

**Accounting & Consulting Group, LLP**

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Certified Public Accountants

STATE OF NEW MEXICO  
RATON PUBLIC SCHOOLS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2012





**STATE OF NEW MEXICO**  
**RATON PUBLIC SCHOOLS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**

Raton Public Schools  
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June 30, 2012  
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**STATE OF NEW MEXICO**  
Raton Public Schools  
Official Roster  
June 30, 2012

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Sheila Castellini		President
Anne Litchfield		Vice President
Michael Anne Holland		Secretary
Art Armijo		Member
J.A. (Art) Salazar		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, 2012, 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 Capital Improvements SB-9 Capital Projects Fund (major fund) and the Debt Service 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, 2012 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, 2012, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and the combining financial statements for General Fund of the District as of June 30, 2012, and the respective changes in financial position, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects, the respective budgetary basis of accounting as prescribed in the New Mexico Administrative Code, as more fully described in Note 2 to the financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12-17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Expenditures 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 not a 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Accounting & Consulting Group, L.L.P.*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
October 12, 2012

STATE OF NEW MEXICO  
Raton Public Schools  
Management's Discussion and Analysis  
June 30, 2012

This Management's Discussion and Analysis of the fiscal performance of the Raton Public Schools for the period ending June 30, 2012, 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 Public School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2012. 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 2011-2012 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 decreased from \$16,191,570 (this amount is before the restatement of \$344,335 discussed at the end of this paragraph) for the year ending June 30, 2011 to \$14,466,483 for the year ended June 30, 2012. This represents a decrease of 10.65%, or \$1,725,087. The cause of this change is the result of many factors, which are outlined in different sections of this Management's Discussion and Analysis. We can attribute this to less program revenue and the discovery that previous amounts of property tax receivable received from Colfax County were incorrect and that those revenues in the government-wide financial statements were overstated in previous years. The amount of net assets restatement at June 30, 2011 is \$344,335. See Note 17 of Notes to the Financial Statements.
- General Fund revenues again decreased from \$9,830,719 for the year ended June 30, 2011 to \$9,562,251 for the fiscal year ended June 30, 2012, a decrease of 2.73% or \$226,106. The same factors for the decrease in 2011 come in to play in 2012 - 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. The Unit Value was increased by \$12.90 per unit in January, 2012. The Unit Value for 2010-2011 was \$3,674.75. The 2011-2012 budget was built on a Unit Value of \$3,585.97, then the increase of \$12.90 came about in January. We are still \$75.88 down from the 2010-2011 Unit Value.
- Total actual (cash basis) general fund expenditures exceeded total revenues and other financing sources by \$501,757. The District was fortunate to have a cash balance from prior year as current year revenues did decline, however, each year the cash balance declines.

### **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's 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's 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, 2012. These statements provide both an aggregate view of the school district's finances and a longer-term view of those finances.

STATE OF NEW MEXICO  
Raton Public Schools  
Management's Discussion and Analysis  
June 30, 2012

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's 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 financial statement 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, 2012. The statement is provided at Exhibit A-1.

The statement has one type of activity (1) Governmental 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 statement shows that the school district's total assets decreased from \$19,078,112 for the year ended June 30, 2011 to \$17,120,133 for the year ended June 30, 2012. This represents a decrease of 10.26%, or \$1,957,979. The decrease in total assets is accounted for in the next several paragraphs.

The district's current assets decreased from \$2,709,708 for the year ended June 30, 2011 to \$1,650,726 for the year ended June 30, 2012. This represents a decrease of 39.08%, or \$1,058,982. Most of the decrease is in cash and property tax receivables. The largest decrease would be in General Operations cash balance and the fact that Colfax County had a misstatement regarding property tax receivables.

Additionally, the district's non-current assets decreased from \$16,368,404 for the year ended June 30, 2011 to \$15,469,407 for the year ended June 30, 2012. This represents a decrease of 5.49%, or \$898,997. The decrease in non-current assets is the result of less cash and cash equivalents and again the restatement of receivables from Colfax County. Very little was added to fixed assets for the 2011-2012 school year.

The statement also reports that the District's total liabilities decreased from \$2,886,542 for the year ended June 30, 2011 to \$2,653,650 for the year ended June 30, 2012. This represents a decrease of 8.07% or \$232,892. The majority of the decrease in total liabilities is a decrease in debt service. When the District started making payroll twice a month rather than once a month, we deducted ½ month insurance premium for employees at that time. That was actually a half premium more than was needed to meet the insurance liability. That ½ has been in the Clearing Account since August 2009 and has been listed as an accrued payroll liability. Management felt it would be better to credit that ½ premium back to employees and to the district. This decreased the accrued payroll liability by about \$40,000.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Management's Discussion & Analysis  
June 30, 2012

**RATON PUBLIC SCHOOLS STATEMENT OF NET ASSETS**

	<b>District Activities</b>	
	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 1,845,808	\$ 2,910,511
Capital assets	<u>15,274,325</u>	<u>16,167,601</u>
Total assets	<u>\$ 17,120,133</u>	<u>\$ 19,078,112</u>
Long-term liabilities outstanding	\$ 2,055,000	\$ 2,268,737
Other liabilities	<u>598,650</u>	<u>617,805</u>
Total liabilities	<u>2,653,650</u>	<u>2,886,542</u>
Net assets:		
Invested in capital assets, net of related debt	13,009,325	13,702,601
Restricted	1,023,702	1,842,423
Unrestricted	<u>433,456</u>	<u>646,546</u>
Total net assets	<u>\$ 14,466,483</u>	<u>\$ 16,191,570</u>

Statement of Activities

The Statement of Activities is also a financial statement 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, 2012. The statement is provided as Exhibit A-2. The primary differences in the two statements is that the Statement of Net Assets provides a balance sheet view of the school district, and the Statement of Activities provides a revenue and expense view of the school district.

The statement shows that the school district's total net assets decreased from \$16,191,570 for the year ended June 30, 2011 to \$14,466,483 for the year ended June 30, 2012. This represents a decrease of 10.65%, or \$1,725,087. The cause of this change is the result of many factors, which are outlined in different sections of this Management's Discussion and Analysis. The revenues are down – fewer students and less unit value means less State Equalization. The unit value has not come back to where it was prior to the ARRA funds. We are operating on increased expenditures. Until the unit value is set to where it was prior to the ARRA funds, we will only see a decrease in net assets. Again, the restatement of receivables from Colfax County is another explanation for the decrease.

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, 2012 and June 30, 2011.



**STATE OF NEW MEXICO**  
Raton Public Schools  
Management's Discussion & Analysis  
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	<u>2012</u>	<u>District Activities</u>	<u>2011</u>
Program revenues:			
Charges for services	\$ 116,983		\$ 118,137
Operating grants and contributions	2,027,284		2,659,129
Capital grants and contributions	267,682		173,305
General revenues:			
Property and oil and gas taxes	657,485		698,355
State equalization guarantee	8,883,309		9,189,886
Miscellaneous	48,511		30,344
Restatement	(334,335)		(18,096)
Interest and investment earnings	3,909		5,671
Total revenues	<u>11,660,828</u>		<u>12,856,731</u>
Program expenses:			
Education	12,798,509		13,483,317
Student nutrition	587,406		451,135
Total expenses	<u>13,385,915</u>		<u>13,934,452</u>
Decrease in net assets	<u>\$ (1,725,087)</u>		<u>\$ (1,077,721)</u>

**Reporting the School District's Most Significant Funds**

Fund Financial Statements

Fund financial statements 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, Food Service, Capital Improvements SB-9 and Debt Service.

Significant balances of the major funds noted above include \$689,771 of cash and cash equivalents and \$245,181 of accrued payroll in the General Fund. The accrued payroll consists of the Clearing Account balance which holds the benefits of summer payroll. Significant balances included in Food Service fund are \$225,262 of cash and cash equivalents. In the Capital Projects SB-9 Capital Project Fund there is a significant balance of \$558,092 included in cash and cash equivalents. Debt Service carries a cash and cash equivalent balance of \$155,532.

A fund balance restriction includes amounts that can be spent only for the specific purposes stipulated by external resource providers. Committed fund balances are amounts that can be used only for the specific purpose determined by a formal action of the government's highest level of decision-making authority. These types of restrictions and commitments noted above affect the availability of fund resources for future use. See these types of classifications on the Statement of Revenues, Expenditures, and Changes in Fund Balance located in the Basic Financial Statements and Supplementary Information sections.

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.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Management's Discussion & Analysis  
June 30, 2012

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.

General Fund

The General Fund supported all programs in place prior year. The District was able to do this with cash balance and through attrition.

Cafeteria Fund

The District contracted with Summit Food Services to provide the meals for the District. The Cafeteria Fund's operating and non-operating revenues were \$508,283 an increase of \$22,490. Expenditures were \$582,636, an increase of \$154,616, or 36%. Revenue for adult meals increased by \$2,267.78, while revenue for students meals decreased by \$5,101.69. However, enrollment was down by about 90 students. Based on 172 days, this would be approximately 15,480 breakfasts and 15,480 lunches. The actual student count was only down by 7,912 lunches and 15,000 breakfasts. Concluding, there are more students eating. The district continues to use the JMAC billing software which provides more accountability for actual meals served. JMAC has added a module to help tabulate actual meals eaten on a daily basis.

The District did purchase food warmers so that meals can be taken to the schools and the food will be warmer and more secure. The District did not receive a grant from The Elementary Breakfast Program. The Cafeteria Fund was again self-operating without assistance from the General Fund.

The School District's Governmental Funds

The school district's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds' revenues and other financing sources decreased from \$12,802,427 for the year ended June 30, 2011 to \$11,993,296 for the year ended June 30, 2012. The decrease represents an overall change of 6.32%, or \$809,131. The decrease is the result of less students therefore a decrease in State Equalization.

Additionally, the total governmental funds' expenditures and other financing uses decreased from \$12,864,998 for the year ended June 30, 2011 to \$12,694,895 for the year ended June 30, 2012. This represents an overall decrease of 1.32% or \$170,103. The decrease is the result of monitoring the expenses, several positions that were vacated by retirees were not filled.

The net change in fund balance for the year is \$701,599. The change reflects the need to use cash balance.

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 due to an increase in the unit value of \$12.90 per unit.

For the General Fund, expenditures exceeded revenues by \$501,757. The District relies on cash balance to balance the budget. The balance declines more each year.

**STATE OF NEW MEXICO**  
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June 30, 2012

Capital Assets

The school district has \$27,965,554 invested in capital assets with corresponding accumulated depreciation of \$12,691,229 for the year ended June 30, 2012. The capital assets increased by 1.42%, or \$390,947 from the fiscal year ended June 30, 2011, amount of \$27,574,607. The increase was the result of the High School paving project and sidewalk replacement.

Debt

The school district had outstanding bonds payable of \$2,265,000 on June 30, 2012. The district had a Moody's Baa2 bond rating for the fiscal year ended June 30, 2012. The school district did not issue new GO School Building Bonds in the 2011-2012 school year, and made principal payments of \$200,000 on existing debt during the year. The school district has never defaulted on any of its debt or other obligations. See more detailed information on capital assets located at Note 8 in the Notes to the Financial Statements.

Future Events

The District saw another decrease in funding due to the decrease in unit value. The 2011-2012 Budget was built on a Unit Value of \$3,585.97 down from \$3,674.75 on the 2010-2011 Budget. In January 2012, we were notified of an increase to the Unit Value of \$12.90, still not what it was in 2010-2011. We had a carry-over of \$765,124. Without the carry-over, we would not have been able to stay out of supplemental emergency. We are facing the same challenges – fewer students, fewer dollars, increased costs! We are struggling to keep programs in place. The District will continue to monitor spending.

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

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, 2012

	<u>Governmental Activities</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,516,967
Property taxes receivable	79,296
Intergovernmental receivables	14,276
Other receivables	2,272
Inventory	<u>37,915</u>
Total current assets	<u>1,650,726</u>
Noncurrent assets	
Restricted cash and cash equivalents	155,532
Bond issuance costs, net of amortization of \$18,110	39,550
Capital assets, net of accumulated depreciation	<u>15,274,325</u>
Total noncurrent assets	<u>15,469,407</u>
Total assets	<u><u>\$ 17,120,133</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 70,979
Accrued payroll	275,978
Due to NM Public Education Department	835
Accrued compensated absences	30,822
Accrued interest	10,036
Current portion of bonds payable	<u>210,000</u>
Total current liabilities	<u>598,650</u>
Noncurrent liabilities	
Bonds payable	<u>2,055,000</u>
Total liabilities	<u>2,653,650</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	13,009,325
Restricted for:	
Other purposes	242,624
Capital projects	591,102
Debt service	189,976
Unrestricted	<u>433,456</u>
Total net assets	<u>14,466,483</u>
Total liabilities and net assets	<u><u>\$ 17,120,133</u></u>

**STATE OF NEW MEXICO**  
Raton Public Schools  
Statement of Activities  
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary government</b>			
Governmental activities:			
Instruction	\$ 6,860,428	\$ 31,208	\$ 618,205
Support services - students	2,368,744	10,807	212,645
Support services - instruction	202,889	925	17,538
Support services - general administration	397,092	1,792	36,172
Support services - school administration	740,103	3,352	66,863
Central services	191,766	867	16,442
Operation and maintenance of plant	1,399,104	6,357	126,053
Student transportation	533,462	2,427	482,688
Food services operations	587,406	59,191	448,487
Community services operations	3,723	58	2,192
Interest on long-term debt	101,198	-	-
Total governmental activities	\$ 13,385,915	\$ 116,983	\$ 2,027,284

**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

Miscellaneous

General revenues

Changes in net assets

Net assets, beginning

Net assets, restatement (Note 17)

Net assets, beginning as restated

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>
\$ 159,271	\$ (6,051,744)
31,586	(2,113,705)
4,015	(180,411)
8,030	(351,098)
16,596	(653,292)
4,283	(170,175)
22,753	(1,243,941)
12,581	(35,766)
8,566	(71,162)
-	(1,473)
-	(101,198)
<u>\$ 267,682</u>	<u>(10,973,966)</u>
	8,883,309
	52,353
	293,079
	289,764
	22,289
	3,909
	<u>48,511</u>
	<u>9,593,214</u>
	(1,380,752)
	16,191,570
	<u>(344,335)</u>
	<u>15,847,235</u>
	<u>\$ 14,466,483</u>

**STATE OF NEW MEXICO**

Raton Public Schools

Balance Sheet

Governmental Funds

June 30, 2012

	<u>General Fund</u>	<u>Food Service</u>	<u>Capital Improvements SB-9 Capital Projects Fund</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 689,771	\$ 225,262	\$ 558,092
Property taxes receivable	6,559	-	35,178
Intergovernmental receivables	-	-	-
Other receivables	696	523	502
Inventory	33,963	3,952	-
Due from other funds	12,789	-	-
	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 743,778</u>	<u>\$ 229,737</u>	<u>\$ 593,772</u>
<b>Liabilities and fund balances</b>			
<i>Liabilities</i>			
Accounts payable	\$ 67,397	\$ -	\$ 2,670
Accrued payroll	245,181	8,033	-
Due to NM Public Education Department	-	-	-
Deferred revenue	4,873	-	26,766
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	<u>317,451</u>	<u>8,033</u>	<u>29,436</u>
<i>Fund balances</i>			
Nonspendable			
Inventory	33,963	3,952	-
Spendable			
Restricted for:			
Educational purposes	-	-	-
Food service program	-	217,752	-
Capital acquisitions and improvements	-	-	564,336
Debt service	-	-	-
Extracurricular activities	-	-	-
Committed for:			
Emergency reserves	25,000	-	-
Unassigned	367,364	-	-
	<hr/>	<hr/>	<hr/>
<i>Total fund balances</i>	<u>426,327</u>	<u>221,704</u>	<u>564,336</u>
<i>Total liabilities and fund balances</i>	<u>\$ 743,778</u>	<u>\$ 229,737</u>	<u>\$ 593,772</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 155,532	\$ 43,842	\$ 1,672,499
37,559	-	79,296
-	14,276	14,276
509	42	2,272
-	-	37,915
-	-	12,789
<u>\$ 193,600</u>	<u>\$ 58,160</u>	<u>\$ 1,819,047</u>
\$ 60	\$ 852	\$ 70,979
-	22,764	275,978
-	835	835
29,054	-	60,693
-	12,789	12,789
<u>29,114</u>	<u>37,240</u>	<u>421,274</u>
-	-	37,915
-	52	52
-	-	217,752
-	-	564,336
164,486	-	164,486
-	20,868	20,868
-	-	25,000
-	-	367,364
<u>164,486</u>	<u>20,920</u>	<u>1,397,773</u>
<u>\$ 193,600</u>	<u>\$ 58,160</u>	<u>\$ 1,819,047</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, 2012

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	\$	1,397,773
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		15,274,325
Bond issuance costs, net of amortization		39,550
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		60,693
Other liabilities are not due and payable in the current period and therefore are not reported in the funds		
Accrued interest		(10,036)
Current portion of compensated absences		(30,822)
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds		
Bonds payable		<u>(2,265,000)</u>
Total net assets - governmental funds	\$	<u><u>14,466,483</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Raton Public Schools  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2012

	General Fund	Food Service	Capital Improvements SB-9 Capital Projects Fund
<i>Revenues</i>			
Property taxes	\$ 51,332	\$ -	\$ 283,500
Intergovernmental revenue:			
Federal flowthrough	-	448,487	-
Federal direct	19,143	-	-
State flowthrough	8,936,345	-	-
State direct	-	-	91,796
Local grants	348	-	-
Transportation distribution	482,688	-	-
Oil and gas taxes	2,466	-	9,808
Charges for services	21,122	59,191	-
Investment income	1,947	334	843
Miscellaneous	46,860	271	-
<i>Total revenues</i>	<u>9,562,251</u>	<u>508,283</u>	<u>385,947</u>
<i>Expenditures</i>			
Current:			
Instruction	6,065,079	-	-
Support services - students	999,753	-	-
Support services - instruction	182,035	-	-
Support services - general administration	303,829	-	2,862
Support services - school administration	740,103	-	-
Central services	191,766	-	-
Operation and maintenance of plant	1,044,258	-	344,920
Student transportation	533,462	-	-
Food services operations	-	582,636	-
Community services operations	3,723	-	-
Capital outlay	-	-	81,070
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>10,064,008</u>	<u>582,636</u>	<u>428,852</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(501,757)</u>	<u>(74,353)</u>	<u>(42,905)</u>
<i>Other financing sources (uses)</i>			
Transfers in	53,410	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	<u>53,410</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(448,347)	(74,353)	(42,905)
<i>Fund balances - beginning</i>	<u>874,674</u>	<u>296,057</u>	<u>607,241</u>
<i>Fund balances - ending</i>	<u>\$ 426,327</u>	<u>\$ 221,704</u>	<u>\$ 564,336</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 288,111	\$ -	\$ 622,943
-	917,128	1,365,615
-	-	19,143
-	275,442	9,211,787
-	7,284	99,080
-	-	348
-	-	482,688
10,015	-	22,289
-	36,670	116,983
44	741	3,909
-	1,380	48,511
<u>298,170</u>	<u>1,238,645</u>	<u>11,993,296</u>
-	765,040	6,830,119
-	137,101	1,136,854
-	20,854	202,889
2,914	85,495	395,100
-	-	740,103
-	-	191,766
-	-	1,389,178
-	-	533,462
-	-	582,636
-	-	3,723
-	309,877	390,947
200,000	-	200,000
98,118	-	98,118
<u>301,032</u>	<u>1,318,367</u>	<u>12,694,895</u>
<u>(2,862)</u>	<u>(79,722)</u>	<u>(701,599)</u>
-	-	53,410
-	(53,410)	(53,410)
-	(53,410)	-
(2,862)	(133,132)	(701,599)
<u>167,348</u>	<u>154,052</u>	<u>2,099,372</u>
<u>\$ 164,486</u>	<u>\$ 20,920</u>	<u>\$ 1,397,773</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, 2012

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

Net change in fund balances - total governmental funds	\$ (701,599)
--	--------------

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	390,947
Depreciation expense	(1,284,223)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes	12,253
Decrease in other non-exchange revenue	(386)

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:

Decrease in compensated absences	5,336
Decrease in accrued interest	1,355
Amortization expense	(4,435)
Principal payments on bonds	200,000
	200,000

Change in net assets of governmental activities	\$ (1,380,752)
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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 Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 50,480	\$ 50,480	\$ 51,311	\$ 831
Intergovernmental revenue:				
Federal direct	22,639	22,639	19,143	(3,496)
State flowthrough	8,894,080	8,933,314	8,936,345	3,031
Local grants	-	-	2,208	2,208
Transportation distribution	510,730	508,074	482,688	(25,386)
Oil and gas taxes	1,349	1,349	2,505	1,156
Charges for services	5,000	5,000	20,566	15,566
Investment income	3,500	3,500	1,947	(1,553)
Miscellaneous	-	-	56,630	56,630
<i>Total revenues</i>	<u>9,487,778</u>	<u>9,524,356</u>	<u>9,573,343</u>	<u>48,987</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	6,028,763	6,052,590	6,033,611	18,979
Support services - students	1,160,339	1,079,988	1,001,866	78,122
Support services - instruction	183,642	205,619	182,035	23,584
Support services - general administration	314,659	344,869	287,112	57,757
Support services - school administration	728,639	745,298	740,103	5,195
Central services	202,754	217,140	191,820	25,320
Operation and maintenance of plant	1,114,023	1,107,772	1,042,159	65,613
Student transportation	510,730	533,461	533,461	-
Community Service Operations	-	3,727	3,723	4
<i>Total expenditures</i>	<u>10,243,549</u>	<u>10,290,464</u>	<u>10,015,890</u>	<u>274,574</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(755,771)</u>	<u>(766,108)</u>	<u>(442,547)</u>	<u>323,561</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	755,771	766,108	-	(766,108)
Transfers in (out)	-	-	53,410	53,410
<i>Total other financing sources (uses)</i>	<u>755,771</u>	<u>766,108</u>	<u>53,410</u>	<u>(712,698)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(389,137)</u>	<u>(389,137)</u>
<i>Fund balances - beginning of year,</i>	<u>-</u>	<u>-</u>	<u>1,198,133</u>	<u>1,198,133</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 702,560</u>	<u>\$ 702,560</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (389,137)
Adjustments to revenue for property tax accruals and local grant accruals				(11,092)
Adjustments to expenditures for salaries and instruction expenditures				(48,118)
Net change in fund balances (GAAP)				<u>\$ (448,347)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

Raton Public Schools

Food Service Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	395,000	395,000	420,725	25,725
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	64,484	64,484	58,745	(5,739)
Investment income	500	500	334	(166)
Miscellaneous	-	-	271	271
<i>Total revenues</i>	<u>459,984</u>	<u>459,984</u>	<u>480,075</u>	<u>20,091</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	-	-	-	-
Food services operations	689,287	753,379	556,241	197,138
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>689,287</u>	<u>753,379</u>	<u>556,241</u>	<u>197,138</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(229,303)</u>	<u>(293,395)</u>	<u>(76,166)</u>	<u>217,229</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	229,303	293,395	-	(293,395)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>229,303</u>	<u>293,395</u>	<u>-</u>	<u>(293,395)</u>
<i>Net change in fund balances</i>	-	-	(76,166)	(76,166)
<i>Fund balances - beginning of year</i>	-	-	301,428	301,428
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,262</u>	<u>\$ 225,262</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (76,166)
Adjustments to revenue for charges for services accrual				28,208
Adjustments to expenditures for food service operations accrual				(26,395)
Net change in fund balances (GAAP)				<u>\$ (74,353)</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, 2012

Exhibit D-1

<i>Assets</i>	
Cash and cash equivalents	<u>\$ 174,188</u>
<i>Total assets</i>	<u><u>\$ 174,188</u></u>
 <i>Liabilities</i>	
Deposits held in trust for others	<u>\$ 174,188</u>
<i>Total liabilities</i>	<u><u>\$ 174,188</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, 2012

**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 school board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates five schools within the District with a total enrollment of approximately 1,400 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School Board provides transportation and school food services for the students.

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 Standards 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 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.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

*B. Government-wide and fund financial statements*

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

In the government-wide Statement of Net Assets, the governmental activities column 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, state equalization, and other items not properly included among program revenues are reported instead as *general revenues*.

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

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

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

place and the revenues are measurable and available. Grants and similar items (which include state equalization and state revenue sharing) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The General Fund includes the *Transportation Fund*, which is used to account for the State Equalization received from the New Mexico Public Education Department which is used to pay for the costs associated with transporting school age children. It also includes the *Instructional Materials Fund*, which is used to account for the monies received from the New Mexico Public Education Department for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Food Service Special Revenue 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.

*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).

*Debt Service Fund* is used 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 county and assessed by the Colfax County Assessor and collected and remitted to the District by the Colfax County Treasurer.

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



**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

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

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.

*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, 2012, the District does not have any investments.

**Restricted Assets:** The Debt Service Fund is used to report resources set aside for the payment of long-term debt principal and interest.

**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.

The District receives monthly income from a tax levy in Colfax County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2012 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2012. Period of availability is deemed to be sixty days subsequent to year end.

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, 2012 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.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

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

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 government-wide financial statements. Capital assets are defined by the District 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 financials statements. Works of art are not depreciated because the value will appreciate over time. The District maintains a work of art valued at \$250,000 at June 30, 2012.

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.

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

**Accrued Payroll:** In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employee's summer payroll.

**Deferred Revenues:** There are two sets of circumstances in which the District accrues deferred revenue.

- *Unearned revenue* - Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for *deferred revenue*.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

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

- *Unavailable revenue* – Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual (it must be both measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue. The District has recorded \$60,693 in deferred revenue related to property taxes considered “unavailable.”

**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 Balance Classification Policies and Procedures:** For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is the Board of Education.

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the District considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

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

**Nonspendable Fund Balance:** At June 30, 2012, the nonspendable fund balance of the District is comprised of inventory in the general fund in the amount of \$33,963 and inventory in the food service fund in the amount of \$3,952, both of which are not in spendable form.

**Restricted and Committed Fund Balance:** At June 30, 2012, the restricted fund balance on the governmental funds balance sheet is made up of \$52 for providing education to the students of the District, \$217,752 for providing food service to the students of the District, \$564,336 for the renovation and/or expansion of District facilities, \$164,486 for the payment of principal and interest of the future debt service requirements, and \$20,868 for athletics administered within the District.

**Minimum Fund Balance Policy:** The District's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds restricted cash reserves of \$25,000.

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

- a. Invested in capital assets, net of related debt: Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 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. Descriptions for the related restrictions for net assets restricted for "special revenue, debt service, and capital projects" are described on pages 38 and 60-61.
- 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 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 \$8,883,309, in state equalization guarantee distributions during the year ended June 30, 2012.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

*E. Revenues (continued)*

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. 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. 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 \$622,943 in tax revenues in the governmental fund financial statements during the year ended June 30, 2012. 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.

**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 \$482,688 in transportation distributions during the year ended June 30, 2012.

**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, 2012 totaled \$53,036. 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 \$81,032 in state SB-9 matching during the year ended June 30, 2012.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

*E. Revenues (continued)*

**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 (PSCOC) 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 \$256,918 in PSCOC awards during the year ended June 30, 2012.

**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. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as restricted fund balance.

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 District's expenditures are budgeted on a cash basis, with the exception of those expenditures related to payroll. Payroll expenditures are budgeted on the accrual basis and the beginning fund balance and current year actual expenditures on the budgetary comparisons in those funds that have accrued payroll for held checks at year end have been adjusted to account for this requirement.

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.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

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

*Budgetary Information (continued)*

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, 2012, was properly amended by the Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ (755,771)	\$ (766,108)
Food Service Special Revenue Fund	(229,303)	(293,395)
Capital Improvements SB-9 Capital Projects Fund	(465,044)	(602,701)
Debt Service	(147,710)	(156,818)
Nonmajor Funds	(119,369)	(705,484)

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.

**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. As of June 30, 2012 the District did not have any investments.

**STATE OF NEW MEXICO**  
Raton Public Schools  
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**NOTE 3. Deposits and Investments (Continued)**

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 financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance. 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.

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.

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state were insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts at all FDIC-insured depository institutions. The separate coverage on non-interest bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2012 accounts held by an official custodian for a government unit are insured as follows:

- Up to \$250,000 for the combined total of all time and savings deposits (including NOW accounts), and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts through July 20, 2012, there is no difference in deposit insurance coverage when an official custodian deposits money in-state or out-of-state.

***Custodial Credit Risk – Deposits.*** Custodial credit risk is the risk that in the event of a bank failure, the District's 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 put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2012, \$1,135,324 of the District's bank balance of \$1,937,950 was subject to custodial credit risk, all of which was collateralized by collateral held by the pledging bank's trust department, not in the District's name.



**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

**NOTE 3. Deposits and Investments (Continued)**

	International Bank	First National Bank of New Mexico	Total
Amount of deposits	\$ 1,746,303	\$ 191,647	\$ 1,937,950
Deposit Accounts covered by the "Dodd-Frank Deposit Insurance Provision"	(360,979)	-	(360,979)
FDIC Coverage	(250,000)	(191,647)	(441,647)
Total uninsured public funds	<u>1,135,324</u>	<u>-</u>	<u>1,135,324</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>1,135,324</u>	<u>-</u>	<u>1,135,324</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ 567,662	\$ -	\$ 567,662
Pledged Collateral	<u>1,576,750</u>	<u>75,000</u>	<u>1,651,750</u>
Over (Under) collateralized	<u>\$ 1,009,088</u>	<u>\$ 75,000</u>	<u>\$ 1,084,088</u>

**Reconciliation of Cash and Cash Equivalents**

Primary Government

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 1,516,967
Restricted cash and cash equivalents per Exhibit A-1	155,532
Agency funds cash per Exhibit D-1	<u>174,188</u>
Total cash and cash equivalents	<u>1,846,687</u>
Add: outstanding checks and other reconciling items	<u>91,263</u>
Bank balance of deposits	<u>\$ 1,937,950</u>

**STATE OF NEW MEXICO**  
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Notes to the Financial Statements  
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**NOTE 4. Receivables**

Accounts receivable for governmental activities as of June 30, 2012 are as follows:

	General Fund	Food Service Special Revenue Fund	Capital Improvements SB-9 Fund	Debt Service Fund	Other Governmental Funds	Total
Property taxes receivable	\$ 6,559	\$ -	\$ 35,178	\$ 37,559	\$ -	\$ 79,296
Intergovernmental receivables						
State	-	-	-	-	2,911	2,911
Federal	-	-	-	-	11,365	11,365
Other receivables:						
Fees	-	523	-	-	-	523
Oil and gas taxes	141	-	502	509	-	1,152
Refunds from prior year	555	-	-	-	42	597
<b>Totals</b>	<u>\$ 7,255</u>	<u>\$ 523</u>	<u>\$ 35,680</u>	<u>\$ 38,068</u>	<u>\$ 14,318</u>	<u>\$ 95,844</u>

The above receivables are deemed 100% collectible.

**NOTE 5. Accounts Payable and Accrued Expenses**

Accounts Payable and accruals as of June 30, 2012, are as follows:

Payable to educational service vendors	\$ 70,979
Accrued payroll	275,978
Due to NM Public Education Department	835
Accrued interest	<u>10,036</u>
<b>Total accounts payable and accruals</b>	<u><u>\$ 357,828</u></u>

**NOTE 6. Interfund Receivables and Payables, and Transfers**

The District's fund financial statements include inter-fund receivables and payables to enable the funds to operate until grant monies are received. The composition of inter-fund balances as of June 30, 2012 is as follows:

	Due From	Due To
<b>Major Funds:</b>		
11000 General Fund	\$ 12,789	\$ -
<b>Non-major Funds:</b>		
24101 Title I Special Revenue Fund	-	3,577
24106 Entitlement IDEA B Special Revenue Fund	-	298
24107 Discretionary IDEA B Special Revenue Fund	-	642
24153 English Language Acquisition Special Revenue Fund	-	5,411
27103 Dual Credit Instructional Materials/HB2 Special Revenue Fund	-	1,582
27105 2008 GO Bond Student Library Special Revenue Fund	-	1,279
	<u>\$ 12,789</u>	<u>\$ 12,789</u>

All interfund balances are to be repaid within one year.

**STATE OF NEW MEXICO**  
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**NOTE 6. Interfund Receivables and Payables, and Transfers (Continued)**

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
School Based Health Center Special Revenue Fund	General Fund	\$ 53,410

**NOTE 7. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2012 follows. Land, collections of works of art and construction in progress are not subject to depreciation.

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2012</u>
Capital assets not being depreciated				
Land	\$ 107,911	\$ -	\$ -	\$ 107,911
Collections of works of art	250,000	-	-	250,000
Construction in progress	<u>301,297</u>	<u>-</u>	<u>-</u>	<u>301,297</u>
Total assets not being depreciated	<u>659,208</u>	<u>-</u>	<u>-</u>	<u>659,208</u>
Capital assets being depreciated				
Buildings and improvements	25,088,746	390,947	-	25,479,693
Equipment and vehicles	<u>1,826,653</u>	<u>-</u>	<u>-</u>	<u>1,826,653</u>
Total assets being depreciated	<u>26,915,399</u>	<u>390,947</u>	<u>-</u>	<u>27,306,346</u>
Total capital assets	<u>27,574,607</u>	<u>390,947</u>	<u>-</u>	<u>27,965,554</u>
Less accumulated depreciation				
Buildings and improvements	10,597,686	1,198,568	-	11,796,254
Equipment and vehicles	<u>809,320</u>	<u>85,655</u>	<u>-</u>	<u>894,975</u>
Total accumulated depreciation	<u>11,407,006</u>	<u>1,284,223</u>	<u>-</u>	<u>12,691,229</u>
Total capital assets net of depreciation	<u>\$16,167,601</u>	<u>\$ (893,276)</u>	<u>\$ -</u>	<u>\$15,274,325</u>

Depreciation expense for the year ended June 30, 2012 was charged to governmental activities as follows:

Instruction	\$ 33,945
Support services – students	399
Support services – general administration	1,992
Operations and maintenance of plant	<u>1,247,887</u>
	<u>\$ 1,284,223</u>

The District has active construction projects as of June 30, 2012. The projects include additions, renovations and improvements and plans to construct 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).

**STATE OF NEW MEXICO**  
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**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, 2012 are for governmental activities.

Bonds outstanding at June 30, 2012 are comprised of the following:

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

The following is a summary of the long-term debt and the related activity for the year ended June 30, 2012:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds Series 5/1/1998	\$ 375,000	\$ -	\$ 85,000	\$ 290,000	\$ 90,000
General obligation bonds Series 6/1/2008	2,090,000	-	115,000	1,975,000	120,000
Compensated Absences	<u>36,158</u>	<u>35,330</u>	<u>40,666</u>	<u>30,822</u>	<u>30,822</u>
Total Long-Term Debt	<u>\$ 2,501,158</u>	<u>\$ 35,330</u>	<u>\$ 240,666</u>	<u>\$ 2,295,822</u>	<u>\$ 240,822</u>

The annual requirements to amortize the May 1, 1998 Series general obligation bonds as of June 30, 2012, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2013	\$ 90,000	\$ 11,994	\$ 101,994
2014	95,000	7,473	102,473
2015	<u>105,000</u>	<u>2,572</u>	<u>107,572</u>
	<u>\$ 290,000</u>	<u>\$ 22,039</u>	<u>\$ 312,039</u>

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

**NOTE 8. Long-term Debt (Continued)**

The annual requirements to amortize the June 1, 2008 Series general obligation bonds as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 120,000	\$ 77,865	\$ 197,865
2014	120,000	73,484	193,484
2015	225,000	68,926	293,926
2016	235,000	59,430	294,430
2017	250,000	50,888	300,888
2018-2021	<u>1,025,000</u>	<u>104,788</u>	<u>1,129,788</u>
	<u>\$ 1,975,000</u>	<u>\$ 435,381</u>	<u>\$ 2,410,381</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, 2012, the long-term portion of compensated absences decreased \$5,336 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 School 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, 2012, there have been no claims that have exceeded insurance coverage.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

**NOTE 10. Other Required Individual Fund Disclosures**

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

- A. Deficit Fund Balances. The District did not have any funds that maintained a deficit fund balance at June 30, 2012:
- B. Excess of expenditures over appropriations: The District did not have any funds that maintained expenditures in excess of the budget at the function level for the year ended June 30, 2012.
- C. Designated cash appropriations in excess of available balance: The District did not have any funds that budgets exceeded approved budgetary authority for the year ended June 30, 2012.

**NOTE 11. Pension Plan- Educational Retirement Board**

**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](http://www.nmerb.org).

**Funding Policy.** Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. The District has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 the District contributed 9.15% of gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the District will contribute 10.9% of gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established to 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, 2012, 2011, and 2010, were \$649,111, \$790,927, and \$787,875 respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan**

**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, 2012

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (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](http://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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rate for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.000%	1.000%

Also, employers joining the program after January 1, 1998 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 contributions to the RHCA for the years ended June 30, 2012, 2011, and 2010 were \$118,650, \$115,645, and \$90,365, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

**NOTE 13. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial. The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 14. Commitments**

At June 30, 2012, the District did not have any commitments.

**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. Payroll Related Expenditures**

The District's expenditures are budgeted on a cash basis, with the exception of those expenditures related to payroll. Payroll expenditures are budgeted on the accrual basis and the beginning fund balance and current year actual expenditures are budgeted on the budgetary comparisons in those funds that have accrued payroll for held checks at year end have been adjusted to account for this requirement. The following funds were affected by this requirement:

General Fund	\$ 45,947
Food Service Special Revenue Fund	(1,185)
Title I Special Revenue Fund	(1,071)
Entitlement IDEA-B Special Revenue Fund	(2,588)
Preschool IDEA-B Special Revenue Fund	788
Title IIA Teacher/Principal Training & Recruiting Special Revenue Fund	11
Rural & Low Income Schools Special Revenue Fund	1,003
Title XIX Medicaid 3/21 Years Special Revenue Fund	(3,026)

**NOTE 17. Net Assets Restatement**

During the year end June 30, 2012, it was discovered that previous amounts of property tax receivable received from Colfax County were incorrect and revenues in the government-wide financial statements were overstated in previous years. The total amount of net assets restatement at June 30, 2011 is \$344,335.



**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

**NOTE 18. Subsequent Events**

The date to which events occurring after June 30, 2012, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statement or disclosures is October 12, 2012, which is the date on which the financial statements were issued.

**NOTE 19. Restricted Net Assets**

The government-wide statement of net assets reports \$1,023,702 of restricted net assets, all of which is restricted by enabling legislation. For descriptions of the related restrictions for net assets restricted for special revenue, debt service and capital projects, see pages 38 and 60-61.

**NOTE 20. Subsequent Pronouncements**

In November 2010, GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*, effective date: for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The standard is expected to have no effect on the District in upcoming years.

In November 2010, GASB Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, effective date: the provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

In December 2010, GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective date: the requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The District will implement this standard during fiscal year June 30, 2013.

In June 2011, GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* effective date: the provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the District in upcoming years.

In March 2012, Statement No. 65 *Items Previously Reported as Assets and Liabilities*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2014.

In March 2012, Statement No. 66 *Technical Corrections-2012—an amendment of GASB Statements No. 10 and No. 62*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2014.

In June 2012, Statement No. 67 *Financial Reporting for Pension Plans—an amendment of GASB Statements No. 25*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to the Financial Statements  
June 30, 2012

**NOTE 20. Subsequent Pronouncements (Continued)**

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
Raton Public Schools  
Nonmajor Governmental Fund Descriptions  
June 30, 2012

**Special Revenue Funds**

**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.

**Title I (24101)** – 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 Public Education Department. 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.

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

**Discretionary IDEA-B (24107)** – The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom. Authority for creation of this fund is Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D, Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Law 105-17.

**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 reallocated 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.

**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.

**Healthcare Career Pathway (24293)** - Under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds are intended to create an opportunity for students to earn college credit hours and prepares them to enter the healthcare profession.

**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.

**Education Jobs Fund (25255)** – To provide assistance to States to save or create education jobs for the 2010-2011 school year. Job funding under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

**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.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Nonmajor Governmental Fund Descriptions  
June 30, 2012

**Special Revenue Funds (Continued)**

**2008 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.

**2010 GO Bond Public School Acquisition (27106)** – This award allows schools to acquire library books, equipment and library resources for public school library resources for public school libraries statewide. The funding was made available through Senate Bill 1, Laws of 2010, 2<sup>nd</sup> Special Session B3.

**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.

**City/County Grants (29107)** – To provide support for a health education program within the school and to provide workbooks, materials for educational demonstrations and funds to support a nutrition-focused event for the school.

**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.

**Land/Building Improvements (31200)** – 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.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Special Revenue		
	Athletics	Title I	Entitlement IDEA-B
<b>Assets</b>			
Cash and cash equivalents	\$ 20,826	\$ 7,394	\$ 9,330
Property taxes receivable	-	-	-
Intergovernmental receivables	-	3,577	298
Other receivables	42	-	-
Due from other funds	-	-	-
	<b>Total assets</b>	<b>Total</b>	<b>Total</b>
	\$ 20,868	\$ 10,971	\$ 9,628
<b>Liabilities and fund balances</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	7,394	9,330
Due to NM Public Education Department	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	3,577	298
	<b>Total liabilities</b>	<b>Total</b>	<b>Total</b>
	-	10,971	9,628
<b>Fund balances</b>			
<b>Spendable</b>			
<b>Restricted for:</b>			
Educational purposes	-	-	-
Capital acquisitions and improvements	-	-	-
Debt service	-	-	-
Extracurricular activities	20,868	-	-
Unassigned	-	-	-
	<b>Total fund balances</b>	<b>Total</b>	<b>Total</b>
	20,868	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 20,868</b>	<b>\$ 10,971</b>	<b>\$ 9,628</b>

The accompanying notes are an integral part of these financial statements



Special Revenue

Discretionary IDEA-B	Preschool IDEA-B	IDEA- B "Risk Pool"	English Language Acquisition	Title IIA Teacher/Principal Training & Recruiting
\$ -	\$ 3,355	\$ -	\$ -	\$ 261
-	-	-	-	-
1,494	-	-	5,796	200
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,494</u>	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ 5,796</u>	<u>\$ 461</u>
\$ 852	\$ -	\$ -	\$ -	\$ -
-	3,355	-	-	11
-	-	-	385	450
-	-	-	-	-
642	-	-	5,411	-
<u>1,494</u>	<u>3,355</u>	<u>-</u>	<u>5,796</u>	<u>461</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,494</u>	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ 5,796</u>	<u>\$ 461</u>

**STATE OF NEW MEXICO**  
Raton Public Schools  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Special Revenue		
	Rural & Low Income Schools	Healthcare Career Pathway	Title XIX Medicaid 3/21 Years
<b>Assets</b>			
Cash and cash equivalents	\$ 1,003	\$ -	\$ 1,671
Property taxes receivable	-	-	-
Intergovernmental receivables	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ 1,671</u>
<b>Liabilities and fund balances</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	1,003	-	1,671
Due to NM Public Education Department	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	<u>1,003</u>	<u>-</u>	<u>1,671</u>
<i>Fund balances</i>			
Spendable			
Restricted for:			
Educational purposes	-	-	-
Capital acquisitions and improvements	-	-	-
Debt service	-	-	-
Extracurricular activities	-	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ 1,671</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Education Jobs Fund	Dual Credit Instructional Materials/HB2	2008 GO Bond Student Library	2010 GO Bond Public School Acquisition	Technology for Education
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	1,582	1,279	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,582</u>	<u>\$ 1,279</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,582	1,279	-	-
<u>-</u>	<u>1,582</u>	<u>1,279</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,582</u>	<u>\$ 1,279</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
Raton Public Schools  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	<u>Special Revenue</u>		<u>Capital Projects</u>
	<u>City/County Grants</u>	<u>School Based Health Center</u>	<u>Bond Building</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 2	\$ -	\$ -
Property taxes receivable	-	-	-
Intergovernmental receivables	50	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
	<u>52</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and fund balances</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Due to NM Public Education Department	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Spendable			
Restricted for:			
Educational purposes	52	-	-
Capital acquisitions and improvements	-	-	-
Debt service	-	-	-
Extracurricular activities	-	-	-
Unassigned	-	-	-
	<u>52</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>52</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	
<u>Land/Building Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 43,842
-	-
-	14,276
-	42
-	-
<u>\$ -</u>	<u>\$ 58,160</u>
\$ -	\$ 852
-	22,764
-	835
-	-
-	12,789
<u>-</u>	<u>37,240</u>
-	52
-	-
-	-
-	20,868
-	-
<u>-</u>	<u>20,920</u>
<u>\$ -</u>	<u>\$ 58,160</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, 2012

	Special Revenue		
	Athletics	Title I	Entitlement IDEA-B
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	330,442	336,591
Federal direct	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Local grants	-	-	-
Oil and gas taxes	-	-	-
Charges for services	36,670	-	-
Investment income	741	-	-
Miscellaneous	170	-	-
<i>Total revenues</i>	<u>37,581</u>	<u>330,442</u>	<u>336,591</u>
<i>Expenditures</i>			
Current:			
Instruction	41,786	330,442	214,816
Support services - students	-	-	36,280
Support services - instruction	-	-	-
Support services - general administration	-	-	85,495
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>41,786</u>	<u>330,442</u>	<u>336,591</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,205)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(4,205)	-	-
<i>Fund balances - beginning</i>	<u>25,073</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 20,868</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Discretionary IDEA-B	Preschool IDEA-B	IDEA-B "Risk Pool"	English Language Acquisition	Title IIA Teacher/Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -
4,312	31,012	2,059	11,777	82,956
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,312</u>	<u>31,012</u>	<u>2,059</u>	<u>11,777</u>	<u>82,956</u>
4,312	31,012	2,059	11,777	82,956
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,312</u>	<u>31,012</u>	<u>2,059</u>	<u>11,777</u>	<u>82,956</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, 2012

	Special Revenue		
	Rural & Low Income Schools	Healthcare Career Pathway	Title XIX Medicaid 3/21 Years
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	35,252	29,388	49,430
Federal direct	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Local grants	-	-	-
Oil and gas taxes	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	35,252	29,388	49,430
<i>Expenditures</i>			
Current:			
Instruction	35,252	-	-
Support services - students	-	29,388	49,580
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>	35,252	29,388	49,580
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(150)
<i>Other financing sources (uses)</i>			
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	-	-	(150)
<i>Fund balances - beginning</i>	-	-	150
<i>Fund balances - ending</i>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements



Special Revenue

<u>Education Jobs Fund</u>	<u>Dual Credit Instructional Materials/HB2</u>	<u>2008 GO Bond Student Library</u>	<u>2010 GO Bond Public School Acquisition</u>	<u>Technology for Education</u>
\$ -	\$ -	\$ -	\$ -	\$ -
3,909	-	-	-	-
-	-	-	-	-
-	3,495	3,029	11,088	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,909</u>	<u>3,495</u>	<u>3,029</u>	<u>11,088</u>	<u>-</u>
-	3,495	-	-	2,400
3,909	-	-	-	-
-	-	3,029	11,088	6,737
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,909</u>	<u>3,495</u>	<u>3,029</u>	<u>11,088</u>	<u>9,137</u>
-	-	-	-	(9,137)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(9,137)
-	-	-	-	9,137
<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, 2012

	<u>Special Revenue</u>		<u>Capital Projects</u>
	<u>City/County Grants</u>	<u>School Based Health Center</u>	<u>Bond Building</u>
<i>Revenues</i>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	-	-	-
Federal direct	-	-	-
State flowthrough	-	912	-
State direct	7,284	-	-
Local grants	-	-	-
Oil and gas taxes	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	1,210	-
<i>Total revenues</i>	<u>7,284</u>	<u>2,122</u>	<u>-</u>
<i>Expenditures</i>			
Current:			
Instruction	1,097	3,636	-
Support services - students	17,794	150	-
Support services - instruction	-	-	-
Support services - general administration	-	-	-
Support services - school administration	-	-	-
Operation and maintenance of plant	-	-	-
Food service operations	-	-	-
Capital outlay	-	-	52,959
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>18,891</u>	<u>3,786</u>	<u>52,959</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,607)</u>	<u>(1,664)</u>	<u>(52,959)</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	-	-
Transfers out	-	(53,410)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(53,410)</u>	<u>-</u>
<i>Net change in fund balances</i>	(11,607)	(55,074)	(52,959)
<i>Fund balances - beginning</i>	<u>11,659</u>	<u>55,074</u>	<u>52,959</u>
<i>Fund balances - ending</i>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	
<u>Land/Building Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -
-	917,128
-	-
256,918	275,442
-	7,284
-	-
-	-
-	36,670
-	741
-	1,380
<u>256,918</u>	<u>1,238,645</u>
-	765,040
-	137,101
-	20,854
-	85,495
-	-
-	-
-	-
256,918	309,877
-	-
-	-
<u>256,918</u>	<u>1,318,367</u>
-	<u>(79,722)</u>
-	-
-	<u>(53,410)</u>
-	<u>(53,410)</u>
-	(133,132)
-	154,052
<u>\$ -</u>	<u>\$ 20,920</u>

**STATE OF NEW MEXICO**  
Raton Public Schools  
Athletics Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	36,210	36,210	36,628	418
Investment income	97	97	741	644
Miscellaneous	-	-	170	170
<i>Total revenues</i>	<u>36,307</u>	<u>36,307</u>	<u>37,539</u>	<u>1,232</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	59,395	61,550	41,956	19,594
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>59,395</u>	<u>61,550</u>	<u>41,956</u>	<u>19,594</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(23,088)</u>	<u>(25,243)</u>	<u>(4,417)</u>	<u>20,826</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	23,088	25,243	-	(25,243)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>23,088</u>	<u>25,243</u>	<u>-</u>	<u>(25,243)</u>
<i>Net change in fund balances</i>	-	-	(4,417)	(4,417)
<i>Fund balances - beginning of year</i>	-	-	25,243	25,243
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,826</u>	<u>\$ 20,826</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (4,417)
Adjustments to revenues for charges for refunds from prior year				42
Adjustments to expenditures for accrual in instruction function				170
Net change in fund balances (GAAP)				<u>\$ (4,205)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	334,697	355,092	326,865	(28,227)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>334,697</u>	<u>355,092</u>	<u>326,865</u>	<u>(28,227)</u>
<i>Expenditures</i>				
Current				
Instruction	334,697	355,092	330,442	24,650
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>334,697</u>	<u>355,092</u>	<u>330,442</u>	<u>24,650</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,577)</u>	<u>(3,577)</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>	-	-	(3,577)	(3,577)
<i>Fund balances - beginning of year</i>	-	-	7,394	7,394
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,817</u>	<u>\$ 3,817</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (3,577)
Adjustments to revenue for federal flowthrough accrual				3,577
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Raton Public Schools  
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, 2012

	Budgeted Amounts			Variances
	Original	Final	Actual	Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	306,598	396,130	336,293	(59,837)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	306,598	396,130	336,293	(59,837)
<i>Expenditures</i>				
Current				
Instruction	179,144	268,676	214,816	53,860
Support services - students	34,512	37,517	36,280	1,237
Support services - instruction	-	-	-	-
Support services - general administration	92,942	89,937	85,495	4,442
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	306,598	396,130	336,591	59,539
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(298)	(298)
<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>	-	-	(298)	(298)
<i>Fund balances - beginning of year</i>	-	-	9,330	9,330
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 9,032	\$ 9,032
Net change in fund balances (non-GAAP budgetary basis)				\$ (298)
Adjustments to revenue for federal flowthrough accrual				298
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Raton Public Schools  
Discretionary IDEA-B Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	5,000	8,043	3,043
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>8,043</u>	<u>3,043</u>
<i>Expenditures</i>				
Current				
Instruction	-	5,000	3,460	1,540
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,000</u>	<u>3,460</u>	<u>1,540</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,583</u>	<u>4,583</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>	-	-	4,583	4,583
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,225)</u>	<u>(5,225)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (642)</u>	<u>\$ (642)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 4,583
Adjustments to revenue for federal flowthrough accrual				(3,731)
Adjustments to expenditures for accrual in instruction function				(852)
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**  
**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, 2012**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	25,889	36,499	31,709	(4,790)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>25,889</u>	<u>36,499</u>	<u>31,709</u>	<u>(4,790)</u>
<i>Expenditures</i>				
Current				
Instruction	25,889	36,499	31,012	5,487
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,889</u>	<u>36,499</u>	<u>31,012</u>	<u>5,487</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>697</u>	<u>697</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>	-	-	697	697
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,658</u>	<u>2,658</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,355</u>	<u>\$ 3,355</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 697
Adjustments to revenue for federal flowthrough accrual				(697)
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
Raton Public Schools  
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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	2,059	2,059	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,059</u>	<u>2,059</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	2,059	2,059	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,059</u>	<u>2,059</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**  
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	12,446	16,056	6,354	(9,702)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	12,446	16,056	6,354	(9,702)
<i>Expenditures</i>				
Current				
Instruction	12,446	16,056	11,777	4,279
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	12,446	16,056	11,777	4,279
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(5,423)	(5,423)
<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>	-	-	(5,423)	(5,423)
<i>Fund balances - beginning of year</i>	-	-	12	12
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (5,411)	\$ (5,411)
Net change in fund balances (non-GAAP budgetary basis)				\$ (5,423)
Adjustments to revenue for federal flowthrough accruals				5,423
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**Raton Public Schools**  
**Title 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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	83,282	106,144	83,584	(22,560)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>83,282</u>	<u>106,144</u>	<u>83,584</u>	<u>(22,560)</u>
<i>Expenditures</i>				
Current				
Instruction	83,282	106,144	83,334	22,810
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>83,282</u>	<u>106,144</u>	<u>83,334</u>	<u>22,810</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</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>	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261</u>	<u>\$ 261</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 250
Adjustments to revenue for federal flowthrough accruals				(628)
Adjustments to expenditures for instruction function accruals				378
Net change in fund balances (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Raton Public Schools  
Rural & Low Income Schools Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	25,439	50,566	35,252	(15,314)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>25,439</u>	<u>50,566</u>	<u>35,252</u>	<u>(15,314)</u>
<i>Expenditures</i>				
Current				
Instruction	25,439	50,566	35,252	15,314
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,439</u>	<u>50,566</u>	<u>35,252</u>	<u>15,314</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>	-	-	1,003	1,003
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ 1,003</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**  
Raton Public Schools  
Healthcare Career Pathway 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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	29,388	29,388	29,388	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>29,388</u>	<u>29,388</u>	<u>29,388</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	29,388	29,388	29,388	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,388</u>	<u>29,388</u>	<u>29,388</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**  
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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	60,754	60,754	49,430	(11,324)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,754</u>	<u>60,754</u>	<u>49,430</u>	<u>(11,324)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	60,754	60,754	49,580	11,174
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>60,754</u>	<u>60,754</u>	<u>49,580</u>	<u>11,174</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(150)</u>	<u>(150)</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>	-	-	(150)	(150)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,821</u>	<u>1,821</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,671</u>	<u>\$ 1,671</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (150)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (150)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**Raton Public Schools**  
**Education Jobs Fund 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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	3,910	3,909	(1)
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,910</u>	<u>3,909</u>	<u>(1)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	3,910	3,909	1
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,910</u>	<u>3,909</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 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**  
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	4,104	1,913	(2,191)
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	4,104	1,913	(2,191)
<i>Expenditures</i>				
Current				
Instruction	-	4,104	3,495	609
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	4,104	3,495	609
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,582)	(1,582)
<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>	-	-	(1,582)	(1,582)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (1,582)	\$ (1,582)
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,582)
Adjustments to revenue for state flowthrough accrual				1,582
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ -

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**Raton Public Schools**  
**2008 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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	3,099	1,750	(1,349)
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,099</u>	<u>1,750</u>	<u>(1,349)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	3,099	3,029	70
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,099</u>	<u>3,029</u>	<u>70</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,279)</u>	<u>(1,279)</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>	-	-	(1,279)	(1,279)
<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>\$ (1,279)</u>	<u>\$ (1,279)</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,279)
Adjustments to revenues for state flowthrough accruals				1,279
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**  
**Raton Public Schools**  
**2010 GO Bond Public School 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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	11,103	11,103	11,088	(15)
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,103</u>	<u>11,103</u>	<u>11,088</u>	<u>(15)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	11,103	11,103	11,088	15
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,103</u>	<u>11,103</u>	<u>11,088</u>	<u>15</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**  
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current				
Instruction	2,400	2,400	2,400	-
Support services - students	-	-	-	-
Support services - instruction	7,738	6,737	6,737	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	10,138	9,137	9,137	-
<i>Excess (deficiency) of revenues over expenditures</i>	(10,138)	(9,137)	(9,137)	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	10,138	9,137	-	(9,137)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	10,138	9,137	-	(9,137)
<i>Net change in fund balances</i>	-	-	(9,137)	(9,137)
<i>Fund balances - beginning of year,</i>	-	-	9,137	9,137
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (non-GAAP budgetary basis)				\$ (9,137)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				\$ (9,137)

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Raton Public Schools  
City/County Grants 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, 2012

	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	37,590	37,590	7,234	(30,356)
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>37,590</u>	<u>37,590</u>	<u>7,234</u>	<u>(30,356)</u>
<i>Expenditures</i>				
Current				
Instruction	2,531	1,388	1,097	291
Support services - students	47,861	47,861	17,794	30,067
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,392</u>	<u>49,249</u>	<u>18,891</u>	<u>30,358</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,802)</u>	<u>(11,659)</u>	<u>(11,657)</u>	<u>2</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	12,802	11,659	-	(11,659)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>12,802</u>	<u>11,659</u>	<u>-</u>	<u>(11,659)</u>
<i>Net change in fund balances</i>	-	-	(11,657)	(11,657)
<i>Fund balances - beginning of year</i>	-	-	11,659	11,659
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (11,657)
Adjustment to revenue for state direct accrual				50
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (11,607)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**Raton Public Schools**  
**School Based Health Center Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	60,000	-	912	912
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,210	1,210
<i>Total revenues</i>	<u>60,000</u>	<u>-</u>	<u>2,122</u>	<u>2,122</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	11,000	3,636	3,636	-
Support services - students	69,383	150	150	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>80,383</u>	<u>3,786</u>	<u>3,786</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,383)</u>	<u>(3,786)</u>	<u>(1,664)</u>	<u>2,122</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	20,383	3,786	-	(3,786)
Transfers in (out)	-	-	(53,410)	(53,410)
<i>Total other financing sources (uses)</i>	<u>20,383</u>	<u>3,786</u>	<u>(53,410)</u>	<u>(57,196)</u>
<i>Net change in fund balances</i>	-	-	(55,074)	(55,074)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>55,074</u>	<u>55,074</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)				\$ (55,074)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (55,074)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Raton Public Schools  
Bond Building Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	52,959	52,959	52,959	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,959</u>	<u>52,959</u>	<u>52,959</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(52,959)</u>	<u>(52,959)</u>	<u>(52,959)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	52,959	52,959	-	(52,959)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>52,959</u>	<u>52,959</u>	<u>-</u>	<u>(52,959)</u>
<i>Net change in fund balances</i>	-	-	(52,959)	(52,959)
<i>Fund balances - beginning of year</i>	-	-	52,959	52,959
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (52,959)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (52,959)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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, 2012

	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	1,236,062	1,236,062	256,918	(979,144)
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,236,062</u>	<u>1,236,062</u>	<u>256,918</u>	<u>(979,144)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	1,236,062	1,236,062	256,918	979,144
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,236,062</u>	<u>1,236,062</u>	<u>256,918</u>	<u>979,144</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>	-	-	-	-
<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**  
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 273,472	\$ 273,472	\$ 284,109	\$ 10,637
Intergovernmental revenue:				
State flowthrough	-	81,032	91,796	10,764
State direct	-	-	-	-
Local grants	-	-	-	-
Oil and gas taxes	5,397	5,397	10,020	4,623
Charges for services	-	-	-	-
Investment income	985	985	843	(142)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>279,854</u>	<u>360,886</u>	<u>386,768</u>	<u>25,882</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	2,800	2,842	2,841	1
Support services - school administration	-	-	-	-
Operation and maintenance of plant	491,868	672,858	353,805	319,053
Capital outlay	250,230	287,887	74,731	213,156
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>744,898</u>	<u>963,587</u>	<u>431,377</u>	<u>532,210</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(465,044)</u>	<u>(602,701)</u>	<u>(44,609)</u>	<u>558,092</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	465,044	602,701	-	(602,701)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>465,044</u>	<u>602,701</u>	<u>-</u>	<u>(602,701)</u>
<i>Net change in fund balances</i>	-	-	(44,609)	(44,609)
<i>Fund balances - beginning of year</i>	-	-	602,701	602,701
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,092</u>	<u>\$ 558,092</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (44,609)
Adjustments to revenue for property and oil and gas tax accruals				(821)
Adjustments to expenditures for operation and maintenance of plant function accruals				<u>2,525</u>
Net change in fund balances (GAAP)				<u>\$ (42,905)</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ 292,552	\$ 292,552	\$ 289,439	\$ (3,113)
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Local grants	-	-	-	-
Oil and gas taxes	5,566	5,566	10,243	4,677
Charges for services	-	-	-	-
Investment income	278	278	44	(234)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>298,396</u>	<u>298,396</u>	<u>299,726</u>	<u>1,330</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	2,981	3,281	2,894	387
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Debt service				
Principal	345,007	353,815	200,000	153,815
Interest	98,118	98,118	98,118	-
<i>Total expenditures</i>	<u>446,106</u>	<u>455,214</u>	<u>301,012</u>	<u>154,202</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(147,710)</u>	<u>(156,818)</u>	<u>(1,286)</u>	<u>155,532</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	147,710	156,818	-	(156,818)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>147,710</u>	<u>156,818</u>	<u>-</u>	<u>(156,818)</u>
<i>Net change in fund balances</i>	-	-	(1,286)	(1,286)
<i>Fund balances - beginning of year</i>	-	-	156,818	156,818
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,532</u>	<u>\$ 155,532</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,286)
Adjustments to revenue for property tax accruals				(1,556)
Adjustments to expenditures for accrual in support services function				(20)
Net change in fund balances (GAAP)				<u>\$ (2,862)</u>

The accompanying notes are an integral part of these financial statements

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**GENERAL FUND**

**STATE OF NEW MEXICO**  
Raton Public Schools  
Combining Balance Sheet  
General Fund  
June 30, 2012

	General Fund			
	Operational	Pupil Transportation	Instructional	Total General Fund
<b>Current assets</b>				
Cash and cash equivalents	\$ 685,066	\$ -	\$ 4,705	\$ 689,771
Property taxes receivable	6,559	-	-	6,559
Intergovernmental receivables	-	-	-	-
Other receivables	696	-	-	696
Inventory	33,963	-	-	33,963
Due from other funds	12,789	-	-	12,789
	<u>\$ 739,073</u>	<u>\$ -</u>	<u>\$ 4,705</u>	<u>\$ 743,778</u>
<b>Liabilities and fund balances</b>				
Accounts payable	\$ 67,397	\$ -	\$ -	\$ 67,397
Accrued payroll	245,181	-	-	245,181
Deferred revenue	4,873	-	-	4,873
Due to other funds	-	-	-	-
	<u>317,451</u>	<u>-</u>	<u>-</u>	<u>317,451</u>
<b>Fund balances</b>				
Nonspendable				
Inventory	33,963	-	-	33,963
Spendable				
Committed for:				
Emergency reserves	25,000	-	-	25,000
Unassigned	362,659	-	4,705	367,364
	<u>421,622</u>	<u>-</u>	<u>4,705</u>	<u>426,327</u>
<b>Total liabilities and fund balances</b>	<u>\$ 739,073</u>	<u>\$ -</u>	<u>\$ 4,705</u>	<u>\$ 743,778</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**Raton Public Schools**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
General Fund  
For the Year Ended June 30, 2012

	General Fund			Total General Fund
	Operational	Pupil Transportation	Instructional	
<i>Revenues</i>				
Property taxes	\$ 51,332	\$ -	\$ -	\$ 51,332
Intergovernmental revenue:				
Federal direct	19,143	-	-	19,143
State flowthrough	8,883,309	-	53,036	8,936,345
Local grants	348	-	-	348
Transportation distribution	-	482,688	-	482,688
Oil and gas taxes	2,466	-	-	2,466
Charges for services	21,122	-	-	21,122
Investment income	1,947	-	-	1,947
Miscellaneous	45,339	-	1,521	46,860
<i>Total revenues</i>	<u>9,025,006</u>	<u>482,688</u>	<u>54,557</u>	<u>9,562,251</u>
<i>Expenditures</i>				
Current:				
Instruction	6,009,401	-	55,678	6,065,079
Support services - students	999,753	-	-	999,753
Support services - instruction	181,638	-	397	182,035
Support services - general administration	303,829	-	-	303,829
Support services - school administration	740,103	-	-	740,103
Central services	191,766	-	-	191,766
Operation and maintenance of plant	1,044,258	-	-	1,044,258
Student transportation	-	533,462	-	533,462
Community service operations	3,723	-	-	3,723
<i>Total expenditures</i>	<u>9,474,471</u>	<u>533,462</u>	<u>56,075</u>	<u>10,064,008</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(449,465)</u>	<u>(50,774)</u>	<u>(1,518)</u>	<u>(501,757)</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	53,410	-	-	53,410
<i>Total other financing sources (uses)</i>	<u>53,410</u>	<u>-</u>	<u>-</u>	<u>53,410</u>
<i>Net change in fund balances</i>	(396,055)	(50,774)	(1,518)	(448,347)
<i>Fund balances - beginning</i>	<u>817,677</u>	<u>50,774</u>	<u>6,223</u>	<u>874,674</u>
<i>Fund balances - ending</i>	<u>\$ 421,622</u>	<u>\$ -</u>	<u>\$ 4,705</u>	<u>\$ 426,327</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-3

Raton Public Schools

General Fund - Operational

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 50,480	\$ 50,480	\$ 51,311	\$ 831
Intergovernmental revenue:				
Federal direct	22,639	22,639	19,143	(3,496)
State flowthrough	8,849,439	8,881,474	8,883,309	1,835
Local grants	-	-	2,208	2,208
Oil and gas taxes	1,349	1,349	2,505	1,156
Charges for services	5,000	5,000	20,566	15,566
Investment income	3,500	3,500	1,947	(1,553)
Miscellaneous	-	-	55,109	55,109
<i>Total revenues</i>	<u>8,932,407</u>	<u>8,964,442</u>	<u>9,036,098</u>	<u>71,656</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	5,984,122	5,995,095	5,977,933	17,162
Support services - students	1,160,339	1,079,988	1,001,866	78,122
Support services - instruction	183,642	205,051	181,638	23,413
Support services - general administration	314,659	344,869	287,112	57,757
Support services - school administration	728,639	745,298	740,103	5,195
Central services	202,754	217,140	191,820	25,320
Operation and maintenance of plant	1,114,023	1,107,772	1,042,159	65,613
Other support services	31,107	37,599	-	37,599
Community services operations	-	3,727	3,723	4
<i>Total expenditures</i>	<u>9,719,285</u>	<u>9,736,539</u>	<u>9,426,354</u>	<u>310,185</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(786,878)</u>	<u>(772,097)</u>	<u>(390,256)</u>	<u>381,841</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	786,878	772,097	-	(772,097)
Transfers in (out)	-	-	53,410	53,410
<i>Total other financing sources (uses)</i>	<u>786,878</u>	<u>772,097</u>	<u>53,410</u>	<u>(718,687)</u>
<i>Net change in fund balances</i>	-	-	(336,846)	(336,846)
<i>Fund balances - beginning of year</i>	-	-	1,034,701	1,034,701
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 697,855</u>	<u>\$ 697,855</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (336,846)
Adjustments to revenue for property tax accrual and local sources accrual				(11,092)
Adjustments to expenditures for various function accruals				(48,117)
Net change in fund balances (GAAP)				<u>\$ (396,055)</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, 2012

	Budgeted Amounts			Variances
	Original	Final	Actual	Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	510,730	508,074	482,688	(25,386)
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>510,730</u>	<u>508,074</u>	<u>482,688</u>	<u>(25,386)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	510,730	533,462	533,462	-
<i>Total expenditures</i>	<u>510,730</u>	<u>533,462</u>	<u>533,462</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(25,388)</u>	<u>(50,774)</u>	<u>(25,386)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	25,388	-	(25,388)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>25,388</u>	<u>-</u>	<u>(25,388)</u>
<i>Net change in fund balances</i>	-	-	(50,774)	(50,774)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>50,774</u>	<u>50,774</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)				\$ (50,774)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (50,774)</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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	44,641	51,840	53,036	1,196
State direct	-	-	-	-
Local grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,521	1,521
<i>Total revenues</i>	<u>44,641</u>	<u>51,840</u>	<u>54,557</u>	<u>2,717</u>
<i>Expenditures</i>				
Current				
Instruction	44,641	57,495	55,678	1,817
Support services - students	-	-	-	-
Support services - instruction	-	568	397	171
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
<i>Total expenditures</i>	<u>44,641</u>	<u>58,063</u>	<u>56,075</u>	<u>1,988</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(6,223)</u>	<u>(1,518)</u>	<u>4,705</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	6,223	-	(6,223)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,223</u>	<u>-</u>	<u>(6,223)</u>
<i>Net change in fund balances</i>	-	-	(1,518)	(1,518)
<i>Fund balances - beginning of year</i>	-	-	6,223	6,223
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,705</u>	<u>\$ 4,705</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (1,518)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
Net change in fund balances (GAAP)				<u>\$ (1,518)</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, 2012

Schedule I

Page 1 of 2

	Balance			Balance
	June 30, 2011	Additions	Deletions	June 30, 2012
Activity Fund	\$ 983	\$ 1,989	\$ 2,275	\$ 697
Orchestra	306	-	-	306
High School Girls Basketball	129	1,550	1,399	280
High School Cheerleader	1	12,267	12,267	1
Middle School Cheerleader	-	7,574	7,574	-
High School Dance	320	10,388	8,333	2,375
RMS S Fair	280	-	-	280
RMS PE	656	833	-	1,489
RHS Rodeo	311	-	-	311
After School Lunch	86	-	-	86
Middle School Volleyball	-	400	131	269
High School Volleyball	-	424	-	424
RMS PAWS	693	1,768	1,477	984
RHS Ski	1,955	4,959	3,496	3,418
High School Art	404	3,487	1,927	1,964
Middle School Art	3,142	170	62	3,250
High School Band	1,360	2,030	686	2,704
Middle School Band	2,542	4,508	4,772	2,278
National Spanish Exam	1,221	-	108	1,113
High School Building Trade	108	260	158	210
High School CADD Drafting	53	100	-	153
High School Chorus	1,398	3,831	3,897	1,332
Middle School Chorus	398	1,037	752	683
Middle School FACS	546	490	903	133
RMS Adult	711	1,113	776	1,048
Middle School Industrial Arts	3,448	1,450	14	4,884
High School Library	493	1,689	1,192	990
Middle School Library	-	3,682	3,186	496
High School Science	555	-	-	555
Middle School Science	81	-	-	81
Kearny Library	569	4,096	4,322	343
Longfellow Library	544	3,900	4,322	122
Class of 2013	1,104	4,142	2,913	2,333
Marquee Dona	200	-	-	200
Culinary Art	4,188	8,343	10,310	2,221
Class of 2012	2,643	3,094	3,087	2,650
RMS Diabetes	25	-	-	25
Kearny Audit	2,178	148	224	2,102
RMS Ski	370	4,739	4,629	480
FCA	1,736	-	48	1,688
High School Annual	3,201	23,436	25,662	975
Middle School Annual	3,313	-	-	3,313
High School Arts/Crafts	312	511	129	694
High School Book	4,360	300	-	4,660
High School BPA	2,185	1,253	3,337	101
Counseling Fund	1,826	210	155	1,881
Class of 2015	-	626	422	204
Class of 2014	526	1,613	629	1,510

See independent auditors' report.

## STATE OF NEW MEXICO

Schedule I

Raton Public Schools

Page 2 of 2

Agency Funds

## Schedule of Changes in Fiduciary Assets and Liabilities

For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Col Adult Prin	368	634	453	549
High School Drama	1,169	5,372	5,931	610
High School FCCLA	2,506	36,390	34,142	4,754
Middle School FCCLA	1,843	47,744	36,272	13,315
High School FFA	7,311	6,041	8,103	5,249
Fines on Textbooks	430	3	433	-
High School REPEC	243	-	-	243
High School Honor Society	1,473	1,231	1,101	1,603
Northeastern District	164	-	-	164
High School Key Club	106	31	128	9
High School LDZ	1,032	-	-	1,032
High School Mock Trial	3,330	2,625	4,759	1,196
High School Principal Fund	434	6,963	7,034	363
Middle School Principal Fund	7,136	7,763	9,146	5,753
Kearney Principal	1,675	7,176	2,256	6,595
Columbian Principal	1	5,554	4,612	943
Longfellow Principal	1,571	2,231	2,118	1,684
Mesa View ACA	1,256	27	52	1,231
High School Spirit Club	252	-	-	252
High School ST Senate	1,021	6,385	4,872	2,534
Middle School Senate	956	1,492	763	1,685
High School Welding	1,669	1,135	1,730	1,074
High School Woodshop	4,020	1,000	1,679	3,341
Columbian Book Fair	864	4,002	4,515	351
HS Adult Principal	2,377	198	-	2,575
Columbian Card Factory	5,579	6,660	11,794	445
Kearney Science	1	-	-	1
Student Publishing	2,073	6,116	1,446	6,743
L Adult Principal	507	111	350	268
Ag/Science	124	-	-	124
Bk to Sc Fest	1,857	2,905	3,352	1,410
RHS Comp Ap	89	-	-	89
RHS Sp Ed	364	366	314	416
FFA Greenhouse	1,577	267	1,171	673
Jvigil Scholars	1,500	-	1,000	500
Athletic Fund	7,378	21,624	18,602	10,400
Youth Alive	7,241	32	292	6,981
Aquarium Club	42	-	-	42
RMS Green	32	227	-	259
RMS FEA	732	3,712	2,147	2,297
RMS GEOBE	-	319	229	90
Band Booster	11,204	20,787	6,072	25,919
American Cancer	-	570	-	570
Longfellow K	-	313	313	-
Longfellow Bxtp	-	1,477	459	1,018
Columbian Library	-	497	464	33
Uncom Drumming	-	1,487	978	509
	<u>\$ 134,967</u>	<u>\$ 333,877</u>	<u>\$ 294,656</u>	<u>\$ 174,188</u>

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**STATE OF NEW MEXICO**  
Raton Public Schools  
Schedule of Collateral Pledged by Depository For Public Funds  
June 30, 2012

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2012	Name and Location of Safekeeper
<b>International Bank</b>					
	FHLB 15 QF	6/12/2015	3133XBTS4	\$ 754,110	Federal Reserve Bank-Dallas, TX
	FHLB 12 C8	12/14/2012	3133XDTB7	153,300	Federal Reserve Bank-Dallas, TX
	FHLB 14 L3	6/13/2014	3133X4LX7	54,340	Federal Reserve Bank-Dallas, TX
	Bernalillo Jt Wtr & Swr Impr (XLCA	6/1/2014	08527VAH1	100,000	* Federal Reserve Bank-Dallas, TX
	Bernalillo Jt Wtr & Swr Impr (XLCA	6/1/2015	08527VAH1	265,000	* Federal Reserve Bank-Dallas, TX
	Raton Pub SD No. 011 (St Aid With)	6/1/2019	754179BVO	<u>250,000</u>	* Federal Reserve Bank-Dallas, TX
	Total International Bank			<u>1,576,750</u>	
<b>First National Bank of New Mexico</b>					
	Portales N Mex Mun Sch Dist 1	2/1/2014	736151CX7	<u>75,000</u>	* Federal Reserve Bank-Dallas, TX
	Total First National Bank of New Mexico			<u>75,000</u>	
	<b>Total Pledged Collateral</b>			<b><u><u>\$ 1,651,750</u></u></b>	

\* As per NMSA 2.2.2.10 (N) (4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See independent auditors' report.

**STATE OF NEW MEXICO**

Raton Public Schools

Cash Reconciliation

June 30, 2012

	Operational Fund 11000	Transportation Fund 13000	Instructional Materials Fund 14000	Food Services Fund 21000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash, June 30, 2011	\$ 765,124	\$ 50,774	\$ 6,223	\$ 293,395
Add:				
2011-12 receipts	9,036,098	508,074	54,557	480,075
Loans from other funds	<u>5,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	9,806,447	558,848	60,780	773,470
Less:				
2011-12 expenditures	(9,426,353)	(558,848)	(56,075)	(556,241)
Transfers	72,581	-	-	-
Loans to other funds	<u>(12,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, June 30, 2012	<u>\$ 439,885</u>	<u>\$ -</u>	<u>\$ 4,705</u>	<u>\$ 217,229</u>
Plus:				
Held checks	<u>245,181</u>	<u>-</u>	<u>-</u>	<u>8,033</u>
Cash per financial statement	<u>\$ 685,066</u>	<u>\$ -</u>	<u>\$ 4,705</u>	<u>\$ 225,262</u>

See independent auditors' report

Athletics Fund 22000	Federal Flowthrough Fund 24000	Federal Direct Fund 25000	State Flowthrough Fund 27000	State Direct Fund 28000	Local/State Fund 29000
\$ 25,243	\$ 18,486	\$ 150	\$ 9,137	\$ -	\$ 66,733
37,540	859,666	53,339	14,751	-	9,355
-	(5,225)	-	-	-	-
62,783	872,927	53,489	23,888	-	76,088
(41,957)	(863,434)	(53,489)	(26,749)	-	(22,676)
-	(19,171)	-	-	-	(53,410)
-	9,929	-	2,861	-	-
<u>\$ 20,826</u>	<u>\$ 251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>
-	21,093	1,671	-	-	-
<u>\$ 20,826</u>	<u>\$ 21,344</u>	<u>\$ 1,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>

**STATE OF NEW MEXICO**

Raton Public Schools

Cash Reconciliation

June 30, 2012

	Bond Building Fund 31100	Public School Capital Outlay Fund 31200	Spec. Cap. Outlay-State Fund 31300	Cap. Improve. SB-9 Fund 31700
Cash, June 30, 2011	\$ 52,959	\$ -	\$ -	\$ 602,701
Add:				
2011-12 receipts	-	256,918	-	386,768
Loans from other funds	-	-	-	-
Total cash available	52,959	256,918	-	989,469
Less:				
2011-12 expenditures	(52,959)	(256,918)	-	(431,377)
Transfers	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2012	\$ -	\$ -	\$ -	\$ 558,092
Plus:				
Held checks	-	-	-	-
Cash per financial statement	\$ -	\$ -	\$ -	\$ 558,092

See independent auditors' report



Public Schools Cap.Out.-20% Fund 32100	Debt Service Fund 41000	Total
\$ -	\$ 156,818	\$ 2,047,743
-	299,725	11,996,866
-	-	-
-	456,543	14,044,609
-	(301,012)	(12,648,088)
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ 155,531</u>	<u>\$ 1,396,521</u>
-	-	275,978
<u>\$ -</u>	<u>\$ 155,531</u>	<u>\$ 1,672,499</u>

STATE OF NEW MEXICO

Schedule IV

Raton Public Schools  
 Schedule of Deposits  
 June 30, 2012

Bank Account	Checking	Checking	Totals
	International Bank	The First National Bank of New Mexico	
General Fund	\$ 85,000	\$ -	\$ 85,000
General Fund Interest	1,145,235	-	1,145,235
Clearing Account	275,979	-	275,979
Athletic Fund	21,226	-	21,226
School Lunch Fund	218,863	-	218,863
Activity Fund	-	191,647	191,647
Total Deposits	1,746,303	191,647	1,937,950
Reconciling Items	(73,804)	(17,459)	(91,263)
Reconciled Balance June 30, 2012	\$ 1,672,499	\$ 174,188	1,846,687
Less: Fiduciary Funds Cash			(174,188)
Cash and cash equivalents per Government-wide Financial Statements			\$ 1,672,499
Cash and cash equivalents per Exhibit A-1			\$ 1,516,967
Restricted cash and cash equivalents per Exhibit A-1			155,532
			\$ 1,672,499

See 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  
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, 2012, which collectively comprise the District’s basic financial statements as listed in the table of contents and have issued our report thereon dated October 12, 2012. 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 Capital Improvements SB-9 Capital Projects Fund (major fund) and the Debt Service 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, 2012 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

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 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 a 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.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items FA 2012-01.

We noted certain other matters that are required to be reported pursuant to *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding FS 2012-01 and FS 2012-02.

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 12, 2012

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**FEDERAL FINANCIAL ASSISTANCE**



Accounting & Consulting Group, LLP  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the Raton Public Schools, New Mexico (“the District”) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on the District’s major federal program for the year ended June 30, 2012. The District’s major federal program is 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 its major federal program 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 of the District’s compliance with those requirements.

As described in item FA- 2012-01 in the accompanying schedule of finding and questioned costs, the District did not comply with the requirements regarding Eligibility that are applicable to its School Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over compliance.



Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FA 2012-01 to be a material weakness.

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on the response

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 12, 2012

**STATE OF NEW MEXICO**  
Raton Public Schools  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
<b>U.S. Department of Education</b>			
<i>Passed through New Mexico Public Education Department</i>			
Title I - IASA	24101	84.010	\$ 330,442
IDEA-B Entitlement	24106	84.027A (1)	336,591
IDEA-B Discretionary	24107	84.027A (1)	4,312
IDEA-B Preschool	24109	84.027A (1)	31,012
IDEA-B "Risk Pool"	24120	84.027A (1)	2,059
Title III English Language Acquisition	24153	84.298O	11,777
Title IIA Teacher/Principal Training	24154	84.367A	82,956
Rural and Low Income Schools	24160	84.358B	35,252
Healthcare Career Pathway- ARRA	24293	84.397A	29,388
 <i>Federal Direct Grants</i>			
Impact Aid Public Law 103-382	11000	84.041	264
Education Job Fund- ARRA	25255	84.410	3,909
<b>Total U.S. Department of Education</b>			<u>867,962</u>
 <b>U.S. Department of Agriculture</b>			
<i>Federal Direct Payments</i>			
Forest Reserve	11000	10.665	18,879
 <i>Passed through State of New Mexico</i>			
Commodities Program (1)	21000	10.550 *	27,762
National School Lunch Program (1)	21000	10.555 *	252,435
National School Breakfast Program (1)	21000	10.553 *	151,461
National School Snack Program (1)	21000	10.556 *	16,829
<b>Total U.S. Department of Agriculture</b>			<u>467,366</u>
<b>Total Federal Financial Assistance</b>			<u><u>\$ 1,335,328</u></u>

\* Denotes Major Federal Financial Assistance Program

() Denotes Cluster

See independent auditors' report.

**STATE OF NEW MEXICO**  
Raton Public Schools  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

**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, 2012 was \$27,762 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	\$ 1,335,328
Total expenditures funded by other sources	<u>11,359,567</u>
Total expenditures	<u><u>\$ 12,694,895</u></u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
**Raton Public Schools**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

**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? | No          |
| c. Noncompliance material to the financial statements?                           | Yes         |

*Federal Awards:*

- |   |                          |                        |               |  |                                       |                          |  |
|---|--------------------------|------------------------|---------------|--|---------------------------------------|--------------------------|--|
| 1. Internal control over major programs:  |                          |                        |               |  |                                       |                          |  |
| a. Material weaknesses identified?  | Yes                      |                        |               |  |                                       |                          |  |
| b. Significant deficiencies identified not considered to be material weaknesses?  | No                       |                        |               |  |                                       |                          |  |
| 2. Type of auditors’ report issued on compliance for major programs   | Qualified                |                        |               |  |                                       |                          |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?   | Yes                      |                        |               |  |                                       |                          |  |
| 4. Identification of major programs:  |                          |                        |               |  |                                       |                          |  |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50%;"><u>CFDA</u></td> <td style="text-align: center; width: 50%;"><u>Federal Program</u></td> </tr> <tr> <td style="text-align: center;"><u>Number</u></td> <td></td> </tr> <tr> <td style="text-align: center;">10.550, 10.553, 10.555,<br/>and 10.556</td> <td style="text-align: center;">School Nutrition Cluster</td> </tr> </table> | <u>CFDA</u>              | <u>Federal Program</u> | <u>Number</u> |  | 10.550, 10.553, 10.555,<br>and 10.556 | School Nutrition Cluster |  |
| <u>CFDA</u>   | <u>Federal Program</u>   |                        |               |  |                                       |                          |  |
| <u>Number</u>   |                          |                        |               |  |                                       |                          |  |
| 10.550, 10.553, 10.555,<br>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?   | Yes                      |                        |               |  |                                       |                          |  |

## SECTION II – FINANCIAL STATEMENT FINDINGS

### **FS 2012-01 Noncompliance of District Policy (Other Matter)**

*Condition:* During our testwork of payroll, it was noted that non-certified employees would have a “working lunch” instead of taking an actual lunch break. There were no documented breaks in the day representing a lunch break.

*Criteria:* According to District Travel policy G-8461 – Employees shall record their starting time, time out for lunch, time in from lunch, quitting time, and total hours worked for each work day. In addition, all employees are required to take a lunch or meal break. Exceptions may be made for lunch periods per a voluntarily signed and written agreement between the employee and administrator.

*Effect:* Because the internal policy structure is not followed, management and staff are unable to prevent unauthorized time or possible compensatory time if earned.

*Cause:* The District was unaware the District policy stated that lunch or meal breaks were required.

*Auditors’ Recommendations:* We recommend the District follow all policies set forth by management and the School Board. Any amendments to the policy should be clearly documented and approved.

*Agency’s Response:* The Board approved new policy. The new policy specifically states “All employees are required to take a lunch or meal break. Exceptions may be made for lunch periods per a voluntarily signed and written agreement between the employee and administrator”. Staff are required to submit time sheets. Those time sheets did not show a lunch break. The District has installed time clocks requiring all non-certified employees to clock in for work, out for meal break, in for meal break and out from work. Hopefully this can be monitored more closely.

### **FS 2012-02 Inventory Maintenance (Other Matter)**

*Condition:* While conducting our test work of inventory we performed a field inspection of the District’s Cafeteria. We noted the inventory on hand could not be tested accurately due to the cafeteria and kitchen facilities being shared with a city sponsored lunch program. The District and the City are both utilizing the refrigerators, freezers, and dry goods storage for their own programs, however neither is using any type of inventory system and all items are being stored together without any tracking taking place.

*Criteria:* Section 6-6-3 NMSA, 1978 states that every local public body shall keep all the books, records and accounts in their respective offices in the form prescribed by the local government division.

*Effect:* Without proper inventory controls, the District cannot be sure about what inventory they have on hand. This could result in an overstatement or understatement of inventories in the financial statements and increases the risk of misappropriation of assets.

*Cause:* The District is sharing all cafeteria and kitchen space with another entity, and as a result all foods and items are being stored together, not allowing for an accurate inventory count.

*Auditors’ Recommendation:* The District should discontinue sharing its facilities with outside entities, however if the District continues sharing its facility space, the area and items allocated to each program individually need to be stored separately. Access to the space and the items should only be by representatives of each program. Locks should be placed on doors in order to assure that one program cannot remove items from the other programs storage units, and all food donations should be scheduled for the same time and day, in order to allow a representative from each program to verify the correct items are being donated.

*Agency Response:* When sharing the District’s facility space. Entities will be made aware of the need to keep each entities items separated. The District will secure their items so that they cannot be removed from storage. The District will assign an employee to verify donated items.

STATE OF NEW MEXICO  
Raton Public Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

**SECTION III – FEDERAL AWARD FINDINGS**

**FA 2012-01 Eligibility (Material Weakness)**

Federal program information:

Funding agency:	United States Department of Agriculture
Title:	School Nutrition Cluster
CFDA#	10.550, 10.553, 10.555, and 10.556
Award period:	July 1, 2011 to June 30, 2012

*Condition:* During our testwork of Eligibility, it was noted that out of 61 students tested, 1 student's household income level exceeded the national income eligibility requirements and received a reduced lunch price, 1 student's household income level exceeded the national income eligibility requirements and received free lunch, 3 students were calculated to receive a free lunch but the household income level indicated that the student fell under a reduced lunch income, 1 student was calculated to receive a reduced lunch but the household income indicated a free lunch should have been granted, and 1 student qualified for a reduced lunch but was placed on the free lunch roster and received free lunch for the school year.

*Criteria:* The OMB A-133 Compliance Supplement Part 4-Compliance Requirements E- Procurement Eligibility stipulates a child's eligibility for free or reduced price meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnishes such information as family income and family size. Local educational agencies determine eligibility by comparing the data reported by the child's household to published income eligibility guidelines.

*Effect:* The District is not appropriately reviewing student applications and the effect is causing inaccurate classifications of students within the Student Nutrition Cluster.

*Questioned Costs:* \$36,761

*Cause:* The District does not have a system in place to review the student applications for accuracy and correctly review application and input on the rosters appropriately.

*Auditor's Recommendation:* We recommend that the District provide proper training to all employee who review student applications for free or reduced meals and management perform regularly reviews of all applications as well as correct input in roster of students.

*Agency's Response:* The District contracted with Summit Food Services. In our agreement we asked for Summit Food Services to centralize the District's applications. With the upgrade of the JMAC Billing program, evaluation of each application is electronic, this will reduce the possibility of the errors mentioned above repeating.

**SECTION IV – PRIOR YEAR AUDIT FINDINGS**

**Financial Statement Findings**

2011-01: Disposition of Property- Other Matter – Resolved

**STATE OF NEW MEXICO**  
Raton Public Schools  
Other Disclosures  
For the Year Ended June 30, 2012

**Exit Conference**

An exit conference was held on October 18, 2012. The following individuals were in attendance.

**Raton Public Schools**

Dave Willden – Superintendent  
Paul Malano – Assistant Superintendent  
Erlene Bradley – Business Manager  
Anne Litchfield - Board Vice President and Audit Committee  
Michael Anne Holland - Board Secretary and Audit Committee  
Shelly Wood – Community Business Member

**Accounting & Consulting Group, LLP**

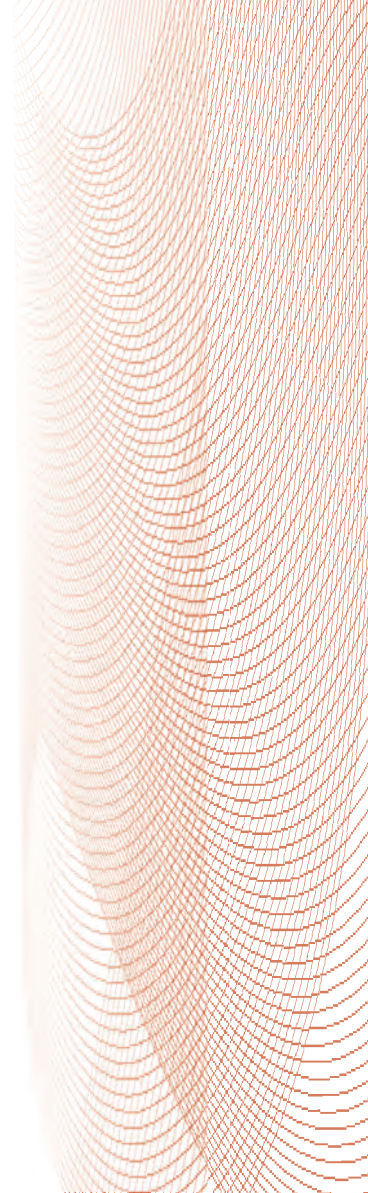
Bobby Cordova, CPA – Manager  
AJ Bowers, CPA- Supervisor

**Auditor Prepared Financials**

Accounting and Consulting, Group, LLP prepared the GAAP-basis financial statements and footnotes of Raton Public Schools from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.







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