

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2013
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

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RATON PUBLIC SCHOOLS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

OFFICIAL ROSTER
June 30, 2013

BOARD OF EDUCATION

Ann Litchfield	President
Jimmie Saccomano	Vice President
Michael Anne Holland	Secretary
Arthur Amijo	Member
Ted Kemp	Member

SCHOOL OFFICIALS

David Willden	Superintendent
Paul Malano	Assistant Superintendent
Lita Sanchez	Finance Director

AUDIT COMMITTEE

Arthur Amijo	Member
Jose Archuleta	Member
Shelly Wood	Member
David Willden	Member
Lita Sanchez	Member

FINANCE COMMITTEE

Jimmie Saccomano	Board Vice-President
Ted Kemp	Board Member
David Willden	Superintendent
Paul Malano	Assistant Superintendent
Lita Sanchez	Finance Director

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FINANCIAL SECTION
FISCAL YEAR 2013
JULY 1, 2012 THROUGH JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Raton Public School District No. 11, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise Raton Public School District No. 11 basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Raton Public School District No. 11 nonmajor governmental and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Raton Public School District No. 11's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

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 Raton Public School District No. 11, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance 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 of Raton Public School District No. 11 as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Raton Public School District No. 11's basic financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 22, 2013 on our consideration of the Raton Public School District No. 11'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Raton Public School District No. 11's internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, NM
August 22, 2013

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

STATEMENT OF NET POSITION
 June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,193,676
Receivables:	
Delinquent property taxes receivable	43,448
Grant	232,418
Due from other governments	14,207
Supplies inventory	12,101
Food inventory	1,085
Non-current:	
Non-depreciable assets	357,911
Depreciable capital assets, net	<u>12,604,979</u>
Total assets	<u>14,459,825</u>
LIABILITIES	
Accounts payable	15,169
Accrued salaries	275,257
Accrued interest	8,366
Compensated absences	18,326
Noncurrent liabilities:	
Due within one year	215,000
Due in more than one year	<u>1,840,000</u>
Total liabilities	2,372,118
Deferred inflows of resources:	
Advances of federal, state, and local grants	<u>61,367</u>
Total liabilities and deferred inflows of resources	<u>2,433,485</u>
NET POSITION	
Invested in capital assets, net of related debt	10,931,726
Restricted for:	
Inventories	13,186
Special revenue funds	195,535
Capital projects	485,022
Debt service	164,155
Unrestricted	<u>236,716</u>
Total net position	<u>\$ 12,026,340</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

STATEMENT OF ACTIVITIES
 Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
Primary government:	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Governmental activities:					
Instruction	\$ 7,503,906	\$ 16,609	\$ 700,101	\$ 1,011	\$ (6,786,185)
Support Services - Students	1,116,233	27,050	104,143	150	(984,890)
Support Services - Instruction	236,937	-	22,106	32	(214,799)
Support Services - General Administration	391,738	-	36,549	53	(355,136)
Support Services - School Administration	811,074	-	75,672	109	(735,293)
Central Services	220,617	-	20,583	-	(200,034)
Operations & Maintenance of Plant	1,506,755	-	140,578	-	(1,366,177)
Student Transportation	451,270	-	414,398	-	(36,872)
Food Services	583,652	48,314	443,789	-	(91,549)
Community Services	5,948	-	555	-	(5,393)
Bond interest paid	<u>88,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,189)</u>
Total governmental activities	<u>\$ 12,916,319</u>	<u>\$ 91,973</u>	<u>\$ 1,958,474</u>	<u>\$ 1,355</u>	<u>(10,864,517)</u>
			General revenues:		
			Property Taxes:		
			General purposes	77,440	
			Debt service	288,536	
			Capital projects	302,734	
			Grants and contributions not restricted	9,064,291	
			Unrestricted investment earnings	<u>2,954</u>	
			Total general revenues	<u>9,735,955</u>	
			Change in net position	<u>(1,128,562)</u>	
			Net position - beginning	14,466,483	
			Restatement	<u>(1,311,581)</u>	
			Net position - as restated	<u>13,154,902</u>	
			Net position - ending	<u>\$ 12,026,340</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	General Fund	Food Service Fund #21000	Capital Improvements SB-9 Fund #31700
ASSETS			
Pooled cash and investments	\$ 412,530	\$ 101,114	\$ 479,310
Receivables:			
Property taxes	3,781	-	19,512
Grant	-	83,230	-
Due from other governments	1,353	-	6,470
Due from other funds	149,146	-	-
Supplies inventory	12,101	-	-
Food inventory	<u>-</u>	<u>1,085</u>	<u>-</u>
Total assets	<u>\$ 578,911</u>	<u>\$ 185,429</u>	<u>\$ 505,292</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 8,847	\$ -	\$ 5,895
Accrued salaries	238,930	7,019	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>247,777</u>	<u>7,019</u>	<u>5,895</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	61,367	-	-
Delinquent property taxes	<u>2,624</u>	<u>-</u>	<u>14,375</u>
Total deferred inflows of resources	<u>63,991</u>	<u>-</u>	<u>14,375</u>
Total liabilities and deferred inflows of resources	<u>311,768</u>	<u>7,019</u>	<u>20,270</u>
Fund balance:			
Non-spendable:			
Inventories	12,101	1,085	-
Restricted for:			
Special revenue funds	-	177,325	-
Capital projects funds	-	-	485,022
Debt service	-	-	-
Unassigned	<u>255,042</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>267,143</u>	<u>178,410</u>	<u>485,022</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 578,911</u>	<u>\$ 185,429</u>	<u>\$ 505,292</u>

(cont'd; 1 of 2)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2013

	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
ASSETS			
Pooled cash and investments	\$ 152,819	\$ 47,903	\$ 1,193,676
Receivables:			
Property taxes	20,155	-	43,448
Grant	-	149,188	232,418
Due from other governments	6,384	-	14,207
Due from other funds	-	-	149,146
Supplies inventory	-	-	12,101
Food inventory	-	-	1,085
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 179,358</u>	<u>\$ 197,091</u>	<u>\$ 1,646,081</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ 427	\$ 15,169
Accrued salaries	-	29,308	275,257
Due to other funds	-	149,146	149,146
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>178,881</u>	<u>439,572</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	61,367
Delinquent property taxes	15,203	-	32,202
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>15,203</u>	<u>-</u>	<u>93,569</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	<u>15,203</u>	<u>178,881</u>	<u>533,141</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	13,186
Restricted for:			
Special revenue funds	-	18,210	195,535
Capital projects funds	-	-	485,022
Debt service	164,155	-	164,155
Unassigned	-	-	255,042
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>164,155</u>	<u>18,210</u>	<u>1,112,940</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 179,358</u>	<u>\$ 197,091</u>	<u>\$ 1,646,081</u>

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 June 30, 2013

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

Fund balances - total governmental funds	\$	1,112,940
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		27,897,441
Accumulated depreciation		(14,934,551)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		32,202
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		(2,055,000)
Accrued interest payable		(8,366)
Accrued vacation payable		(18,326)
		(18,326)
Net position of governmental activities	\$	12,026,340

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2013

	General Fund	Food Service Fund #21000	Capital Improvements SB-9 Fund #31700	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
Revenues:						
Federal sources:						
Public Law 874	\$ 3,074	\$ -	\$ -	\$ -	\$ -	\$ 3,074
Forest reserve	17,320	-	-	-	-	17,320
Federal flowthrough grants	-	-	-	-	778,140	778,140
Federal direct grants	-	-	-	-	29,892	29,892
Food and milk reimbursements	-	421,735	-	-	-	421,735
USDA Commodities	-	22,054	-	-	-	22,054
State sources:						
State equalization guarantee	9,002,941	-	-	-	-	9,002,941
Transportation	414,431	-	-	-	-	414,431
State instructional material	85,304	-	-	-	-	85,304
State grant	75,319	-	-	-	103,174	178,493
Local sources:						
Grant	-	-	-	-	28,458	28,458
District school tax levy	79,689	-	315,125	302,387	-	697,201
Fees and activities	16,609	48,314	-	-	27,050	91,973
Earnings from investments	2,506	412	1,355	-	36	4,309
Miscellaneous	<u>40,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,956</u>
Total revenue	<u>9,738,149</u>	<u>492,515</u>	<u>316,480</u>	<u>302,387</u>	<u>966,750</u>	<u>11,816,281</u>
Expenditures:						
Current:						
Instruction	6,112,032	-	-	-	779,307	6,891,339
Support Services:						
Students	930,591	-	-	-	94,520	1,025,111
Instruction	221,241	-	-	-	8,850	230,091
General Administration	267,329	-	3,019	2,859	86,552	359,759
School Administration	744,863	-	-	-	-	744,863
Central Services	202,607	-	-	-	-	202,607
Operation & Maintenance of Plant	998,777	-	384,977	-	-	1,383,754
Student Transportation	414,431	-	-	-	-	414,431
Food Services Operations	-	535,809	-	-	198	536,007
Community Services	5,462	-	-	-	-	5,462
Capital outlay	-	-	7,798	-	-	7,798
Debt service:						
Principal retirement	-	-	-	210,000	-	210,000
Bond interest paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,859</u>	<u>-</u>	<u>89,859</u>
Total expenditures	<u>9,897,333</u>	<u>535,809</u>	<u>395,794</u>	<u>302,718</u>	<u>969,427</u>	<u>12,101,081</u>
Excess (deficiency) of revenues over expenditures	(159,184)	(43,294)	(79,314)	(331)	(2,677)	(284,800)
Other financing uses:						
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33)</u>	<u>(33)</u>
Net change in fund balance	(159,184)	(43,294)	(79,314)	(331)	(2,710)	(284,833)
Fund balance at beginning of the year	<u>426,327</u>	<u>221,704</u>	<u>564,336</u>	<u>164,486</u>	<u>20,920</u>	<u>1,397,773</u>
Fund balance at end of the year	<u>\$ 267,143</u>	<u>\$ 178,410</u>	<u>\$ 485,022</u>	<u>\$ 164,155</u>	<u>\$ 18,210</u>	<u>\$ 1,112,940</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

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

Net change in fund balance - total governmental funds	\$	(284,833)
<p>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. This is the amount by which capital outlays exceeded depreciation in the current year</p>		
Capital outlay		7,798
Depreciation		(1,047,202)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
<p style="padding-left: 20px;">Deferred property taxes at:</p>		
June 30, 2012		(60,693)
June 30, 2013		32,202
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Current year principal payments		210,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
<p style="padding-left: 20px;">Compensated absences at:</p>		
June 30, 2012		30,822
June 30, 2013		(18,326)
<p style="padding-left: 20px;">Accrued interest at:</p>		
June 30, 2012		10,036
June 30, 2013		<u>(8,366)</u>
Change in net position of governmental activities	\$	<u>(1,128,562)</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 153	\$ 153	\$ 3,074	\$ 2,921
Forest reserve	-	17,320	17,320	-
State sources:				
State equalization guarantee	9,066,033	9,066,351	9,002,941	(63,410)
State flowthrough grant	9,750	9,750	75,319	65,569
Transportation	426,697	414,431	414,431	-
State instructional material	81,471	81,471	85,304	3,833
Local sources:				
District school tax levy	55,750	55,750	79,560	23,810
Fees and activities	14,712	14,712	16,609	1,897
Earnings from investments	1,500	1,500	2,506	1,006
Miscellaneous	-	-	<u>40,956</u>	<u>40,956</u>
Total revenues	<u>9,656,066</u>	<u>9,661,438</u>	<u>9,738,020</u>	<u>76,582</u>
Expenditures:				
Current:				
Instruction	6,076,477	6,124,196	6,090,364	33,832
Support Services:				
Students	1,006,650	942,001	933,344	8,657
Instruction	197,434	217,287	214,494	2,793
General Administration	317,192	318,692	294,280	24,412
School Administration	751,243	749,465	744,863	4,602
Central Services	207,706	221,760	202,836	18,924
Operation & Maintenance of Plant	1,083,636	1,079,757	1,033,947	45,810
Student Transportation	426,697	414,431	414,431	-
Other Support Services	32,416	32,416	-	32,416
Community Services Operations	<u>6,020</u>	<u>6,020</u>	<u>5,462</u>	<u>558</u>
Total expenditures	<u>10,105,471</u>	<u>10,106,025</u>	<u>9,934,021</u>	<u>172,004</u>
Excess (deficiency) of revenues over expenditures	(449,405)	(444,587)	(196,001)	248,586
Beginning cash balance budgeted	449,405	444,587	-	(444,587)
Fund balance at beginning of the year	-	-	<u>426,327</u>	<u>426,327</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	230,326	<u>\$ 230,326</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(21,862)	
Change in property tax receivable			(3,473)	
Change in due from other governments			1,353	
Change in payables			58,550	
Change in deferred property taxes			<u>2,249</u>	
			<u>\$ 267,143</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

FOOD SERVICE FUND - NO. 21000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 410,000	\$ 410,000	\$ 338,505	\$ (71,495)
Local sources:				
Fees and activities	56,800	56,800	48,837	(7,963)
Earnings from investments	<u>175</u>	<u>175</u>	<u>412</u>	<u>237</u>
Total revenues	466,975	466,975	387,754	(79,221)
 Expenditures:				
Current:				
Food Services Operations	<u>662,951</u>	<u>684,204</u>	<u>510,888</u>	<u>173,316</u>
Excess (deficiency) of revenues over expenditures	(195,976)	(217,229)	(123,134)	94,095
Beginning cash balance budgeted	195,976	217,229	-	(217,229)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>221,704</u>	<u>221,704</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>98,570</u>	<u>\$ 98,570</u>
 RECONCILIATION TO GAAP BASIS:				
Change in inventory			(2,867)	
Change in receivables			(523)	
Change in grant receivable			<u>83,230</u>	
			<u>\$ 178,410</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2013

ASSETS

Pooled cash and investments	\$	<u>107,634</u>
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LIABILITIES

Deposits held for others	\$	<u>107,634</u>
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The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Raton Public School District (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 in the City of Raton, New Mexico and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

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

1. Blended Component Units

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

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Raton Public School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

During fiscal year 2013, Raton Public School District No. 11 adopted the following GASB Statements:

- GASB 60, Accounting and Financial Reporting for Service Concession Arrangements, improves financial reporting by addressing uses related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.
- GASB 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, is effective for the District beginning with its year ending June 30, 2013. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity
- GASB 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, is effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.
- GASB 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions — an Amendment to GASB Statement No. 53, which had no impact on the current year financial statements. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.
- GASB 65, Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement resulted in a restatement of the financial statements which is detailed in Note IV.E on page 35.

Other accounting standards that Raton Public School District No. 11 is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, Technical Corrections: an amendment to GASB Statements No. 10 and No. 62, resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This Statement will be effective for the year ended June 30, 2014.
- GASB 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement will be effective for the year ended June 30, 2014.
- GASB 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. This Statement will be effective for the year ended June 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

- GASB 69, Government Combinations and Disposals of Government Operations, which had distinguishes between a government merger and a government acquisition and establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement will be effective for the year ended June 30, 2015.
- GASB 70, Accounting and Financial Reporting for Nonexchange Financial, June 30, 2014 the requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement will be effective for the year ended June 30, 2014.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectable amounts, 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. Revenues received during the year but are applicable to subsequent years are reported as deferred inflows of resources. 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. Expenditures incurred during the year that are for the benefit of subsequent years are reported as deferred outflows of resources.

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

The government reports the following major governmental funds:

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

Food Services Special Revenue Fund – This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 sat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources – which are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 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. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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 school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. *Receivables and payables*

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

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

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

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

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	20-40
Land Improvements	10-20
Equipment	5-7

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. *Compensated absences*

It is the District's policy to permit employees to accumulate earned but unused vacation, of which 22 days will be paid to employees upon separation from the District's service. The amount for liability has been reported in the government-wide financial statements.

Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

6. *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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

7. *Fund balance*

a. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

b. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District did not have committed fund balances for the year ended June 30, 2013.

d. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

e. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

8. *Net assets*

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

a. Invested in capital assets, net of related debt

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

b. Restricted net assets

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

c. Unrestricted net assets

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

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

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

9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. *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.

11. *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 school district to insure that the school 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 school district's program cost".

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$9,002,941 in state equalization guarantee distributions during the year ended June 30, 2013.

Transportation Distribution: School districts in the State of New Mexico received 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 \$414,431 in transportation distributions during the year ended June 30, 2013.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

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

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2013 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 10,105,471	\$ 10,106,025
Special Revenue Fund	1,201,295	1,993,579
Capital Projects Fund	785,702	930,986
Debt Service Fund	<u>453,755</u>	<u>455,405</u>
Totals	<u>\$ 12,546,223</u>	<u>\$ 13,485,995</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2013.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2013.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2013, the carrying amount of the District's deposits was \$1,026,053 and the bank balance was \$1,404,365 with the difference consisting of outstanding checks. Of this balance \$390,752 was covered by federal depository insurance and \$1,013,613 was covered by collateral held in joint safekeeping by a third party.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2013, none of the District's bank balance of \$1,404,365 was exposed to custodial risk as follows:

	International <u>Bank</u>	First National Bank of <u>New Mexico</u>	<u>Total</u>
Uninsured and uncollateralized	\$ -	\$ -	\$ -
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>1,013,613</u>	-	<u>1,013,613</u>
Total uninsured	1,013,613	-	1,013,613
Insured (FDIC)	<u>250,000</u>	<u>140,752</u>	<u>390,752</u>
Total deposits	<u>\$ 1,263,613</u>	<u>\$ 140,752</u>	<u>\$ 1,404,365</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 296,928	\$ -	\$ 296,928
Pledged security	<u>1,459,574</u>	-	<u>1,459,574</u>
Over collateralization	<u>\$ 1,162,646</u>	<u>\$ -</u>	<u>\$ 1,162,646</u>

The collateral pledged is listed on Page 88 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>Receivables</u>		<u>Due from Other</u>	
	<u>Delinquent Property Taxes</u>	<u>Grant</u>	<u>Governments</u>	<u>Funds</u>
Major Funds:				
General	\$ 3,781	\$ -	\$ 1,353	\$ 149,146
Food Service	-	83,230	-	-
Capital Improvements SB - 9	19,512	-	6,470	-
Debt Service Fund	20,155	-	6,384	-
Other Governmental Funds	-	<u>149,188</u>	-	-
Total	<u>\$ 43,448</u>	<u>\$ 232,418</u>	<u>\$ 14,207</u>	<u>\$ 149,146</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables (continued)

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
General Fund	\$ -	\$ 61,367
Delinquent property taxes		
General Fund	2,624	-
Capital Improvements SB - 9	14,375	-
Debt Service Fund	15,203	-
Total deferred/unearned revenue for governmental funds	\$ 32,202	\$ 61,367

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:							
Capital assets not being depreciated:							
Land	\$ 107,911	\$ -	\$ 107,911	\$ -	\$ -	\$ -	\$ 107,911
Collections of works of art	250,000	-	250,000	-	-	-	250,000
Construction in progress	301,297	-	301,297	-	-	(301,297)	-
Total capital assets not being depreciated	659,208	-	659,208	-	-	(301,297)	357,911
Capital assets being depreciated:							
Land improvements	-	-	-	-	-	954,180	954,180
Buildings and improvements	25,479,693	-	25,479,693	-	-	(440,658)	25,039,035
Furniture, fixtures, and equipment	1,826,653	-	1,826,653	7,799	(75,911)	(212,225)	1,546,316
Total capital assets being depreciated	27,306,346	-	27,306,346	7,799	(75,911)	301,297	27,539,531
Less accumulated depreciation for:							
Land improvements	-	-	-	(54,123)	-	(243,670)	(297,793)
Buildings and improvements	(11,796,254)	(1,178,878)	(12,975,132)	(913,677)	-	243,670	(13,645,139)
Furniture, fixtures, and equipment	(894,975)	(93,153)	(988,128)	(79,403)	75,911	-	(991,620)
Total accumulated depreciation	(12,691,229)	(1,272,031)	(13,963,260)	(1,047,203)	75,911	-	(14,934,552)
Total capital assets being depreciated, net	14,615,117	(1,272,031)	13,343,086	(1,039,404)	-	301,297	12,604,979
Total capital assets, net	\$15,274,325	\$ (1,272,031)	\$14,002,294	\$ (1,039,404)	\$ -	\$ -	\$12,962,890

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 612,551
Support Services - Students	91,125
Support Services - Instruction	19,870
Support Services - General Administration	31,980
Support Services - School Administration	66,213
Central Services	18,010
Operations & Maintenance of Plant	122,481
Student Transportation	36,840
Food Services	47,647
Community Services	486
Total Depreciation Expense	<u>\$ 1,047,203</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Accumulated depreciation has been adjusted for depreciation that was incorrectly calculated due to errors in the accounting system in prior years. The net adjustment of \$1,272,031 was a restatement of net assets and is detailed in Note IV.E on page 41.

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$485,022 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2013 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 149,146	\$ -
Other Governmental Funds	-	149,146
Total deferred/uneamed revenue for governmental funds	<u>\$ 149,146</u>	<u>\$ 149,146</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

E. Inter-Fund Transfers

There was not any inter-fund transfers made during the year ended June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt

General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2013 are as follows:

<u>General Obligations Bonds</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2013</u>	<u>Amount Due Within One Year</u>
Series 1998	\$ 1,100,000	4.45% to 6.45%	\$ 200,000	\$ 95,000
Series 2008	<u>2,400,000</u>	3.35% to 4.15%	<u>1,855,000</u>	<u>120,000</u>
Total	<u>\$ 3,500,000</u>		<u>\$ 2,055,000</u>	<u>\$ 215,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2014	\$ 215,000	\$ 80,957	\$ 295,957
2015	330,000	71,498	401,498
2016	235,000	59,700	294,700
2017	250,000	50,888	300,888
2018	250,000	41,387	291,387
2019 - 2023	<u>775,000</u>	<u>63,400</u>	<u>838,400</u>
Total	<u>\$ 2,055,000</u>	<u>\$ 367,830</u>	<u>\$ 2,422,830</u>

	<u>Balance June 30, 2013</u>
Bonds payable	\$ 2,055,000
Less: current maturities	<u>(215,000)</u>
Total non-current liabilities	<u>\$ 1,840,000</u>

Changes in long term debt – During the year ended June 30, 2013 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 30,822	\$ 12,648	\$ 28,056	\$ 15,414	\$ 15,414
Bonds payable	<u>2,265,000</u>	<u>-</u>	<u>210,000</u>	<u>2,055,000</u>	<u>215,000</u>
	<u>\$ 2,295,822</u>	<u>\$ 12,648</u>	<u>\$ 238,056</u>	<u>\$ 2,070,414</u>	<u>\$ 230,414</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2013.

B. Employee Retirement Plan

Plan Description - Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The 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 the financial statements and required supplementary information for the plan. That report may be obtained by writing to:

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

Funding Policy

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2013, the Raton Public School District No. 11 was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000. In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$633,525, \$649,111, and \$790,927, respectively, which equal the amount of the required contributions for each fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (continued)

C. Post-Retirement Health Care Benefits

Plan Description

Raton Public School District No. 11 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

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

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

Funding Policy

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (continued)

pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$125,558, \$118,650 and \$115,645, respectively, which equal the required contributions for each year.

D. Contingent Liabilities

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

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

E. Restatement

There was a restatement of the financials for \$1,311,581. Of this amount, \$1,272,031 was due to capital assets being under depreciated due to an error within the accounting system. The remaining \$39,550, unamortized issuance costs, is for the implementation of GASB65 which requires issuance costs associated with general obligation bond issues to be expensed in the year in which they are incurred.

F. Cash Flows

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

G. Subsequent Events

Subsequent events were evaluated through August 22, 2013, which is the date the financial statements were available to be issued.

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GENERAL FUNDS
YEAR ENDED JUNE 30, 2013

OPERATING FUND

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

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GENERAL FUND
 Combining Balance Sheet
 June 30, 2013

	General Funds			Total General Funds
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
ASSETS				
Pooled cash and investments	\$ 406,251	\$ 706	\$ 5,573	\$ 412,530
Receivables:				
Property taxes	3,781	-	-	3,781
Due from other governments	1,353	-	-	1,353
Due from other funds	149,146	-	-	149,146
Fuel inventory	<u>12,101</u>	<u>-</u>	<u>-</u>	<u>12,101</u>
Total assets	<u>\$ 572,632</u>	<u>\$ 706</u>	<u>\$ 5,573</u>	<u>\$ 578,911</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 8,847	\$ -	\$ -	\$ 8,847
Accrued salaries	<u>238,224</u>	<u>706</u>	<u>-</u>	<u>238,930</u>
Total liabilities	<u>247,071</u>	<u>706</u>	<u>-</u>	<u>247,777</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	61,367	-	-	61,367
Delinquent property taxes	<u>2,624</u>	<u>-</u>	<u>-</u>	<u>2,624</u>
Total deferred inflows of resources	<u>63,991</u>	<u>-</u>	<u>-</u>	<u>63,991</u>
Total liabilities and deferred inflows of resources	<u>311,062</u>	<u>706</u>	<u>-</u>	<u>311,768</u>
Fund balance:				
Non-spendable:				
Inventories	12,101	-	-	12,101
Unassigned	<u>249,469</u>	<u>-</u>	<u>5,573</u>	<u>255,042</u>
Total fund balance	<u>261,570</u>	<u>-</u>	<u>5,573</u>	<u>267,143</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 572,632</u>	<u>\$ 706</u>	<u>\$ 5,573</u>	<u>\$ 578,911</u>

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GENERAL FUND
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Federal sources:				
Public Law 874	\$ 3,074	\$ -	\$ -	\$ 3,074
Forest reserve	17,320	-	-	17,320
State sources:				
State equalization guarantee	9,002,941	-	-	9,002,941
Transportation	-	414,431	-	414,431
State instructional material	-	-	85,304	85,304
State grant	75,319	-	-	75,319
Local sources:				
District school tax levy	79,689	-	-	79,689
Fees and activities	16,609	-	-	16,609
Earnings from investments	2,506	-	-	2,506
Miscellaneous	40,956	-	-	40,956
Total revenue	9,238,414	414,431	85,304	9,738,149
Expenditures:				
Current:				
Instruction	6,027,596	-	84,436	6,112,032
Support Services:				
Students	930,591	-	-	930,591
Instruction	221,241	-	-	221,241
General Administration	267,329	-	-	267,329
School Administration	744,863	-	-	744,863
Central Services	202,607	-	-	202,607
Operation & Maintenance of Plant	998,777	-	-	998,777
Student Transportation	-	414,431	-	414,431
Community Services	5,462	-	-	5,462
Total expenditures	9,398,466	414,431	84,436	9,897,333
Excess (deficiency) of revenues over expenditures	(160,052)	-	868	(159,184)
Fund balance at beginning of the year	421,622	-	4,705	426,327
Fund balance at end of the year	\$ 261,570	\$ -	\$ 5,573	\$ 267,143

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

OPERATIONAL FUND - NO. 11000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 153	\$ 153	\$ 3,074	\$ 2,921
Forest reserve	-	17,320	17,320	-
State sources:				
State equalization guarantee	9,066,033	9,066,351	9,002,941	(63,410)
State flowthrough grant	9,750	9,750	75,319	65,569
Local sources:				
District school tax levy	55,750	55,750	79,560	23,810
Fees and activities	14,712	14,712	16,609	1,897
Earnings from investments	1,500	1,500	2,506	1,006
Miscellaneous	-	-	40,956	40,956
Total revenues	9,147,898	9,165,536	9,238,285	72,749
Expenditures:				
Current:				
Instruction	5,995,006	6,038,020	6,005,928	32,092
Support Services:				
Students	1,006,650	942,001	933,344	8,657
Instruction	197,434	217,287	214,494	2,793
General Administration	317,192	318,692	294,280	24,412
School Administration	751,243	749,465	744,863	4,602
Central Services	207,706	221,760	202,836	18,924
Operation & Maintenance of Plant	1,083,636	1,079,757	1,033,947	45,810
Other Support Services	32,416	32,416	-	32,416
Community Services Operations	6,020	6,020	5,462	558
Total expenditures	9,597,303	9,605,418	9,435,154	170,264
Excess (deficiency) of revenues over expenditures	(449,405)	(439,882)	(196,869)	243,013
Beginning cash balance budgeted	449,405	439,882	-	(439,882)
Fund balance at beginning of the year	-	-	421,622	421,622
Fund balance at end of the year	\$ -	\$ -	224,753	\$ 224,753
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(21,862)	
Change in property tax receivable			(3,473)	
Change in due from other governments			1,353	
Change in payables			58,550	
Change in deferred property taxes			2,249	
			\$ 261,570	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TRANSPORTATION FUND - NO. 13000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 426,697	\$ 414,431	\$ 414,431	\$ -
 Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>426,697</u>	<u>414,431</u>	<u>414,431</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

INSTRUCTIONAL MATERIALS FUND - NO. 14000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State instructional material	\$ 81,471	\$ 81,471	\$ 85,304	\$ 3,833
 Expenditures:				
Current:				
Instruction	<u>81,471</u>	<u>86,176</u>	<u>84,436</u>	<u>1,740</u>
Excess (deficiency) of revenues over expenditures	-	(4,705)	868	5,573
Beginning cash balance budgeted	-	4,705	-	(4,705)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>4,705</u>	<u>4,705</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>5,573</u>	<u><u>\$ 5,573</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 5,573</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds				
	Athletics <u>Fund #22000</u>	Title I <u>Fund #24101</u>	Entitlement IDEA-B <u>Fund #24106</u>	Discretionary IDEA-B <u>Fund #24107</u>	Preschool IDEA-B <u>Fund #24109</u>
ASSETS					
Pooled cash and investments	\$ 18,210	\$ 9,604	\$ 12,521	\$ -	\$ 3,546
Receivables:					
Grant	<u>-</u>	<u>39,313</u>	<u>16,873</u>	<u>-</u>	<u>1,358</u>
Total assets	18,210	48,917	29,394	-	4,904
Total assets	<u>\$ 18,210</u>	<u>\$ 48,917</u>	<u>\$ 29,394</u>	<u>\$ -</u>	<u>\$ 4,904</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	9,604	12,521	-	3,546
Due to other funds	<u>-</u>	<u>39,313</u>	<u>16,873</u>	<u>-</u>	<u>1,358</u>
Total liabilities	-	48,917	29,394	-	4,904
Fund balance:					
Restricted for:					
Special revenue funds	<u>18,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 18,210</u>	<u>\$ 48,917</u>	<u>\$ 29,394</u>	<u>\$ -</u>	<u>\$ 4,904</u>

(cont'd; 1 of 5)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>	Rural & Low- Income Schools <u>Fund #24160</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 385	\$ 12	\$ -
Receivables:				
Grant	-	4,804	46,056	4,784
Total assets	-	5,189	46,068	4,784
Total assets	\$ -	\$ 5,189	\$ 46,068	\$ 4,784
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 427	\$ -
Accrued salaries	-	-	12	-
Due to other funds	-	5,189	45,629	4,784
Total liabilities	-	5,189	46,068	4,784
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Total liabilities and fund balance	\$ -	\$ 5,189	\$ 46,068	\$ 4,784

(cont'd; 2 of 5)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Title XIX Medicaid <u>Fund #25153</u>	Dual Credit Instructional Mataterials <u>Fund #27103</u>	GO Bond Library <u>Fund #27105</u>	Writing to Read <u>Fund #27111</u>
ASSETS				
Pooled cash and investments	\$ 46	\$ -	\$ -	\$ -
Receivables:				
Grant	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	56	-	-	-
Total assets	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	46	-	-	-
Due to other funds	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	56	-	-	-
 Fund balance:				
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 3 of 5)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Center for Teacher Excellence <u>Fund #27114</u>	Breakfast for Elementary Students <u>Fund #27155</u>	Libraries GO Bond 2006 <u>Fund #27171</u>	City/County Grants <u>Fund #29107</u>
ASSETS				
Pooled cash and investments	\$ 3,532	\$ -	\$ -	\$ 47
Receivables:				
Grant	24,463	87	7,711	3,729
Total assets	27,995	87	7,711	3,776
Total assets	\$ 27,995	\$ 87	\$ 7,711	\$ 3,776
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	3,532	-	-	47
Due to other funds	24,463	87	7,711	3,729
Total liabilities	27,995	87	7,711	3,776
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Total liabilities and fund balance	\$ 27,995	\$ 87	\$ 7,711	\$ 3,776

(cont'd; 4 of 5)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Total Non-Major Special Revenue <u>Funds</u>	Special Capital Outlay - State <u>Fund #31400</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Pooled cash and investments	\$ 47,903	\$ -	\$ 47,903
Receivables:			
Grant	<u>149,188</u>	<u>-</u>	<u>149,188</u>
Total assets	197,091	-	197,091
Total assets	<u>\$ 197,091</u>	<u>\$ -</u>	<u>\$ 197,091</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 427	\$ -	\$ 427
Accrued salaries	29,308	-	29,308
Due to other funds	<u>149,146</u>	<u>-</u>	<u>149,146</u>
Total liabilities	178,881	-	178,881
Fund balance:			
Restricted for:			
Special revenue funds	<u>18,210</u>	<u>-</u>	<u>18,210</u>
Total liabilities and fund balance	<u>\$ 197,091</u>	<u>\$ -</u>	<u>\$ 197,091</u>

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	Athletics Fund #22000	Title I Fund #24101	Entitlement IDEA-B Fund #24106	Discretionary IDEA-B Fund #24107	Preschool IDEA-B Fund #24109
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ 294,966	\$ 319,678	\$ 5,674	\$ 29,996
Federal direct grants	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	27,050	-	-	-	-
Earnings from investments	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>27,086</u>	<u>294,966</u>	<u>319,678</u>	<u>5,674</u>	<u>29,996</u>
Expenditures:					
Current:					
Instruction	29,744	294,948	197,008	5,659	29,996
Support Services:					
Students	-	-	36,118	-	-
Instruction	-	-	-	-	-
General Administration	-	-	86,552	-	-
Food Services Operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>29,744</u>	<u>294,948</u>	<u>319,678</u>	<u>5,659</u>	<u>29,996</u>
Excess (deficiency) of revenues over expenditures	(2,658)	18	-	15	-
Other financing uses:					
Refunds	<u>-</u>	<u>(18)</u>	<u>-</u>	<u>(15)</u>	<u>-</u>
Net change in fund balance	(2,658)	-	-	-	-
Fund balance at beginning of the year	<u>20,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 18,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 4)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	IDEA-B "Risk Pool" Fund #24120	Title III English Language Fund #24153	Title II Teacher Quality Fund #24154	Rural & Low- Income Schools Fund #24160	Title XIX Medicaid Fund #25153
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 1,724	\$ 9,652	\$ 90,090	\$ 26,360	\$ -
Federal direct grants	-	-	-	-	29,892
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total revenue	<u>1,724</u>	<u>9,652</u>	<u>90,090</u>	<u>26,360</u>	<u>29,892</u>
Expenditures:					
Current:					
Instruction	1,724	9,652	90,090	26,360	-
Support Services:					
Students	-	-	-	-	29,892
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	<u>1,724</u>	<u>9,652</u>	<u>90,090</u>	<u>26,360</u>	<u>29,892</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 2 of 4)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	Special Revenue Funds				
	Dual Credit Instructional Materials <u>Fund #27103</u>	GO Bond Library <u>Fund #27105</u>	Writing to Read <u>Fund #27111</u>	Center for Teacher Excellence <u>Fund #27114</u>	Breakfast for Elementary Students <u>Fund #27155</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
State sources:					
State grant	3,211	-	8,850	83,204	198
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total revenue	<u>3,211</u>	<u>-</u>	<u>8,850</u>	<u>83,204</u>	<u>198</u>
Expenditures:					
Current:					
Instruction	3,211	-	-	83,204	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	8,850	-	-
General Administration	-	-	-	-	-
Food Services Operations	-	-	-	-	198
Total expenditures	<u>3,211</u>	<u>-</u>	<u>8,850</u>	<u>83,204</u>	<u>198</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 3 of 4)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2013

	<u>Special Revenue Funds</u>				
	Libraries GO Bond 2006 Fund #27171	City/County Grants Fund #29107	Total Nonmajor Special Revenue Funds	Special Capital Outlay - State Fund #31400	Total Nonmajor Governmental Funds
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 778,140	\$ -	\$ 778,140
Federal direct grants	-	-	29,892	-	29,892
State sources:					
State grant	7,711	-	103,174	-	103,174
Local sources:					
Grant	-	28,458	28,458	-	28,458
Fees and activities	-	-	27,050	-	27,050
Earnings from investments	-	-	36	-	36
Total revenue	<u>7,711</u>	<u>28,458</u>	<u>966,750</u>	<u>-</u>	<u>966,750</u>
Expenditures:					
Current:					
Instruction	7,711	-	779,307	-	779,307
Support Services:					
Students	-	28,510	94,520	-	94,520
Instruction	-	-	8,850	-	8,850
General Administration	-	-	86,552	-	86,552
Food Services Operations	-	-	198	-	198
Total expenditures	<u>7,711</u>	<u>28,510</u>	<u>969,427</u>	<u>-</u>	<u>969,427</u>
Excess (deficiency) of revenues over expenditures	-	(52)	(2,677)	-	(2,677)
Other financing uses:					
Refunds	-	-	(33)	-	(33)
Net change in fund balance	-	(52)	(2,710)	-	(2,710)
Fund balance at beginning of the year	-	52	20,920	-	20,920
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,210</u>	<u>\$ -</u>	<u>\$ 18,210</u>

BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

ATHLETICS

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

TITLE I

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

ENTITLEMENT/DISCRETIONARY IDEA-B

The Entitlement/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

IDEA-B “RISK POOL”

The IDEA-B “Risk Pool” program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

TITLE III ENGLISH LANGUAGE

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

TITLE II TEACHER QUALITY

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

RURAL & LOW-INCOME SCHOOLS

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.

TITLE XIX MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

DUAL CREDIT INSTRUCTIONAL MATERIALS

To be used for courses approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

GO BOND LIBRARY

To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding.

WRITING TO READ

To purchase Discovery Education Assessment for English language arts and math in grades 4 through 10 for the school year 2012-2013.

CENTER FOR TEACHER EXCELLENCE

To increase the quality of reading instruction.

BREAKFAST FOR ELEMENTARY STUDENTS

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

LIBRARIES GO BOND 2006

Funding made available to update and expand library collections.

CITY/COUNTY GRANTS

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.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

ATHLETICS FUND - NO. 22000
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 36,312	\$ 36,312	\$ 27,092	\$ (9,220)
Earnings from investments	<u>723</u>	<u>723</u>	<u>36</u>	<u>(687)</u>
Total revenues	37,035	37,035	27,128	(9,907)
Expenditures:				
Current:				
Instruction	<u>59,297</u>	<u>57,861</u>	<u>29,744</u>	<u>28,117</u>
Excess (deficiency) of revenues over expenditures	(22,262)	(20,826)	(2,616)	18,210
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>20,868</u>	<u>20,868</u>
Fund balance at end of the year	<u><u>\$ (22,262)</u></u>	<u><u>\$ (20,826)</u></u>	18,252	<u><u>\$ 39,078</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			<u>(42)</u>	
			<u>\$ 18,210</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TITLE I FUND - NO. 24101
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 298,301	\$ 388,858	\$ 259,230	\$ (129,628)
 Expenditures:				
Current:				
Instruction	<u>298,301</u>	<u>388,858</u>	<u>294,948</u>	<u>93,910</u>
Excess (deficiency) of revenues over expenditures	-	-	(35,718)	(35,718)
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>(18)</u>
Net change in fund balance	-	-	(35,736)	(35,736)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	(35,736)	<u><u>\$ (35,736)</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>35,736</u>	
			<u><u>\$ -</u></u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

ENTITLEMENT IDEA-B FUND - NO. 24106
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 379,978	\$ 303,103	\$ (76,875)
 Expenditures:				
Current:				
Instruction	-	255,092	197,008	58,084
Support Services:				
Students	-	37,092	36,118	974
General Administration	-	87,794	86,552	1,242
Total expenditures	-	379,978	319,678	60,300
 Excess (deficiency) of revenues over expenditures	-	-	(16,575)	(16,575)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(16,575)	<u>\$ (16,575)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>16,575</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

DISCRETIONARY IDEA-B FUND - NO. 24107
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 6,527	\$ 7,168	\$ 641
 Expenditures:				
Current:				
Instruction	-	6,527	6,511	16
Excess of revenues over expenditures	-	-	657	657
Other financing uses:				
Refunds	-	-	(15)	(15)
Net change in fund balance	-	-	642	642
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	642	<u>\$ 642</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,494)	
Change in payables			<u>852</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

PRESCHOOL IDEA-B FUND - NO. 24109
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 24,883	\$ 33,111	\$ 28,638	\$ (4,473)
 Expenditures:				
Current:				
Instruction	<u>24,883</u>	<u>33,111</u>	<u>29,996</u>	<u>3,115</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,358)	(1,358)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,358)	<u>\$ (1,358)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,358</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

IDEA-B "RISK POOL" FUND - NO. 24120
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 1,724	\$ 1,724	\$ -
 Expenditures:				
Current:				
Instruction	-	1,724	1,724	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TITLE III ENGLISH LANGUAGE FUND - NO. 24153
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 6,074	\$ 17,361	\$ 10,259	\$ (7,102)
 Expenditures:				
Current:				
Instruction	<u>6,074</u>	<u>17,361</u>	<u>9,652</u>	<u>7,709</u>
Excess of revenues over expenditures	-	-	607	607
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	607	<u><u>\$ 607</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(992)	
Change in deferred revenue			<u>385</u>	
			<u><u>\$ -</u></u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TITLE II TEACHER QUALITY FUND - NO. 24154
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 75,965	\$ 153,968	\$ 43,783	\$ (110,185)
 Expenditures:				
Current:				
Instruction	<u>75,965</u>	<u>153,968</u>	<u>89,662</u>	<u>64,306</u>
Excess (deficiency) of revenues over expenditures	-	-	(45,879)	(45,879)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(45,879)	<u>\$ (45,879)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			45,856	
Change in payables			(427)	
Change in deferred revenue			<u>450</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

RURAL & LOW-INCOME SCHOOLS FUND - NO. 24160
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 20,395	\$ 38,988	\$ 21,576	\$ (17,412)
 Expenditures:				
Current:				
Instruction	<u>20,395</u>	<u>38,988</u>	<u>26,360</u>	<u>12,628</u>
Excess (deficiency) of revenues over expenditures	-	-	(4,784)	(4,784)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(4,784)</u>	<u>\$ (4,784)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>4,784</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TITLE XIX MEDICAID FUND - NO. 25153
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 53,429	\$ 53,429	\$ 29,882	\$ (23,547)
 Expenditures:				
Current:				
Support Services:				
Students	<u>53,429</u>	<u>53,429</u>	<u>29,892</u>	<u>23,537</u>
Excess (deficiency) of revenues over expenditures	-	-	(10)	(10)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(10)</u>	<u>\$ (10)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>10</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

DUAL CREDIT INSTRUCTIONAL MATATERIALS FUND - NO. 27103
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 3,211	\$ 4,793	\$ 1,582
Expenditures:				
Current:				
Instruction	-	3,211	3,211	-
Excess of revenues over expenditures	-	-	1,582	1,582
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,582	<u>\$ 1,582</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,582)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GO BOND LIBRARY FUND - NO. 27105
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 1,279	\$ 1,279
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	1,279	1,279
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,279	<u>\$ 1,279</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,279)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

WRITING TO READ FUND - NO. 27111
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 8,850	\$ 8,850	\$ -
 Expenditures:				
Current:				
Support Services:				
Instruction	-	8,850	8,850	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CENTER FOR TEACHER EXCELLENCE FUND - NO. 27114
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 89,000	\$ 58,741	\$ (30,259)
 Expenditures:				
Current:				
Instruction	-	89,000	83,204	5,796
 Excess (deficiency) of revenues over expenditures	-	-	(24,463)	(24,463)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(24,463)	<u>\$ (24,463)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>24,463</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

BREAKFAST FOR ELEMENTARY STUDENTS FUND - NO. 27155
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 1,108	\$ 111	\$ (997)
 Expenditures:				
Current:				
Food Services Operations	-	1,108	198	910
Excess (deficiency) of revenues over expenditures	-	-	(87)	(87)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(87)	<u>\$ (87)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>87</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

LIBRARIES GO BOND 2006 FUND - NO. 27171
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 15,401	\$ -	\$ (15,401)
 Expenditures:				
Current:				
Instruction	-	15,401	7,711	7,690
Excess (deficiency) of revenues over expenditures	-	-	(7,711)	(7,711)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7,711)	<u>\$ (7,711)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,711	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CITY/COUNTY GRANTS FUND - NO. 29107
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Miscellaneous	-	60,000	24,779	(35,221)
 Expenditures:				
Current:				
Support Services:				
Students	-	60,000	28,510	31,490
 Excess (deficiency) of revenues over expenditures	-	-	(3,731)	(3,731)
 Fund balance at beginning of the year	-	-	52	52
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,679)	<u>\$ (3,679)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,679	
			<u>\$ -</u>	

CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2013

SPECIAL CAPITAL OUTLAY - STATE

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

CAPITAL IMPROVEMENTS SB – 9

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

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SPECIAL CAPITAL OUTLAY - STATE FUND - NO. 31400
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ 11,507	\$ -	\$ (11,507)
 Expenditures:				
Capital outlay:				
Land and improvements	-	11,507	-	11,507
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 58,230	\$ -	\$ (58,230)
Local sources:				
District school tax levy	302,757	302,757	312,431	9,674
Earnings from investments	<u>400</u>	<u>400</u>	<u>1,356</u>	<u>956</u>
Total revenues	<u>303,157</u>	<u>361,387</u>	<u>313,787</u>	<u>(47,600)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	3,000	3,000	3,040	(40)
Operation & Maintenance of Plant	640,702	766,680	372,468	394,212
Capital outlay:				
Equipment	-	7,799	7,799	-
Construction in progress	<u>142,000</u>	<u>142,000</u>	<u>9,262</u>	<u>132,738</u>
Total expenditures	<u>785,702</u>	<u>919,479</u>	<u>392,569</u>	<u>526,910</u>
Excess (deficiency) of revenues over expenditures	(482,545)	(558,092)	(78,782)	479,310
Beginning cash balance budgeted	482,545	558,092	-	(558,092)
Fund balance at beginning of the year	-	-	<u>564,336</u>	<u>564,336</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	485,554	<u>\$ 485,554</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(16,168)	
Change in due from other governments			6,470	
Change in payables			(3,225)	
Change in deferred property taxes			<u>12,391</u>	
			<u>\$ 485,022</u>	

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DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

DEBT SERVICE FUND - NO. 41000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 299,859	\$ 299,859	\$ 300,065	\$ 206
Earnings from investments	<u>15</u>	<u>15</u>	<u>-</u>	<u>(15)</u>
Total revenues	<u>299,874</u>	<u>299,874</u>	<u>300,065</u>	<u>191</u>
 Expenditures:				
Current:				
Support Services:				
General Administration	2,999	3,299	2,919	380
Debt service:				
Principal retirement	210,000	210,000	210,000	-
Bond interest paid	89,859	89,859	89,859	-
Reserves	<u>150,897</u>	<u>152,247</u>	<u>-</u>	<u>152,247</u>
Total expenditures	<u>453,755</u>	<u>455,405</u>	<u>302,778</u>	<u>152,627</u>
Excess (deficiency) of revenues over expenditures	(153,881)	(155,531)	(2,713)	152,818
Beginning cash balance budgeted	153,881	155,531	-	(155,531)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>164,486</u>	<u>164,486</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>161,773</u>	<u>\$ 161,773</u>
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(17,913)	
Change in due from other governments			6,384	
Change in payables			60	
Change in deferred property taxes			<u>13,851</u>	
			<u>\$ 164,155</u>	

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2013

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2013</u>
23000	Non-Instructional Support	\$ 697	\$ 1,264	\$ 1,744	\$ 217
23001	Ms Orchestra	306	-	-	306
23003	Hs Boys Basketball	-	1,121	823	298
23004	Hs Girls Basketball	280	-	280	-
23005	Hs Cheerleaders	1	14,528	11,955	2,574
23006	Ms Cheerleaders	-	8,632	8,631	1
23007	Hs Dance Team	2,375	7,496	9,642	229
23008	Hs Football	-	1,200	1,200	-
23011	Ms Science Fair	280	-	-	280
23012	Ms Phys Ed Class	1,489	1,176	1,687	978
23013	Hs Rodeo Team	311	77	-	388
23016	Longfellow After School	86	-	-	86
23018	Ms Volleyball	269	171	321	119
23019	Hs Girls Volleyball Team	424	664	541	547
23020	Rms Paws	984	659	1,091	552
23021	Rhs Ski Club	3,418	3,815	6,189	1,044
23022	Hs Art	1,964	1,697	2,772	889
23023	Ms Art	3,250	179	772	2,657
23024	Hs Band	2,704	343	3,047	-
23025	Ms Band	2,278	4,185	6,360	103
23026	National Spanish Exam	1,113	-	357	756
23028	Hs Building Trades	210	60	57	213
23029	Hs Cadd-Drafting	153	-	-	153
23030	Hs Chorus	1,332	5,867	5,258	1,941
23031	Ms Chorus	683	1,071	1,754	-
23032	Ms Facs	133	1,242	697	678
23033	Rms Adult Prin Fund	1,048	1,135	1,648	535
23035	Ms Industrial Arts	4,884	1,750	995	5,639
23036	Hs Library	990	2,537	2,754	773
23037	Ms Library	496	2,265	2,261	500
23038	Hs Science	555	-	101	454
23039	Ms Science	81	-	-	81
23040	Kearny Library	343	3,141	3,221	263
23042	Longfellow Library	122	4,557	4,565	114
23043	Class Of 2013	2,333	2,022	4,192	163
23044	Marquee Donations	200	-	-	200
23045	Culinary Arts	2,221	10,959	9,810	3,370
23046	Class Of 2012	2,650	-	2,650	-
23047	Rms Diabetes Fundraising	25	-	-	25
23048	Kearny Adult Prin Fund	2,102	136	800	1,438
23049	Rms Teach Students To Ski	480	2,627	1,027	2,080
23050	Poetry Programs At Rhs	-	125	35	90
23051	Fellowship For Christian Athletes	1,688	1,055	120	2,623
23052	Hs Annual	975	23,810	21,015	3,770
23053	Ms Annual	3,313	-	-	3,313
23054	Hs Arts & Crafts	694	549	48	1,195
23055	Hs Book Fund	4,660	-	-	4,660
23056	Hs Bpa	101	-	-	101
23057	Counseling Fund	1,881	3,592	3,605	1,868
23058	Class Of 2015	204	1,695	796	1,103
23060	Class Of 2014	1,510	4,321	2,691	3,140
23061	Class Of 2016	-	259	-	259
23064	Columbian Adult Prin Fund	549	266	608	207
23065	Hs Drama	610	489	343	756
23066	Hs Fecla	4,754	20,149	23,116	1,787
23067	Ms Fecla	\$ 13,315	\$ 22,202	\$ 34,781	\$ 736

(cont'd; 1 of 2)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2013

Activity		Balance				Balance
Fund	ASSETS	<u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2013</u>
23068	Hs Ffa	\$ 5,249	\$ 9,131	\$ 11,128		\$ 3,252
23069	Fines On Textbooks	-	-	-		-
23070	Hs Rspec	243	-	-		243
23071	Hs Honor Society	1,603	-	261		1,342
23072	Northern District	164	-	-		164
23073	Hs Key Club	9	5	-		14
23074	Hs Ldz	1,032	-	-		1,032
23075	Hs Mock Trail	1,196	444	1,351		289
23076	Hs Principal Fund	363	13,272	9,627		4,008
23077	Ms Principal Fund	5,753	8,133	10,018		3,868
23078	Kearny Principal Fund	6,595	1,012	7,331		276
23079	Columbian Principal Fund	943	3,784	4,273		454
23080	Longfellow Principal Fund	1,684	969	1,510		1,143
23081	Mesa View Academy	1,231	51	-		1,282
23084	Hs Special Fund	-	-	-		-
23085	Hs Spirit Club	252	-	15		237
23086	Hs Student Senate	2,534	2,901	4,866		569
23087	Ms Student Senate	1,685	735	1,158		1,262
23088	Hs Welding	1,074	760	1,734		100
23089	Hs Woodshop	3,341	640	1,410		2,571
23091	Columbian Book Fair	351	3,522	3,000		873
23092	Rhs Adult Prin Fund	2,575	99	902		1,772
23093	Columbian Card Factory	445	3,708	3,244		909
23096	Kearny Science Fund	1	-	-		1
23097	Students Publishing	6,743	1,150	6,494		1,399
23098	Longfellow Adult Prin Fund	268	108	80		296
23099	Ag/Science Teacher	124	-	-		124
23101	Back To School Festival	1,410	-	-		1,410
23102	Rhs Computer Applications	89	-	-		89
23103	Rhs Sp Ed	416	193	351		258
23104	Ffa Greenhouse	673	330	326		677
23105	Joe Vigil Law Enforcement Mem Scholarship	500	20,300	20,300		500
23106	Athletic Fund Raiser	17,177	12,138	15,085		14,230
23107	Youth Alive	204	975	1,026		153
23108	Aquarium Club	42	-	-		42
23109	Rms Green Team	259	-	-		259
23110	Rms Fea	2,297	-	-		2,297
23111	Rms Geobee	90	-	33		57
23112	Band Boosters	25,919	28,898	53,393		1,424
23113	American Cancer Society	570	1,000	570		1,000
23114	Longfellow 1St Grade Field Trips	-	272	161		111
23115	Longfellow Kinder Field Trips	-	332	332		-
23116	Longfellow Boxtops	1,018	627	296		1,349
23117	Columbian Library	33	99	97		35
23118	Uncommon Drumming	509	-	509		-
23119	Spaceport	-	11	-		11
	Pooled cash and investments	<u>\$ 174,188</u>	<u>\$ 280,687</u>	<u>\$ 347,241</u>		<u>\$ 107,634</u>
	LIABILITIES					
	Deposits held for others	<u>\$ 174,188</u>	<u>\$ 280,687</u>	<u>\$ 347,241</u>		<u>\$ 107,634</u>

(2 of 2)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2013

	International <u>Bank</u>	First National Bank <u>of New Mexico</u>	<u>Total</u>
Cash on deposit at June 30, 2013	\$ 1,263,613	\$ 140,752	\$ 1,404,365
Less FDIC coverage	<u>250,000</u>	<u>140,752</u>	<u>390,752</u>
Uninsured funds	<u>\$ 1,013,613</u>	<u>\$ -</u>	<u>\$ 1,013,613</u>
50% collateral requirement	\$ 506,807	\$ -	\$ 506,807
Pledged collateral	<u>1,459,574</u>	<u>-</u>	<u>1,459,574</u>
Excess (deficiency) of pledged collateral	<u>\$ 952,767</u>	<u>\$ -</u>	<u>\$ 952,767</u>

Pledged collateral of financial institutions consists of the following at June 30, 2013

International Bank:	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Bernalillo WTR & SWR	6/1/2014	08527VAH1	\$ 402,379
FHLB	6/13/2014	3133X4LX7	52,245
Bernalillo WTR & SWR	6/1/2015	08527VAH1	274,999
FHLB	6/12/2015	3133X0TS4	<u>729,951</u>
			<u>\$ 1,459,574</u>

The above securities are held at Federal Home Loan Bank in Dallas, TX.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CASH RECONCILIATION
 June 30, 2013

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 439,885	\$ 9,299,652	\$ (9,435,154)	\$ (136,356)	\$ 168,027	\$ 238,224	\$ 406,251
Transportation	-	414,431	(414,431)	-	-	706	706
Instructional Materials	4,705	85,304	(84,436)	-	5,573	-	5,573
Food Services	217,229	387,753	(510,887)	-	94,095	7,019	101,114
Athletics	20,826	27,127	(29,743)	-	18,210	-	18,210
Federal Flowthrough Funds	250	675,481	(778,530)	103,184	385	25,683	26,068
Federal Direct Funds	-	29,882	(29,892)	10	-	46	46
State Flowthrough Funds	-	73,774	(103,174)	29,400	-	3,532	3,532
Local/State	2	24,779	(28,510)	3,729	-	47	47
Capital Improvements SB-9	558,092	313,787	(392,569)	-	479,310	-	479,310
Debt Service	155,532	300,065	(302,778)	-	152,819	-	152,819
Agency Funds	-	-	-	-	-	107,634	107,634
Total	\$ 1,396,521	\$ 11,632,035	\$ (12,110,104)	\$ (33)	\$ 918,419	\$ 382,891	\$ 1,301,310

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking - Interest	International Bank	\$ 840,975	Checks held for payroll liability	\$ 275,257
Cafeteria	Checking - Interest	International Bank	129,271	Agency funds	<u>107,634</u>
Activities	Checking - Interest	First National Bank	18,109		<u>\$ 382,891</u>
Federal	Checking - Non-Interest	International Bank	140,752		
Payroll	Checking - Interest	International Bank	<u>275,257</u>	Adjustments to cash:	
			<u>\$ 1,404,364</u>	Bank Balance	\$ 1,404,364
				Cash on hand	100
				Outstanding deposits	-
				Outstanding checks	<u>(103,154)</u>
				Total adjustment to cash	<u>\$ 1,301,310</u>

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SINGLE AUDIT SECTION

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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

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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

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Raton Public School District No. 11 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Raton Public School District No. 11's basic financial statements, and the combining and individual funds and related budgetary comparisons of Raton Public School District No. 11, presented as supplemental information, and have issued our report thereon dated August 22, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Raton Public School District No. 11's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Raton Public School District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of Raton Public School District No. 11's internal control.

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 Raton Public School District No. 11's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether Raton Public School District No. 11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Raton Public School District No. 11's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, NM
August 22, 2013



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

Report on Compliance for Each Major Federal Program

We have audited Raton Public School District No. 11's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Raton Public School District No. 11's major federal programs for the year ended June 30, 2013. Raton Public School District No. 11's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Raton Public School District No. 11's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Raton Public School District No. 11'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Raton Public School District No. 11's compliance.

Opinion on Each Major Federal Program

In our opinion, Raton Public School District No. 11 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

Report on Internal Control Over Compliance

Management of Raton Public School District No. 11 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Raton Public School District No. 11's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Raton Public School District No. 11's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, NM
August 22, 2013

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2013

A. PRIOR YEAR AUDIT FINDINGS

NOT RESOLVED

No audit findings to report.

RESOLVED

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

Current Status: Resolved. Not repeated in the current year.

FS 2012-02 Inventory Maintenance (Other Matter)

Current Status: Resolved. Not repeated in the current year.

FA 2012-01 Eligibility (Material Weakness)

Current Status: Resolved. Not repeated in the current year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Raton Public School District No. 11.
2. There were no significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There were no significant deficiencies considered to be material weaknesses.
3. There were no instances of noncompliance material to the financial statements of Raton Public School District No. 11 disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal Awards Required By OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Raton Public School District No. 11 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Raton Public School District No. 11 that are required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
 - USDA Child Nutrition Cluster CFDA# 10.555 and 10.553; and
 - Special Education (IDEA) Cluster CFDA# 84.027 and 84.173
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Raton Public School District No. 11 was determined to be a high-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No audit findings to report.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

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SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Direct Program:				
Forest Reserve	10.670	11000		\$ <u>17,320</u>
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	91,073	
USDA School Breakfast Program	10.553	21000	<u>330,662</u>	
Total Child Nutrition Cluster				421,735
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>22,054</u>
Subtotal Pass-Through Programs				<u>443,789</u>
Total U.S. Department of Agriculture				<u>461,109</u>
<u>U.S. Department of Education:</u>				
Direct Programs:				
Impact Aid Indian Education	84.041	25147		<u>3,074</u>
<u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	319,678	
Discretionary IDEA-B	84.027	24107	5,659	
Preschool IDEA-B	84.173	24109	29,996	
IDEA-B "Risk Pool"	84.027	24120	<u>1,724</u>	
Total Special Education (IDEA) Cluster				357,057
Title I	84.010	24101		294,948
Title III English Language	84.365	24153		9,652
Title II Teacher Quality	84.367	24154		90,090
Rural & Low-Income Schools	84.358	24160		<u>26,360</u>
Subtotal Pass-Through Programs				<u>778,107</u>
Total U.S. Department of Education				<u>781,181</u>
<u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>29,892</u>
Total Expenditures of Federal Awards				<u>\$ 1,272,182</u>

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Raton Public School District No. 11 (the "School District") are included in the scope of the Office of management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised March 2013 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2013 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 57% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$1,250,128 and all non-cash expenditures amounted to \$22,054.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2013 Expenditure</u>
Cash assistance:	
USDA Child Nutrition	\$ 418,735
Special Education (IDEA) Cluster	<u>357,057</u>
Total	<u><u>\$ 775,792</u></u>

The federal programs that were considered high risk Type A programs for the 2013 audit were USDA Child Nutrition Cluster.

The U.S. Department of Education is the School District's oversight agency for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2013. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2013.

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REQUIRED DISCLOSURE

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REQUIRED DISCLOSURES
YEAR ENDED JUNE 30, 2013

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held August 22, 2013, during which the audit findings were discussed. The exit conference was attended by the following individuals:

RATON PUBLIC SCHOOL DISTRICT NO. 11

Ted Kamp	Board Secretary, Board of Education / Audit Committee
Neil Terhune	Superintendent; Member, Audit Committee
Erlene Bradley	Member, Audit Committee
Lita Sanchez	Finance Director; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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