	98,020
Support services - students	-	-	79,034
Support services - instruction	-	-	-
Support services - general administration	-	-	-
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>34,759</u>	<u>96,322</u>	<u>177,054</u>
<i>Net change in fund balances</i>	-	-	-
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				
Preschool IDEA-B- Federal Stimulus	Title XIX Medicaid 3/21 Years	Operational Federal Stabilization	Dual Credit Instructional Materials/HB2	GO Bond Student Library
\$ -	\$ -	\$ -	\$ -	\$ -
3,966	93,499	-	-	-
-	-	916,979	-	-
-	-	-	2,000	13,896
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,966	93,499	916,979	2,000	13,896
3,966	-	-	2,000	-
-	93,499	831,111	-	-
-	-	-	-	13,895
-	-	85,868	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,966	93,499	916,979	2,000	13,895
-	-	-	-	1
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 1

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, 2010

	Special Revenue		
	Technology for Education	Incentives for School Improvement Act PED	Beginning Teacher Mentoring
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	-	-
Federal direct	-	-	-
State flowthrough	8,937	-	4,271
Oil and gas	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>8,937</u>	<u>-</u>	<u>4,271</u>
<i>Expenditures</i>			
Current:			
Instruction	15,014	-	4,271
Support services - students	-	-	-
Support services - instruction	-	-	-
Support services - general administration	-	-	-
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>15,014</u>	<u>-</u>	<u>4,271</u>
<i>Net change in fund balances</i>	(6,077)	-	-
<i>Fund balances - beginning</i>	<u>18,890</u>	<u>26,790</u>	<u>2,624</u>
<i>Fund balances - ending</i>	<u>\$ 12,813</u>	<u>\$ 26,790</u>	<u>\$ 2,624</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Breakfast in the Classroom	Core Curriculum	GO Bond Library	Senate Bill 471	Gear-Up New Mexico
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
50,087	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>50,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	66	-	-	4,773
-	-	-	-	-
-	-	-	3,898	-
-	-	-	-	-
-	-	-	-	-
50,087	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>50,087</u>	<u>66</u>	<u>-</u>	<u>3,898</u>	<u>4,773</u>
-	(66)	-	(3,898)	(4,773)
-	66	16	4,162	5,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 264</u>	<u>\$ 227</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, 2010

	<u>Special Revenue</u>		<u>Capital Projects</u>
	<u>Sloan-Prince Grant</u>	<u>School Based Health Center</u>	<u>Bond Building</u>
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	-	-
Federal direct	-	-	-
State flowthrough	-	60,250	-
Oil and gas	-	-	-
Charges for services	-	-	-
Investment income	-	-	561
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>60,250</u>	<u>561</u>
<i>Expenditures</i>			
Current:			
Instruction	-	60	-
Support services - students	-	46,751	-
Support services - instruction	-	-	-
Support services - general administration	-	-	-
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	-	-	-
Capital outlay	-	-	841,378
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>46,811</u>	<u>841,378</u>
<i>Net change in fund balances</i>	-	13,439	(840,817)
<i>Fund balances - beginning</i>	<u>172</u>	<u>38,267</u>	<u>909,748</u>
<i>Fund balances - ending</i>	<u>\$ 172</u>	<u>\$ 51,706</u>	<u>\$ 68,931</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Debt Service</u>	
Special Capital Outlay - State	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ 260,608	\$ 260,608
-	-	1,232,139
-	-	916,979
-	-	139,441
-	6,862	6,862
-	-	102,200
-	264	1,209
-	-	410
<u>-</u>	<u>267,734</u>	<u>2,659,848</u>
-	-	559,545
-	-	1,100,704
-	-	17,793
-	2,549	180,742
-	-	1,253
-	-	-
-	-	492,405
-	-	877,804
-	180,000	180,000
-	113,193	113,193
<u>-</u>	<u>295,742</u>	<u>3,523,439</u>
-	(28,008)	(863,591)
<u>16,863</u>	<u>190,147</u>	<u>1,464,986</u>
<u>\$ 16,863</u>	<u>\$ 162,139</u>	<u>\$ 601,395</u>

STATE OF NEW MEXICO

Statement B-1

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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	428,000	428,000	401,824	(26,176)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	90,406	90,406	58,182	(32,224)
Investment income	-	-	340	340
Miscellaneous	-	-	25	25
<i>Total revenues</i>	<u>518,406</u>	<u>518,406</u>	<u>460,371</u>	<u>(58,035)</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	674,648	747,467	440,097	307,370
Community services operations	-	-	-	-
Capital outlay	25,000	36,498	36,426	72
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>699,648</u>	<u>783,965</u>	<u>476,523</u>	<u>307,442</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(181,242)</u>	<u>(265,559)</u>	<u>(16,152)</u>	<u>249,407</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	181,242	265,559	-	(265,559)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>181,242</u>	<u>265,559</u>	<u>-</u>	<u>(265,559)</u>
<i>Net change in fund balances</i>	-	-	(16,152)	(16,152)
<i>Fund balances - beginning of year</i>	-	-	265,559	265,559
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,407</u>	<u>\$ 249,407</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (16,152)
Adjustments to revenue for federal flowthrough accruals				29,074
Adjustments to expenditures for accrual in food services function				(2,221)
Net change in fund balances (GAAP)				<u>\$ 10,701</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	39,400	39,400	44,018	4,618
Investment income	190	190	44	(146)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>39,590</u>	<u>39,590</u>	<u>44,062</u>	<u>4,472</u>
<i>Expenditures</i>				
Current				
Instruction	68,193	64,248	48,155	16,093
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>68,193</u>	<u>64,248</u>	<u>48,155</u>	<u>16,093</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,603)</u>	<u>(24,658)</u>	<u>(4,093)</u>	<u>20,565</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	28,603	24,658	-	(24,658)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>28,603</u>	<u>24,658</u>	<u>-</u>	<u>(24,658)</u>
<i>Net change in fund balances</i>	-	-	(4,093)	(4,093)
<i>Fund balances - beginning of year</i>	-	-	24,658	24,658
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,565</u>	<u>\$ 20,565</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (4,093)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (4,093)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Raton Public Schools
Entitlement IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	339,598	293,797	(45,801)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>339,598</u>	<u>293,797</u>	<u>(45,801)</u>
<i>Expenditures</i>				
Current				
Instruction	-	191,816	131,284	60,532
Support services - students	-	55,323	51,973	3,350
Support services - instruction	-	-	-	-
Support services - general administration	-	92,459	92,325	134
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>339,598</u>	<u>275,582</u>	<u>64,016</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>18,215</u>	<u>18,215</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	18,215	18,215
<i>Fund balances - beginning of year</i>	-	-	\$ (14)	(14)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,201</u>	<u>\$ 18,201</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 18,215
Adjustments to revenue for federal flowthrough accrual				(4,814)
Adjustments to expenditures for accrual in instruction function				(13,401)
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-4

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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	27,256	27,256	25,194	(2,062)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>27,256</u>	<u>27,256</u>	<u>25,194</u>	<u>(2,062)</u>
<i>Expenditures</i>				
Current				
Instruction	27,256	27,256	23,882	3,374
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>27,256</u>	<u>27,256</u>	<u>23,882</u>	<u>3,374</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,312</u>	<u>1,312</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	1,312	1,312
<i>Fund balances - beginning of year</i>	-	-	949	949
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,261</u>	<u>\$ 2,261</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,312
Adjustments to revenue for federal flowthrough accrual				11
Adjustments to expenditures for accrual in instruction function				(1,323)
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
 IDEA-B "Risk Pool" 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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	3,341	3,341	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,341</u>	<u>3,341</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	3,341	3,341	-
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,341</u>	<u>3,341</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 (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</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)				\$ -
No adjustments for revenue accruals				-
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-6

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	34,019	34,877	858
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	385	385
<i>Total revenues</i>	<u>-</u>	<u>34,019</u>	<u>35,262</u>	<u>1,243</u>
<i>Expenditures</i>				
Current				
Instruction	-	32,745	26,516	6,229
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	1,274	1,253	21
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,019</u>	<u>27,769</u>	<u>6,250</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>7,493</u>	<u>7,493</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	7,493	7,493
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,574)</u>	<u>(5,574)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,919</u>	<u>\$ 1,919</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 7,493
Adjustments to revenue for federal flowthrough accruals				(5,959)
Adjustments to expenditures for accrual in instruction function				(1,534)
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-7

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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	96,263	105,772	48,306	(57,466)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>96,263</u>	<u>105,772</u>	<u>48,306</u>	<u>(57,466)</u>
<i>Expenditures</i>				
Current				
Instruction	96,263	105,772	46,680	59,092
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>96,263</u>	<u>105,772</u>	<u>46,680</u>	<u>59,092</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1,626	1,626
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	1,626	1,626
<i>Fund balances - beginning of year</i>	-	-	4,592	
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,218</u>	<u>\$ 1,626</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 1,626
Adjustments to revenue for federal flowthrough accruals				212
Adjustments to expenditures for instruction function accruals				(1,838)
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-8

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	5,708	6,385	676	(5,709)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	5,708	6,385	676	(5,709)
<i>Expenditures</i>				
Current				
Instruction	5,708	6,385	676	5,709
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,708	6,385	676	5,709
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	159	159
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 159	\$ 159
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

Statement B-9

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	49,475	34,824	(14,651)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	49,475	34,824	(14,651)
<i>Expenditures</i>				
Current				
Instruction	-	49,475	31,208	18,267
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	49,475	31,208	18,267
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	3,616	3,616
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	3,616	3,616
<i>Fund balances - beginning of year</i>	-	-	\$ -	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 3,616	\$ 3,616
Net change in fund balances (non-GAAP budgetary basis)				\$ 3,616
Adjustments to revenue for federal flowthrough accruals				(65)
Adjustments to expenditures for accruals in instruction function				(3,551)
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Raton Public Schools

Title I- IASA- Federal Stimulus 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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	101,696	96,076	(5,620)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>101,696</u>	<u>96,076</u>	<u>(5,620)</u>
<i>Expenditures</i>				
Current				
Instruction	103,042	205,011	88,019	116,992
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>103,042</u>	<u>205,011</u>	<u>88,019</u>	<u>116,992</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(103,042)</u>	<u>(103,315)</u>	<u>8,057</u>	<u>111,372</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	103,042	103,315	-	(103,315)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>103,042</u>	<u>103,315</u>	<u>-</u>	<u>(103,315)</u>
<i>Net change in fund balances</i>	-	-	8,057	8,057
<i>Fund balances - beginning of year</i>	-	-	\$ -	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,057</u>	<u>\$ 8,057</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 8,057
Adjustments to revenue for federal flowthrough accruals				246
Adjustments to expenditures for accruals in instruction function				(8,303)
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-11

Raton Public Schools
 Entitlement IDEA-B- Federal Stimulus 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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	176,410	345,173	176,996	(168,177)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>176,410</u>	<u>345,173</u>	<u>176,996</u>	<u>(168,177)</u>
<i>Expenditures</i>				
Current				
Instruction	97,279	211,148	93,961	117,187
Support services - students	79,131	134,025	79,034	54,991
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>176,410</u>	<u>345,173</u>	<u>172,995</u>	<u>172,178</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,001</u>	<u>4,001</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	4,001	4,001
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,001</u>	<u>\$ 4,001</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,001
Adjustments to revenue for federal flowthrough accruals				58
Adjustments to expenditures for accruals in instruction function				<u>(4,059)</u>
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-12

Raton Public Schools
 Preschool IDEA-B- Federal Stimulus 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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	6,606	12,988	3,966	(9,022)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	6,606	12,988	3,966	(9,022)
<i>Expenditures</i>				
Current				
Instruction	6,606	12,988	3,195	9,793
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	6,606	12,988	3,195	9,793
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	771	771
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	771	771
<i>Fund balances - beginning of year</i>	-	-	\$ -	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 771	\$ 771
Net change in fund balances (non-GAAP budgetary basis)				\$ 771
No adjustments for revenue accruals				-
Adjustments to expenditures for accruals in instruction function				(771)
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	120,000	120,000	93,447	(26,553)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>120,000</u>	<u>120,000</u>	<u>93,447</u>	<u>(26,553)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	120,000	120,000	89,121	30,879
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>120,000</u>	<u>120,000</u>	<u>89,121</u>	<u>30,879</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,326</u>	<u>4,326</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	4,326	4,326
<i>Fund balances - beginning of year</i>	-	-	150	150
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,476</u>	<u>\$ 4,476</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,326
Adjustments to revenues for federal direct accruals				52
Adjustments to expenditures for accruals in support services-student function				<u>(4,378)</u>
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-14

Raton Public Schools
Operational Federal Stabilization 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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	713,208	916,979	916,979	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	713,208	916,979	916,979	-
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	713,208	831,111	831,111	-
Support services - instruction	-	-	-	-
Support services - general administration	-	85,868	85,868	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	713,208	916,979	916,979	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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 revenues 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

Statement B-15

Raton Public Schools

Dual Credit Instructional Materials/HB2 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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	2,000	2,000	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	2,000	2,000	-
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,000</u>	<u>2,000</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 (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</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)				\$ -
No adjustments for revenues accruals				-
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-16

Raton Public Schools

GO Bond Student 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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	16,995	11,460	(5,535)
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,995</u>	<u>11,460</u>	<u>(5,535)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	16,995	13,895	3,100
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,995</u>	<u>13,895</u>	<u>3,100</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,435)</u>	<u>(2,435)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	(2,435)	(2,435)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,435)</u>	<u>\$ (2,435)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (2,435)
Adjustments to revenues for state flowthrough accruals				2,436
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ 1</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	8,617	8,937	320
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	8,617	8,937	320
<i>Expenditures</i>				
Current				
Instruction	19,832	27,507	12,460	15,047
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	19,832	27,507	12,460	15,047
<i>Excess (deficiency) of revenues over expenditures</i>	(19,832)	(18,890)	(3,523)	15,367
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	19,832	18,890	-	(18,890)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	19,832	18,890	-	(18,890)
<i>Net change in fund balances</i>	-	-	(3,523)	(3,523)
<i>Fund balances - beginning of year,</i>	-	-	18,890	18,890
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 15,367	\$ 15,367
Net change in fund balances (non-GAAP budgetary basis)				\$ (3,523)
No adjustments for revenue accruals				-
Adjustments to expenditures for accruals in instruction function				(2,554)
Net change in fund balances (GAAP)				\$ (6,077)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	29,117	29,117	-	29,117
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	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,117</u>	<u>29,117</u>	<u>-</u>	<u>29,117</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(29,117)</u>	<u>(29,117)</u>	<u>-</u>	<u>29,117</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	29,117	29,117	-	(29,117)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>29,117</u>	<u>29,117</u>	<u>-</u>	<u>(29,117)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	26,790	26,790
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,790</u>	<u>\$ 26,790</u>
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)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	4,271	4,271	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	4,271	4,271	-
<i>Expenditures</i>				
Current				
Instruction	-	4,271	1,114	3,157
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	4,271	1,114	3,157
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	3,157	3,157
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	3,157	3,157
<i>Fund balances - beginning of year</i>	-	-	2,624	2,624
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 5,781	\$ 5,781
Net change in fund balances (non-GAAP budgetary basis)				\$ 3,157
No adjustments for revenue accruals				-
Adjustments to expenditures for instructional function accruals				(3,157)
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	50,088	50,087	(1)
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,088</u>	<u>50,087</u>	<u>(1)</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	-	50,088	50,087	1
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>50,088</u>	<u>50,087</u>	<u>1</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 (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</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)				\$ -
No adjustments for revenue accruals				-
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-21

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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
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 (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</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)				\$ -
No adjustments for revenue accruals				-
Adjustments to expenditures for accrual in support services- students				<u>(66)</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

Statement B-22

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, 2010

	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	-	-	-	-
Capital outlay				
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 (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>
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)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

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, 2010

	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	4,162	4,162	-	(4,162)
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,162</u>	<u>4,162</u>	<u>-</u>	<u>(4,162)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	4,162	4,162	3,898	264
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,162</u>	<u>4,162</u>	<u>3,898</u>	<u>264</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,898)</u>	<u>(3,898)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	(3,898)	(3,898)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,162</u>	<u>4,162</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264</u>	<u>\$ 264</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (3,898)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (3,898)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

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, 2010

	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	5,000	5,000	4,773	227
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>4,773</u>	<u>227</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(4,773)</u>	<u>227</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	(4,773)	(4,773)
<i>Fund balances - beginning of year</i>	-	-	5,000	5,000
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227</u>	<u>\$ 227</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (4,773)
No adjustments to revenues for accruals				-
No adjustments to expenditures for accruals				-
Net change in fund balances (GAAP)				<u>\$ (4,773)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

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, 2010

	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	-	-	-	-
Capital outlay	-	-	-	-
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 (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>172</u>	<u>172</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 172</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ -
No adjustments for revenue accruals				-
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

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	60,000	82,755	83,005	250
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,000</u>	<u>82,755</u>	<u>83,005</u>	<u>250</u>
<i>Expenditures</i>				
Current				
Instruction	1,173	1,173	60	1,113
Support services - students	69,803	97,094	45,070	52,024
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>70,976</u>	<u>98,267</u>	<u>45,130</u>	<u>53,137</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,976)</u>	<u>(15,512)</u>	<u>37,875</u>	<u>53,387</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	10,976	15,512	-	(15,512)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,976</u>	<u>15,512</u>	<u>-</u>	<u>(15,512)</u>
<i>Net change in fund balances</i>	-	-	37,875	37,875
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>15,512</u>	<u>15,512</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,387</u>	<u>\$ 53,387</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 37,875
Adjustments to revenue for state flowthrough accruals				(22,755)
Adjustments to expenditures for accruals in support services- students function				(1,681)
Net change in fund balances (GAAP)				<u>\$ 13,439</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

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, 2010

	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	4,250	4,250	561	(3,689)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,250</u>	<u>4,250</u>	<u>561</u>	<u>(3,689)</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	-	-	-	-
Capital outlay	908,061	932,113	803,803	128,310
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>908,061</u>	<u>932,113</u>	<u>803,803</u>	<u>128,310</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(903,811)</u>	<u>(927,863)</u>	<u>(803,242)</u>	<u>124,621</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	903,811	927,863	-	(927,863)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>903,811</u>	<u>927,863</u>	<u>-</u>	<u>(927,863)</u>
<i>Net change in fund balances</i>	-	-	(803,242)	(803,242)
<i>Fund balances - beginning of year</i>	-	-	927,863	927,863
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,621</u>	<u>\$ 124,621</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (803,242)
No adjustments for revenue accruals				-
Adjustments to expenditures for accruals in facilities acquisition and construction				(37,575)
Net change in fund balances (GAAP)				<u>\$ (840,817)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

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, 2010

	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	-	-	19,279	19,279
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>19,279</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	-	-	-	-
Capital outlay	-	16,845	-	16,845
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,845</u>	<u>-</u>	<u>16,845</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(16,845)</u>	<u>19,279</u>	<u>36,124</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	16,845	-	(16,845)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>16,845</u>	<u>-</u>	<u>(16,845)</u>
<i>Net change in fund balances</i>	-	-	19,279	19,279
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,416)</u>	<u>(2,416)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,863</u>	<u>\$ 16,863</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 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-29

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 288,193	\$ 288,193	\$ 256,488	\$ (31,705)
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Oil and gas taxes	5,000	5,000	6,475	1,475
Charges for services	-	-	-	-
Investment income	1,400	1,400	264	(1,136)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>294,593</u>	<u>294,593</u>	<u>263,227</u>	<u>(31,366)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	3,000	3,000	2,565	435
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Debt service				
Principal	403,774	361,376	180,000	181,376
Interest	113,193	113,193	113,193	-
<i>Total expenditures</i>	<u>519,967</u>	<u>477,569</u>	<u>295,758</u>	<u>181,811</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(225,374)</u>	<u>(182,976)</u>	<u>(32,531)</u>	<u>150,445</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	225,374	182,976	-	(182,976)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>225,374</u>	<u>182,976</u>	<u>-</u>	<u>(182,976)</u>
<i>Net change in fund balances</i>	-	-	(32,531)	(32,531)
<i>Fund balances - beginning of year</i>	-	-	182,976	182,976
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,445</u>	<u>\$ 150,445</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (32,531)
Adjustments to revenue for property tax accruals				4,507
Adjustments to expenditures for accrual in support services function				16
Net change in fund balances (GAAP)				<u>\$ (28,008)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

Raton Public Schools

Land/Building Improvements 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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	3,193,862	1,784,496	(1,409,366)
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,193,862</u>	<u>1,784,496</u>	<u>(1,409,366)</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	-	-	-	-
Capital outlay	-	3,193,862	1,784,496	1,409,366
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,193,862</u>	<u>1,784,496</u>	<u>1,409,366</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 (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</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)				\$ -
No adjustments for revenue accruals				-
Adjustments to expenditures for accruals in facilities acquisition and construction function				(128,340)
Net change in fund balances (GAAP)				<u>\$ (128,340)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

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, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ 261,151	\$ 261,151	\$ 259,177	\$ (1,974)
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	111,659	107,689	(3,970)
State direct	-	-	-	-
Local grants	-	-	-	-
Transportation distribution	-	-	-	-
Oil and gas taxes	5,024	5,024	6,526	1,502
Charges for services	-	-	-	-
Investment income	5,400	5,400	611	(4,789)
Miscellaneous	-	-	425	425
<i>Total revenues</i>	<u>271,575</u>	<u>383,234</u>	<u>374,428</u>	<u>(8,806)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	3,059	3,059	2,592	467
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	391,468	391,468	256,184	135,284
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	250,000	414,141	94,662	319,479
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>644,527</u>	<u>808,668</u>	<u>353,438</u>	<u>455,230</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(372,952)</u>	<u>(425,434)</u>	<u>20,990</u>	<u>446,424</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	372,952	425,434	-	(425,434)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>372,952</u>	<u>425,434</u>	<u>-</u>	<u>(425,434)</u>
<i>Net change in fund balances</i>	-	-	20,990	20,990
<i>Fund balances - beginning of year</i>	-	-	425,434	425,434
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,424</u>	<u>\$ 446,424</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 20,990
Adjustments to revenue for property and oil and gas tax accruals				4,290
Adjustments to expenditures for operation and maintenance of plant function accruals				(3,445)
Net change in fund balances (GAAP)				<u>\$ 21,835</u>

The accompanying notes are an integral part of these financial statements

GENERAL FUND

STATE OF NEW MEXICO
Raton Public Schools
General Fund
Combining Balance Sheet
June 30, 2010

Statement C-1

	General Fund			
	Operational	Pupil Transportation	Instructional	Total General Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 1,633,572	\$ 57,477	\$ 4,075	\$ 1,695,124
Property taxes receivable	32,123	-	-	32,123
Other receivables	169	-	-	169
Inventory	52,160	-	-	52,160
Due from other funds	84,442	-	-	84,442
	<u>\$ 1,802,466</u>	<u>\$ 57,477</u>	<u>\$ 4,075</u>	<u>\$ 1,864,018</u>
<i>Liabilities</i>				
Accounts payable	\$ 95,226	\$ -	\$ -	\$ 95,226
Accrued payroll	463,049	2,992	-	466,041
Deferred revenue	30,083	-	-	30,083
Due to other funds	-	-	-	-
	<u>588,358</u>	<u>2,992</u>	<u>-</u>	<u>591,350</u>
<i>Fund balances</i>				
Reserved for:				
Inventory	52,160	-	-	52,160
Unreserved	1,161,948	54,485	4,075	1,220,508
	<u>1,214,108</u>	<u>54,485</u>	<u>4,075</u>	<u>1,272,668</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,802,466</u>	<u>\$ 57,477</u>	<u>\$ 4,075</u>	<u>\$ 1,864,018</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-2

Raton Public Schools

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2010

	General Fund			Total General Fund
	Operational	Pupil Transportation	Instructional	
<i>Revenues</i>				
Property taxes	\$ 48,398	\$ -	\$ -	\$ 48,398
Intergovernmental revenue:				
Federal direct	32,432	-	-	32,432
State flowthrough				
State direct	9,415,180	-	51,475	9,466,655
Local grants	12,524	-	-	12,524
Transportation distribution	-	623,836	-	623,836
Oil and gas	1,727	-	-	1,727
Charges for services	11,368	-	-	11,368
Investment income	2,920	-	-	2,920
Miscellaneous	750	-	926	1,676
<i>Total revenues</i>	<u>9,525,299</u>	<u>623,836</u>	<u>52,401</u>	<u>10,201,536</u>
<i>Expenditures</i>				
Current:				
Instruction	6,282,816	-	104,201	6,387,017
Support services - students	422,363	-	-	422,363
Support services - instruction	210,904	-	1,205	212,109
Support services - general administration	279,088	-	-	279,088
Support services - school administration	778,612	-	-	778,612
Central services	221,033	-	-	221,033
Operation and maintenance of plant	1,093,360	-	-	1,093,360
Student transportation	-	622,034	-	622,034
<i>Total expenditures</i>	<u>9,288,176</u>	<u>622,034</u>	<u>105,406</u>	<u>10,015,616</u>
<i>Net change in fund balances</i>	237,123	1,802	(53,005)	185,920
<i>Fund balances - beginning</i>	<u>976,985</u>	<u>52,683</u>	<u>57,080</u>	<u>1,086,748</u>
<i>Fund balances - ending</i>	<u>\$ 1,214,108</u>	<u>\$ 54,485</u>	<u>\$ 4,075</u>	<u>\$ 1,272,668</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-3

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 47,061	\$ 47,061	\$ 47,889	\$ 828
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	(30,504)	(30,504)	32,432	62,936
State flowthrough	9,824,598	9,418,057	9,415,180	(2,877)
State direct	-	-	-	-
Local grants	4,236	4,236	12,524	8,288
Oil and gas taxes	1,256	1,256	1,631	375
Charges for services	2,208	2,208	11,368	9,160
Investment income	7,800	7,800	2,920	(4,880)
Miscellaneous	-	-	750	750
<i>Total revenues</i>	<u>9,856,655</u>	<u>9,450,114</u>	<u>9,524,694</u>	<u>74,580</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	7,033,343	7,033,343	5,842,583	1,190,760
Support services - students	782,670	511,834	409,351	102,483
Support services - instruction	215,684	223,584	210,904	12,680
Support services - general administration	237,912	235,461	211,953	23,508
Support services - school administration	796,852	791,852	778,612	13,240
Central services	237,912	235,461	252,555	(17,094)
Operation and maintenance of plant	1,136,710	1,155,161	1,087,065	68,096
Student transportation	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	50,000	31,395	-	31,395
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,824,453</u>	<u>10,599,314</u>	<u>8,793,023</u>	<u>1,806,291</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(967,798)</u>	<u>(1,149,200)</u>	<u>731,671</u>	<u>1,880,871</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	967,798	1,149,200	-	(1,149,200)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>967,798</u>	<u>1,149,200</u>	<u>-</u>	<u>(1,149,200)</u>
<i>Net change in fund balances</i>	-	-	731,671	731,671
<i>Fund balances - beginning of year</i>	-	-	986,343	986,343
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,014</u>	<u>\$ 1,718,014</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 731,671
Adjustments to revenue for property tax accrual and local sources accrual				605
Adjustments to expenditures for various function accruals				(495,153)
Net change in fund balances (GAAP)				<u>\$ 237,123</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-4

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, 2010

	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	-	623,836	623,836	-
Transportation distribution	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>623,836</u>	<u>623,836</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	-	623,836	619,042	4,794
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>623,836</u>	<u>619,042</u>	<u>4,794</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,794</u>	<u>4,794</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in 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>	-	-	4,794	4,794
<i>Fund balances - beginning of year</i>	-	-	52,683	52,683
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,477</u>	<u>\$ 57,477</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,794
No adjustments for revenue accruals				-
Adjustments to expenditures for student transportation accruals				(2,992)
Net change in fund balances (GAAP)				<u>\$ 1,802</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-5

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, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	51,735	51,663	52,431	768
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	926	926
<i>Total revenues</i>	<u>51,735</u>	<u>51,663</u>	<u>53,357</u>	<u>1,694</u>
<i>Expenditures</i>				
Current				
Instruction	96,609	104,201	104,201	-
Support services - students	-	-	-	-
Support services - instruction	2,140	3,586	1,205	2,381
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>98,749</u>	<u>107,787</u>	<u>105,406</u>	<u>2,381</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(47,014)</u>	<u>(56,124)</u>	<u>(52,049)</u>	<u>4,075</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	47,014	56,124	-	(56,124)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>47,014</u>	<u>56,124</u>	<u>-</u>	<u>(56,124)</u>
<i>Net change in fund balances</i>	-	-	(52,049)	(52,049)
<i>Fund balances - beginning of year</i>	-	-	56,124	56,124
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,075</u>	<u>\$ 4,075</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (52,049)
Adjustments to revenue for state source accrual				(956)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (53,005)</u>

The accompanying notes are an integral part of these financial statements

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, 2010

Schedule I

Page 1 of 2

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Activity Fund	\$ 777	\$ 5,146	\$ 4,682	\$ 1,241
Orchestra	306	-	-	306
High School Baseball	3,436	6,440	9,585	291
High School Boys Basketball	703	4,405	5,076	32
High School Girls Basketball	1,167	1,529	2,490	206
High School Cheerleader	6,484	50,303	47,964	8,823
Middle School Cheerleader	936	22,491	18,648	4,779
High School Dance	50	15,001	13,501	1,550
High School Football	63	-	19	44
High School Girls Golf	149	-	-	149
RMS S Fair	186	311	230	267
RMS PE	227	1,140	162	1,205
RHS Rodeo	311	-	-	311
High School Softball Team	9,243	3,624	8,953	3,914
High School Tennis	1,363	-	847	516
After School Lunch	266	-	180	86
Middle School Track	193	-	-	193
Middle School Volleyball	2,880	1,654	4,475	59
High School Volleyball	2,587	256	2,843	-
RMS PAWS	2,174	1,837	2,353	1,658
RHS Ski	286	3,902	3,096	1,092
High School Art	875	1,990	2,712	153
Middle School Art	2,814	200	30	2,984
High School Band	364	3,544	2,227	1,681
Middle School Band	1,823	-	208	1,615
National Spanish Exam	55	15,114	13,464	1,705
High School Track	303	65	276	92
High School Building Trade	27	-	-	27
High School CADD Drafting	3	50	-	53
High School Chorus	1,763	1,705	251	3,217
Middle School Chorus	398	-	-	398
Middle School FACS	1,328	830	1,173	985
RMS Adult	3,373	919	2,436	1,856
Middle School Industrial Arts	1,345	1,380	1,211	1,514
High School Library	448	162	445	165
Middle School Library	535	2,722	1,998	1,259
High School Science	555	-	-	555
Middle School Science	81	-	-	81
Kearny Library	350	3,796	3,850	296
Longfellow Library	26	1,304	62	1,268
Class of 2013	48	609	429	228
Marquee Dona	200	-	-	200
Culinary Art	872	5,988	4,453	2,407
Class of 2012	367	2,027	736	1,658
RMS Diabetes	25	-	-	25
Kearny Audit	1,274	1,422	293	2,403
RMS Ski	365	211	256	320
Kearny K. Hall	48	-	11	37

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, 2010Schedule I
Page 2 of 2

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
FCA	335	164	-	499
High School Annual	4,165	26,967	28,218	2,914
Middle School Annual	3,985	10,047	11,396	2,636
High School Arts/Crafts	436	608	394	650
High School Book	4,068	150	-	4,218
High School BPA)	7,282	4,024	8,510	2,796
Counseling Fund	1,475	929	537	1,867
Class of 2011	1,534	2,170	2,298	1,406
Class of 2007	412	-	412	-
Class of 2010	2,555	1,294	3,849	-
Class of 2008	967	-	967	-
Class of 2009	229	-	-	229
Col Adult Prin	82	291	78	295
High School Drama	712	613	946	379
High School FCCLA	2,265	14,876	15,227	1,914
Middle School FCCLA	5,476	22,583	26,187	1,872
High School FFA	1,305	11,331	6,995	5,641
Fines on Textbooks	466	48	128	386
High School REPEC	243	-	-	243
High School Honor Society	745	573	410	908
Northeastern District	54	100	-	154
High School Key Club	106	-	-	106
High School LDZ	1,032	-	-	1,032
High School Mock Trial	361	5,284	3,231	2,414
High School Principal Fund	5,926	8,108	9,943	4,091
Middle School Principal Fund	5,583	17,016	16,013	6,586
Kearney Principal	4,744	2,490	3,705	3,529
Columbian Principal	491	1,621	1,537	575
Longfellow Principal	1,663	6,535	7,122	1,076
Mesa View ACA	430	992	462	960
Middle Schools Girls Basketball	676	621	505	792
Middle Schools Boys Basketball	1,874	17	1,810	81
High School Spirit Club	132	120	-	252
High School ST Senate	601	12,093	11,233	1,461
Middle School Senate	7,022	2,487	9,045	464
High School Welding	1,723	-	278	1,445
High School Woodshop	3,888	551	1,650	2,789
Columbian ACCE RDR	20	160	180	-
Columbian Book Fair	408	4,739	4,703	444
HS Adult Principal	174	2,951	932	2,193
Columbian Card Factory	8,688	10,075	11,386	7,377
Kearney Science	2	-	1	1
Student Publishing	4,495	2,170	4,232	2,433
L Adult Principal	526	452	572	406
Ag/Science	124	150	-	274
Welding Act	1,021	-	1,021	-
Bk to Sc Fest	-	1,485	448	1,037
RHS Comp Ap	-	2,978	1,049	1,929
RHS Sp Ed	-	324	-	324
FFA Greenhouse	-	769	-	769
Jvigil Scholars	-	1,000	500	500
	<u>\$ 143,953</u>	<u>\$ 344,033</u>	<u>\$ 359,735</u>	<u>\$ 128,251</u>

See accompanying independent auditors' report.

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STATE OF NEW MEXICO
Raton Public Schools
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2010

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2010	Name and Location of Safekeeper
International Bank					
	FHLB 15 QF	6/12/2015	3133XBTS4	\$ 746,685	Federal Reserve Bank-Dallas, TX
	FHOR 06-10 568	8/16/2010	3133XCSY0	25,172	Federal Reserve Bank-Dallas, TX
	FHLB 12 C8	12/14/2012	3133XDTB7	571,515	Federal Reserve Bank-Dallas, TX
	FHLB 11X4	9/9/2011	3133XF5T9	105,240	Federal Reserve Bank-Dallas, TX
	FHOR 05-10-9I	9/17/2010	3133X4LX7	277,447	Federal Reserve Bank-Dallas, TX
	FHOR 03-10 XD	12/10/2010	31339X4H4	613,140	Federal Reserve Bank-Dallas, TX
	Bernalillo Jt Wtr & Swr Imp	6/1/2014	08527VAH1	100,000 *	Federal Reserve Bank-Dallas, TX
	Bernalillo Jt Wtr & Swr Imp	6/1/2015	08527VAJ7	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>2,954,199</u>	
First National Bank of New Mexico					
	Portales N Mex Mun Sch Dist 1	2/1/2014	736151CX7	75,000 *	Federal Reserve Bank-Dallas, TX
	Alamogordo, NM 4.25%	8/1/2013	011446FLO	185,000 *	Federal Reserve Bank-Dallas, TX
	Total First National Bank of New Mexico			<u>260,000</u>	
	Total Pledged Collateral			<u>\$ 3,214,199</u>	

* Indicates Par Value

See accompanying independent auditors' report.

STATE OF NEW MEXICO

Raton Public Schools

Cash Reconciliation

June 30, 2010

	Operational Account	Transportation Account	Instructional Materials Account	Food Services Account
	<hr/>	<hr/>	<hr/>	<hr/>
Cash, June 30, 2009	\$ 852,731	\$ 52,683	\$ 56,123	\$ 265,559
Add:				
2009-10 receipts	9,524,694	623,836	53,356	460,370
Adjustment	-	-	-	-
Repayment of loans	43,841	-	-	-
Loans from other funds	5,327	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash available	10,426,593	676,519	109,479	725,929
Less:				
2009-10 expenditures	(9,296,143)	(622,008)	(105,404)	(453,622)
Repayment of loans	-	-	-	(38,614)
Loans to other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash, June 30, 2010	<u>\$ 1,130,450</u>	<u>\$ 54,511</u>	<u>\$ 4,075</u>	<u>\$ 233,693</u>
Plus:				
Held checks	503,122	2,966	-	15,714
	<hr/>	<hr/>	<hr/>	<hr/>
Cash per financial statement	<u>\$ 1,633,572</u>	<u>\$ 57,477</u>	<u>\$ 4,075</u>	<u>\$ 249,407</u>

See accompanying independent auditors' report

Athletics Account	Federal Flowthrough	Federal Direct	State Flowthrough	State Direct	Local/State
\$ 24,658	\$ 18,983	\$ -	\$ 52,482	\$ 5,000	\$ 15,684
44,062	1,058,066	1,010,425	76,755	-	83,005
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,436	-	-
68,720	1,077,049	1,010,425	131,673	5,000	98,689
(48,155)	(1,051,869)	(1,010,425)	(89,161)	(4,773)	(46,800)
-	-	-	(26,811)	-	(183)
-	(5,347)	-	-	-	-
<u>\$ 20,565</u>	<u>\$ 19,833</u>	<u>\$ -</u>	<u>\$ 15,701</u>	<u>\$ 227</u>	<u>\$ 51,706</u>
-	57,785	-	5,711	-	1,681
<u>\$ 20,565</u>	<u>\$ 77,618</u>	<u>\$ -</u>	<u>\$ 21,412</u>	<u>\$ 227</u>	<u>\$ 53,387</u>

STATE OF NEW MEXICO

Raton Public Schools

Cash Reconciliation

June 30, 2010

	<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, 2009	\$ 927,863	\$ -	\$ (2,416)	\$ 425,434
Add:				
2009-10 receipts	561	1,784,496	19,279	374,428
Adjustment	-	-	-	-
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash available	928,424	1,784,496	16,863	799,862
Less:				
2009-10 expenditures	(803,803)	(1,784,496)	(16,863)	(353,438)
Repayment of loans	-	-	-	-
Loans to other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash, June 30, 2010	<u>\$ 124,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,424</u>
Plus:				
Held checks	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash per financial statement	<u>\$ 124,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,424</u>

See accompanying independent auditors' report

Public Schools Cap.Out.-20%	Debt Service Fund	Total
\$ -	\$ 182,976	\$ 2,877,760
-	263,227	15,376,560
-	-	-
-	-	43,841
-	-	7,763
-	446,203	18,305,924
-	(295,758)	(15,982,718)
-	-	(65,608)
-	-	(5,347)
<u>\$ -</u>	<u>\$ 150,445</u>	<u>\$ 2,252,251</u>
-	-	586,979
<u>\$ -</u>	<u>\$ 150,445</u>	<u>\$ 2,839,230</u>

STATE OF NEW MEXICO

Schedule IV

Raton Public Schools
 Schedule of Deposits
 June 30, 2010

Bank Account	Checking	Checking	Totals
	International Bank	The First National Bank of New Mexico	
General Fund	\$ 85,000	\$ -	\$ 85,000
General Fund Interest	2,188,223	-	2,188,223
Clearing Account	642,085	-	642,085
Athletic Fund	20,660	-	20,660
School Lunch Fund	216,198	-	216,198
School Lunch Interest Fund	19,943	-	19,943
Activity Fund	-	145,973	145,973
Total Deposits	3,172,109	145,973	3,318,082
Reconciling Items	(332,879)	(17,722)	(350,601)
Reconciled Balance June 30, 2010	\$ 2,839,230	\$ 128,251	2,967,481
Less: Fiduciary Funds Cash			(128,251)
Cash and cash equivalents per Government-wide Financial Statements			\$ 2,839,230

See accompanying independent auditors' report.

COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

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

Hector H. Balderas
New Mexico State Auditor and
To the Board of Education
Office of Management and Budget
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, (“the District”) as of and for the year ended June 30, 2010, which collectively comprise the District’s basic financial statements as listed in the table of contents and have issued our report thereon dated October 22, 2010. We have also audited the financial statements of each of the District’s nonmajor governmental funds, the combining financial statements for the general fund, and the respective budgetary comparisons for the Land/Building Improvements Capital Projects Fund, the Capital Improvements SB-9 Capital Projects 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, 2010 as listed in the table of contents. 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 the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of District’s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item FS 2010-01, that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

We noted a certain matter that is 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 is described in the accompanying schedule of findings and questioned costs as finding FS 2005-06.

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

This report is intended solely for the information and use of the audit committee management, others within the organization, the Board of Education, the Office of the State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities, such as the New Mexico Public Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Consulting Group, L.L.P.

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
October 22, 2010

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

**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
Office of Management and Budget
Raton Public Schools
Raton, New Mexico

Compliance

We have audited the compliance of Raton Public Schools, New Mexico (“the District”) 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, 2010. The District’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we 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 the District’s compliance with those requirements.

In our opinion, the District 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, 2010.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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 the District’s internal control over compliance.

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Board of Education, the Office of the State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities, such as the New Mexico Public Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Consulting Group, L.L.P.

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
October 22, 2010

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Education			
<i>Passed through State of New Mexico Department of Education</i>			
Title I - IASA (1)	24101	84.010	\$ 339,420
IDEA-B Entitlement (1)	24106	84.027A	288,983
IDEA-B Preschool (1)	24109	84.027A	25,205
IDEA-B "Risk Pool" (1)	24120	84.027A	3,341
Title III English Language Acquisition	24153	84.298O	29,303
Title IIA Teacher/Principal Training	24154	84.367A	48,518
Title IV-A Safe and Drug Free Schools and Communities	24157	84.186A	676
Rural and Low Income Schools	24160	84.358B	34,759
Title I- IASA- Federal Stimulus-ARRA (1)	24201	84.389	96,322
Entitlement IDEA-B- Federal Stimulus-ARRA (1)	24206	84.391	177,054
Preschool IDEA-B- Federal Stimulus-ARRA (1)	24209	84.392	3,966
<i>Federal Direct Grants</i>			
Impact Aid , Public Law 103-382	11000	84.041	1,776
Operational Federal Stimulus-ARRA (1)	25250	84.394	916,979
Total U.S. Department of Education			<u>1,966,302</u>
U.S. Department of Agriculture			
<i>Federal Direct Payments</i>			
Forest Reserve	11000	10.665	30,656
<i>Passed through State of New Mexico</i>			
Commodities Program (1)	21000	10.550	29,074
National School Lunch Program (1)	21000	10.555	241,094
National School Breakfast Program (1)	21000	10.553	160,730
National School Snack Program (1)	21000	10.556	19,150
Total U.S. Department of Agriculture			<u>480,704</u>
Total Federal Financial Assistance			<u><u>\$ 2,447,006</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, 2010

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.

3. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2010 was \$29,074 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,447,006
Total expenditures funded by other sources	<u>13,701,188</u>
Total expenditures	<u><u>\$ 16,148,194</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, 2010

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? | No |
| 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? | No |
| 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
84.010 and 84.389	Title I Cluster
84.027, 84.391 and 84.392	IDEA B Cluster
84.394	Operational Federal Stabilization
10.550, 10.553, 10.555, and 10.556	School Nutrition Cluster

- | | |
|---|-----------|
| 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, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS

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

Condition: The District maintained a deficit budget in excess of available cash balances in the following funds:

<u>Special Revenue Funds</u>	Designated Cash	Beginning Year Cash & AR Available	Cash Appropriation in Excess of Available Cash
Title I-IASA- Federal Stimulus	\$ 103,315	\$ -	\$ 103,315
Incentives for School Improvement Act PED	\$ 29,117	\$ 26,790	\$ 2,327

Criteria: Section 2.2.2.10. (P) (1), NMAC, requires all School District funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances rebudgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect: The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause: The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Auditors' Recommendation: We recommend improved monitoring of budget deficits at the beginning and throughout the year.

Agency's Response: Title I-IASA – Federal Stimulus – the District was asked to increase our Budget for the Balance of the ARRA funds – funds to be encumbered by June 30, 2011 and liquidated by September 30, 2011. I have attached the memo that instructed the District do this. These funds will be liquidated by June 30, 2011.

Incentives for School Improvement Act PED – After an investigation as to why this fund would have a cash balance, it was determined that the cash in this account came from a prior year inter-fund loan. The district chose to ask PED for a permanent cash transfer. The final journal entry to fund balance could not be completed until June 30, 2010, therefore the budget was not adjusted prior to June 30, 2010. The District does have procedure in place to monitor funds such as this. The Business Manager wanted to make sure the fund had been used as awarded. It was discovered that all awards has been used and therefore submitted a request for a permanent cash transfer.

FS 2010-01- Lack of Control Processes for Significant Transaction Classes and Activity Level Control

Condition: During our walkthrough and review of significant transaction classes and activity level controls, we noted the following deficiencies:

- Changes to the vendor master file are not periodically reviewed for reasonableness- Expenditures and Accounts Payable

Criteria: The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring.

Effect: There is an increased risk of misappropriation of District assets and resources. In addition, errors or irregularities may not be prevented or detected.

Cause: The District was unaware these controls were needed to be implemented.

STATE OF NEW MEXICO
Raton Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Auditors' Recommendations: We recommend the District implement deficiencies noted above and gain knowledge of additional control process to implement to continually strengthen controls.

Agency's Response: The District us aware and concerned about the number of vendors in the database. The District is in the process of cleaning up the vendor file. Some have been deleted, some we were unable to delete. We have secured help from Windsor Management to clean up the rest of them. The clean-up will come when we roll-over our fiscal year data.

SECTION III – FEDERAL AWARD FINDINGS

None

SECTION IV – PRIOR YEAR AUDIT FINDINGS

Financial Statement Findings

2005-06: Budgeted Cash Exceeds Available Cash and Accounts Receivable – Modified and Repeated

2008-02: Lack of Segregation of Duties– Resolved

2009-01: COSO Framework Monitoring Deficiencies– Resolved

2009-02: Supporting Documentation for Receipts Do Not Match Receipt Total– Resolved

Federal Award Findings

2009-03: School Nutrition Program CFDA #10.553 & 10.555 Compliance– Resolved

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STATE OF NEW MEXICO
Raton Public Schools
Other Disclosures
For the Year Ended June 30, 2010

Exit Conference

An exit conference was held on November 2, 2010. The following individuals were in attendance.

Raton Public Schools

David Willden – Superintendent
Paul Malano – Assistant Superintendent
Erlene Bradley – Business Manager
Sheila Castellini - Board Member and Audit Committee
Shelly Wood - Community Member for Audit Committee
Art Armijo - Board Vice President and Audit Committee

Accounting & Consulting Group, LLP

Ray Roberts – Managing Partner
Bobby Cordova – Manager
Lorie Montano – Senior Accountant

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.