

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2014
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

TABLE OF CONTENTS
Year Ended June 30, 2014

INTRODUCTORY SECTION

	Title Page
iii	Table of Contents
1	Official Roster

FINANCIAL SECTION

5	Independent Auditors' Report
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BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

8	Statement of Net Position
9	Statement of Activities

Fund Financial Statements:

10	Balance Sheet – Governmental Funds
13	Reconciliation of the Balance Sheet – All Governmental Funds to the Statement of Net Position
14	Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
17	Reconciliation of the Statement of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities

Major Funds:

	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):
18	General Fund
19	Food Services Special Revenue Fund
20	Entitlement IDEA-B Special Revenue Fund
21	Title II Teacher Quality Special Revenue Fund
22	Statement of Fiduciary Assets and Liabilities – Agency Funds
23	Notes to the Financial Statements

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

General Fund:

40	Combining Balance Sheet
41	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):
42	Operating Fund
43	Transportation Fund
44	Instructional Materials Fund

Nonmajor Governmental Funds:

46	Combining Balance Sheet
52	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Non-Major Special Revenue Funds:

	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):
62	Athletics
63	Title I
64	NM Autism
65	Preschool IDEA-B
66	Fresh Fruits and Vegetables
67	IDEA-B "Risk Pool"
68	Title III English Language
69	Rural & Low-Income Schools
70	Title XIX Medicaid
71	Dual Credit Instructional Materials
72	Libraries GO Bond 2010

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TABLE OF CONTENTS
Year Ended June 30, 2014

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (cont'd):

Non-Major Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

73	Libraries GO Bond 2012
74	Center for Teacher Excellence
75	Breakfast for Elementary Students
76	Libraries GO Bond 2006
77	Workforce Readiness
78	NM Grown
79	Next Generation Assessments
80	Youth Conservation Corp
81	Sloat-Prince Foundation
82	City/County Grants

Capital Projects Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

84	Special Capital Outlay – State
85	Capital Improvements SB-9

Debt Service Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

89	Debt Service Fund
----	-------------------

OTHER SUPPLEMENTAL INFORMATION:

Fiduciary Funds:

92	Schedule of Changes in Assets and Liabilities – All Agency Funds
94	Schedule of Pledged Collateral
95	Cash Reconciliation

COMPLIANCE SECTION

99	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
101	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
103	Schedule of Findings and Questioned Costs
106	Summary Schedule of Prior Year Audit Findings
108	Schedule of Expenditures of Federal Awards
109	Notes to the Schedule of Expenditures of Federal Awards
111	Required Disclosure

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

OFFICIAL ROSTER
June 30, 2014

BOARD OF EDUCATION

Arthur Amijo	President
Jimmie Saccomano	Vice President
Ted Kemp	Secretary
Beaver Segotta	Member
Kathy Honeyfield	Member

SCHOOL OFFICIALS

M. Neil Terhune	Superintendent
Lita Sanchez	Finance Director

AUDIT COMMITTEE

Ted Kemp	Board Secretary
Kathy Honeyfield	Board Member
Kay Medina	Parent
E.J. Johnson	Community Member
M. Neil Terhune	Superintendent
Lita Sanchez	Finance Director

FINANCE COMMITTEE

Arthur Amijo	Board President
Beaver Segotta	Board Member
Neil Emiso	Parent
Jose Archuleta	Community Member
M. Neil Terhune	Superintendent
Lita Sanchez	Finance Director

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FINANCIAL SECTION

FISCAL YEAR 2014

JULY 1, 2013 THROUGH JUNE 30, 2014

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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, 2014, 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 funds and the budgetary comparisons for the 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, 2014, 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, 2014, 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, 2014, 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 September 18, 2014 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, New Mexico
September 18, 2014

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

STATEMENT OF NET POSITION
 June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 305,025
Receivables:	
Delinquent property taxes receivable	102,315
Grant	553,446
Due from other governments	15,938
Supplies inventory	14,120
Food inventory	1,044
 Non-current:	
Non-depreciable assets	357,911
Depreciable capital assets, net	<u>11,818,014</u>
Total assets	<u>13,167,813</u>
 LIABILITIES	
Accounts payable	84,885
Accrued interest	6,845
Compensated absences	20,534
Noncurrent liabilities:	
Due within one year	330,000
Due in more than one year	<u>1,510,000</u>
Total liabilities	<u>1,952,264</u>
 NET POSITION	
Net investment in capital assets	10,420,586
Restricted for:	
Inventories	15,164
Special revenue funds	205,902
Capital projects	186,874
Debt service	177,241
Unrestricted	<u>209,782</u>
Total net position	<u>\$ 11,215,549</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, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 7,376,694	\$ 21,958	\$ 822,284	\$ 8,815	\$ (6,523,637)
Support Services - Students	1,120,818	29,302	124,938	1,339	(965,239)
Support Services - Instruction	228,581	-	25,480	273	(202,828)
Support Services - General Administration	423,759	-	47,237	506	(376,016)
Support Services - School Administration	833,723	-	92,936	996	(739,791)
Central Services	158,229	-	17,638	-	(140,591)
Operations & Maintenance of Plant	1,585,166	-	176,700	-	(1,408,466)
Student Transportation	515,541	-	473,223	-	(42,318)
Other Support Services	10,942	-	1,220	-	(9,722)
Food Services	533,494	45,093	430,151	-	(58,250)
Community Services	5,290	-	590	-	(4,700)
Bond interest paid	<u>79,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,437)</u>
Total governmental activities	<u>\$ 12,871,674</u>	<u>\$ 96,353</u>	<u>\$ 2,212,397</u>	<u>\$ 11,929</u>	<u>(10,550,995)</u>
General revenues:					
Property Taxes:					
					71,321
					338,655
					333,829
					8,995,317
					<u>1,082</u>
					<u>9,740,204</u>
					Change in net position (810,791)
					Net position - beginning <u>12,026,340</u>
					Net position - ending <u>\$ 11,215,549</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, 2014

	General Fund	Food Service Fund #21000	Entitlement IDEA-B Fund #24106	Title II Teacher Quality Fund #24154
ASSETS				
Pooled cash and investments	\$ 14,503	\$ 160,681	\$ -	\$ -
Receivables:				
Property taxes	9,193	-	-	-
Grant	-	32,522	216,985	97,372
Due from other governments	1,454	-	-	-
Due from other funds	521,309	-	-	-
Supplies inventory	14,120	-	-	-
Food inventory	<u>-</u>	<u>1,044</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 560,579</u>	<u>\$ 194,247</u>	<u>\$ 216,985</u>	<u>\$ 97,372</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 66,299	\$ -	\$ -	\$ -
Due to other funds	<u>241,616</u>	<u>-</u>	<u>216,985</u>	<u>97,372</u>
Total liabilities	307,915	-	216,985	97,372
Deferred inflows of resources:				
Delinquent property taxes	<u>8,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>316,143</u>	<u>-</u>	<u>216,985</u>	<u>97,372</u>
Fund balance:				
Non-spendable:				
Inventories	14,120	1,044	-	-
Restricted for:				
Special revenue funds	-	193,203	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Unassigned	<u>230,316</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>244,436</u>	<u>194,247</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 560,579</u>	<u>\$ 194,247</u>	<u>\$ 216,985</u>	<u>\$ 97,372</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, 2014

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 116,757	\$ 13,084	\$ 305,025
Receivables:				
Property taxes	46,382	46,740	-	102,315
Grant	-	-	206,567	553,446
Due from other governments	7,213	7,271	-	15,938
Due from other funds	193,340	48,276	-	762,925
Fuel inventory	-	-	-	14,120
Food inventory	-	-	-	1,044
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,044</u>
Total assets	<u>\$ 246,935</u>	<u>\$ 219,044</u>	<u>\$ 219,651</u>	<u>\$ 1,754,813</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 18,586	\$ -	\$ -	\$ 84,885
Due to other funds	-	-	206,952	762,925
	<u>-</u>	<u>-</u>	<u>206,952</u>	<u>762,925</u>
Total liabilities	18,586	-	206,952	847,810
Deferred inflows of resources:				
Delinquent property taxes	41,475	41,803	-	91,506
	<u>41,475</u>	<u>41,803</u>	<u>-</u>	<u>91,506</u>
Total liabilities and deferred inflows of resources	<u>60,061</u>	<u>41,803</u>	<u>206,952</u>	<u>939,316</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	15,164
Restricted for:				
Special revenue funds	-	-	12,699	205,902
Capital projects funds	186,874	-	-	186,874
Debt service	-	177,241	-	177,241
Unassigned	-	-	-	230,316
	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,316</u>
Total fund balance	<u>186,874</u>	<u>177,241</u>	<u>12,699</u>	<u>815,497</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 246,935</u>	<u>\$ 219,044</u>	<u>\$ 219,651</u>	<u>\$ 1,754,813</u>

(2 of 2)

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2014

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

Fund balances - total governmental funds	\$ 815,497
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	28,160,742
Accumulated depreciation	(15,984,817)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property taxes receivable	91,506
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	(1,840,000)
Accrued interest payable	(6,845)
Accrued vacation payable	<u>(20,534)</u>
Net position of governmental activities	<u>\$ 11,215,549</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
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2014

	General <u>Fund</u>	Food Service <u>Fund #21000</u>	Entitlement IDEA-B <u>Fund #24106</u>	Title II Teacher Quality <u>Fund #24154</u>
Revenues:				
Federal sources:				
Public Law 874	\$ 1,886	\$ -	\$ -	\$ -
Forest reserve	19,330	-	-	-
Federal flowthrough grants	-	-	315,913	138,627
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	408,097	-	-
USDA Commodities	-	22,054	-	-
State sources:				
State equalization guarantee	8,969,301	-	-	-
Transportation	473,223	-	-	-
State instructional material	62,231	-	-	-
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
District school tax levy	65,718	-	-	-
Fees and activities	21,958	45,093	-	-
Earnings from investments	930	137	-	-
Miscellaneous	4,800	-	-	-
	<u>9,619,377</u>	<u>475,381</u>	<u>315,913</u>	<u>138,627</u>
Total revenue				
Expenditures:				
Current:				
Instruction	5,801,550	-	188,810	138,627
Support Services:				
Students	908,171	-	36,475	-
Instruction	196,241	-	-	-
General Administration	292,371	-	90,628	-
School Administration	765,273	-	-	-
Central Services	137,259	-	-	-
Operation & Maintenance of Plant	1,053,105	-	-	-
Student Transportation	473,214	-	-	-
Other Support Services	10,044	-	-	-
Food Services Operations	-	459,544	-	-
Community Services	4,856	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
	<u>9,642,084</u>	<u>459,544</u>	<u>315,913</u>	<u>138,627</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	(22,707)	15,837	-	-
Fund balance at beginning of the year	<u>267,143</u>	<u>178,410</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 244,436</u>	<u>\$ 194,247</u>	<u>\$ -</u>	<u>\$ -</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
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2014

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ -	\$ 1,886
Forest reserve	-	-	-	19,330
Federal flowthrough grants	-	-	437,661	892,201
Federal direct grants	-	-	30,347	30,347
Food and milk reimbursements	-	-	-	408,097
USDA Commodities	-	-	-	22,054
State sources:				
State equalization guarantee	-	-	-	8,969,301
Transportation	-	-	-	473,223
State instructional material	-	-	-	62,231
State grant	-	-	293,542	293,542
Local sources:				
Grant	-	-	42,209	42,209
District school tax levy	306,729	312,054	-	684,501
Fees and activities	-	-	29,302	96,353
Earnings from investments	422	-	15	1,504
Miscellaneous	-	-	-	<u>4,800</u>
Total revenue	<u>307,151</u>	<u>312,054</u>	<u>833,076</u>	<u>12,001,579</u>
Expenditures:				
Current:				
Instruction	-	-	642,066	6,771,053
Support Services:				
Students	-	-	84,151	1,028,797
Instruction	-	-	11,365	207,606
General Administration	2,959	3,010	-	388,968
School Administration	-	-	-	765,273
Central Services	-	-	7,979	145,238
Operation & Maintenance of Plant	401,916	-	-	1,455,021
Student Transportation	-	-	-	473,214
Other Support Services	-	-	-	10,044
Food Services Operations	-	-	30,149	489,693
Community Services	-	-	-	4,856
Capital outlay	200,424	-	62,877	263,301
Debt service:				
Principal retirement	-	215,000	-	215,000
Bond interest paid	-	80,958	-	<u>80,958</u>
Total expenditures	<u>605,299</u>	<u>298,968</u>	<u>838,587</u>	<u>12,299,022</u>
Excess (deficiency) of revenues over expenditures	(298,148)	13,086	(5,511)	(297,443)
Fund balance at beginning of the year	<u>485,022</u>	<u>164,155</u>	<u>18,210</u>	<u>1,112,940</u>
Fund balance at end of the year	<u>\$ 186,874</u>	<u>\$ 177,241</u>	<u>\$ 12,699</u>	<u>\$ 815,497</u>

(2 of 2)

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

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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, 2014

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

Net change in fund balance - total governmental funds	\$	(297,443)
<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		263,301
Depreciation		(1,050,266)
<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, 2013		(32,202)
June 30, 2014		91,506
<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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:</p>		
Current year principal payments		215,000
<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, 2013		18,326
June 30, 2014		(20,534)
<p style="padding-left: 20px;">Accrued interest at:</p>		
June 30, 2013		8,366
June 30, 2014		(6,845)
Change in net position of governmental activities	\$	<u>(810,791)</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 2,600	\$ 2,600	\$ 1,886	\$ (714)
Forest reserve	-	-	19,330	19,330
State sources:				
State equalization guarantee	9,149,262	8,969,390	8,969,301	(89)
Transportation	512,700	473,223	473,223	-
State instructional material	57,629	57,629	62,231	4,602
Local sources:				
Grant	-	-	4,800	4,800
District school tax levy	62,608	62,608	59,419	(3,189)
Fees and activities	14,712	14,712	28,348	13,636
Earnings from investments	3,000	3,000	930	(2,070)
Total revenues	9,802,511	9,583,162	9,619,468	36,306
Expenditures:				
Current:				
Instruction	6,077,562	5,880,102	5,801,941	78,161
Support Services:				
Students	917,576	912,208	908,929	3,279
Instruction	220,676	203,832	202,988	844
General Administration	287,077	323,365	292,519	30,846
School Administration	763,787	769,780	765,273	4,507
Central Services	184,629	143,130	118,656	24,474
Operation & Maintenance of Plant	1,032,044	1,075,264	1,008,232	67,032
Student Transportation	512,700	473,223	473,214	9
Other Support Services	18,619	79,986	10,044	69,942
Community Services Operations	6,030	6,030	4,856	1,174
Total expenditures	10,020,700	9,866,920	9,586,652	280,268
Excess (deficiency) of revenues over expenditures	(218,189)	(283,758)	32,816	316,574
Beginning cash balance budgeted	218,189	283,758	-	(283,758)
Fund balance at beginning of the year	-	-	267,143	267,143
Fund balance at end of the year	\$ -	\$ -	299,959	\$ 299,959
RECONCILIATION TO GAAP BASIS:				
Change in inventory			2,018	
Change in property tax receivable			5,411	
Change in due from other governments			102	
Change in payables			(57,451)	
Change in deferred property taxes			(5,603)	
			\$ 244,436	

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, 2014

	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	\$ 458,805	\$ 48,805
Local sources:				
Fees and activities	57,700	57,700	45,093	(12,607)
Earnings from investments	175	175	137	(38)
Total revenues	467,875	467,875	504,035	36,160
 Expenditures:				
Current:				
Food Services Operations	581,120	581,120	437,449	143,671
Excess (deficiency) of revenues over expenditures	(113,245)	(113,245)	66,586	179,831
Beginning cash balance budgeted	113,245	113,245	-	(113,245)
Fund balance at beginning of the year	-	-	178,410	178,410
Fund balance at end of the year	\$ -	\$ -	244,996	\$ 244,996
 RECONCILIATION TO GAAP BASIS:				
Change in inventory			(41)	
Change in grant receivable			(50,708)	
			\$ 194,247	

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

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

ENTITLEMENT IDEA-B FUND - NO. 24106
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 272,954	\$ 354,215	\$ 115,802	\$ (238,413)
Expenditures:				
Current:				
Instruction	170,724	199,950	188,810	11,140
Support Services:				
Students	32,902	61,918	36,475	25,443
General Administration	69,328	92,347	90,628	1,719
Total expenditures	272,954	354,215	315,913	38,302
Excess (deficiency) of revenues over expenditures	-	-	(200,111)	(200,111)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(200,111)	\$ (200,111)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			200,111	
			\$ -	

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

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TITLE II TEACHER QUALITY FUND - NO. 24154
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 75,495	\$ 143,760	\$ 87,311	\$ (56,449)
Expenditures:				
Current:				
Instruction	<u>75,495</u>	<u>143,760</u>	<u>139,054</u>	<u>4,706</u>
Excess (deficiency) of revenues over expenditures	-	-	(51,743)	(51,743)
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>	(51,743)	<u><u>\$ (51,743)</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			51,316	
Change in payables			<u>427</u>	
			<u><u>\$ -</u></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, 2014

ASSETS

Pooled cash and investments	\$	<u>136,933</u>
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LIABILITIES

Deposits held for others	\$	<u>136,933</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, 2014

NOTE	PAGE
I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	24
1. Blended Component Units	
2. Discretely Presented Component Units	
B. Government-Wide and Fund Financial Statements	24
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	25
1. Major Funds	26
D. Assets, Liabilities, and Net Position or Equity	26
II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	30
B. Budgetary Violations	31
C. Deficit Fund Equity	31
III. DETAILED NOTES ON ALL FUNDS	
A. Cash and Temporary Investments	32
B. Receivables	32
C. Capital Assets	33
D. Inter-Fund Receivables and Payables	34
E. Inter-Fund Transfers	34
F. Long-Term Debt	35
IV. OTHER INFORMATION	36

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

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, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

During fiscal year 2014, Raton Public School District No. 11 adopted the following GASB Statements:

- 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 70, *Accounting and Financial Reporting for Nonexchange Financial*, 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.

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

- 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 requires the liability of defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. This Statement will be effective for the year ended June 30, 2015.
- GASB 69, *Government Combinations and Disposals of Government Operations*, which 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 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (Amendment to GASB 68)*, improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. This Statement will be effective at the implementation of GASB 68.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

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 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

Entitlement IDEA-B Special Revenue Fund – Program provides 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 II Teacher Quality Special Revenue Fund – Provides 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.

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.

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

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 Position 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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.

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 been 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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

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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issue costs are reported as expenditures during the year in which they are incurred. 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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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, (b) that are not classified as non-spendable and are neither restricted nor committed and (c) 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, 2014.

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 position*

Net position is presented on the statement of net position and may be presented in any of three components.

a. Net investment in capital assets

This component of Net Position 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 net investment in capital assets. That portion of the debt is included in restricted for capital projects.

b. Restricted Net Position

Net Position 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 Position

Unrestricted Net Position consists of Net Position that does not meet the definition of "net investment in capital assets" 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 position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net position, 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, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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 \$8,969,301 in state equalization guarantee distributions during the year ended June 30, 2014.

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 \$473,223 in transportation distributions during the year ended June 30, 2014.

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.
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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

A. Budgetary Information (cont'd)

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, 2014 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	\$ 10,020,700	\$ 9,866,920
Special Revenue Fund	1,438,051	2,248,878
Capital Projects Fund	830,612	892,743
Debt Service Fund	<u>451,117</u>	<u>451,117</u>
Totals	<u>\$ 12,740,480</u>	<u>\$ 13,459,658</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2014.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2014, the carrying amount of the District's deposits was \$441,858 and the bank balance was \$1,279,551 with the difference consisting of outstanding checks. Of this balance \$430,168 was covered by federal depository insurance and \$849,383 was covered by collateral held in joint safekeeping by a third party.

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, 2014, none of the District's bank balance of \$1,279,551 was exposed to custodial risk as follows:

	<u>International Bank</u>	<u>First National Bank of 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	849,383	-	849,383
Total uninsured	849,383	-	849,383
Insured (FDIC)	250,000	180,168	430,168
Total deposits	\$ 1,099,383	\$ 180,168	\$ 1,279,551
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 424,692	\$ -	\$ 424,692
Pledged security	1,221,262	-	1,221,262
Over collateralization	\$ 796,570	\$ -	\$ 796,570

The collateral pledged is listed on Page 94 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:

	Receivables		Due from Other	
	Delinquent		Governments	Funds
	Property Taxes	Grant		
Major Funds:				
General	\$ 9,193	\$ -	\$ 1,454	\$ 521,309
Food Service	-	32,522	-	-
Entitlement IDEA-B	-	216,985	-	-
Title II Teacher Quality	-	97,372	-	-
Capital Improvements SB - 9	46,382	-	7,213	193,340
Debt Service	46,740	-	7,271	48,276
Other Governmental Funds	-	206,567	-	-
Total	\$ 102,315	\$ 553,446	\$ 15,938	\$ 762,925

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

III. DETAILED NOTES ON ALL FUNDS (cont'd)

B. Receivables (cont'd)

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

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		
Other Governmental Funds	\$ -	\$ -
Delinquent property taxes		
General Fund	8,228	-
Capital Improvements SB - 9	41,475	-
Debt Service Fund	<u>41,803</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 91,506</u>	<u>\$ -</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 107,911	\$ -	\$ -	\$ 107,911
Collections of works of art	250,000	-	-	250,000
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>357,911</u>	<u>-</u>	<u>-</u>	<u>357,911</u>
Capital assets being depreciated:				
Land improvements	954,180	110,436	-	1,064,616
Buildings and improvements	25,039,035	11,544	-	25,050,579
Furniture, fixtures, and equipment	<u>1,546,316</u>	<u>141,320</u>	<u>-</u>	<u>1,687,636</u>
Total capital assets being depreciated	<u>27,539,531</u>	<u>263,300</u>	<u>-</u>	<u>27,802,831</u>
Less accumulated depreciation for:				
Land improvements	(297,793)	(56,141)	-	(353,934)
Buildings and improvements	(13,645,139)	(913,926)	-	(14,559,065)
Furniture, fixtures, and equipment	<u>(991,620)</u>	<u>(80,198)</u>	<u>-</u>	<u>(1,071,818)</u>
Total accumulated depreciation	<u>(14,934,552)</u>	<u>(1,050,265)</u>	<u>-</u>	<u>(15,984,817)</u>
Total capital assets being depreciated, net	<u>12,604,979</u>	<u>(786,965)</u>	<u>-</u>	<u>11,818,014</u>
Total capital assets, net	<u>\$ 12,962,890</u>	<u>\$ (786,965)</u>	<u>\$ -</u>	<u>\$ 12,175,925</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

III. DETAILED NOTES ON ALL FUNDS (cont'd)

C. Capital Assets (cont'd)

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 605,640
Support Services - Students	92,021
Support Services - Instruction	18,767
Support Services - General Administration	34,791
Support Services - School Administration	68,450
Central Services	12,991
Operations & Maintenance of Plant	130,145
Student Transportation	42,327
Other Support Services	898
Food Services	43,801
Community Services	434
Total Depreciation Expense	<u>\$ 1,050,265</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.

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 \$186,874 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, 2014 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 521,309	\$ 241,616
Entitlement IDEA-B	-	216,985
Title II Teacher Quality	-	97,372
Capital Improvements SB-9	193,340	-
Debt Service Fund	48,276	-
Other Governmental Funds	-	<u>206,952</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 762,925</u>	<u>\$ 762,925</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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

III. DETAILED NOTES ON ALL FUNDS (cont'd)

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, 2014 are as follows:

<u>General Obligations Bonds</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
Series 1998	\$ 1,100,000	4.45% to 6.45%	\$ 105,000	\$ 105,000
Series 2008	<u>2,400,000</u>	3.35% to 4.15%	<u>1,735,000</u>	<u>225,000</u>
Total	<u>\$ 3,500,000</u>		<u>\$ 1,840,000</u>	<u>\$ 330,000</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>
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	250,000	31,512	281,512
2020 - 2024	<u>525,000</u>	<u>31,888</u>	<u>556,888</u>
Total	<u>\$ 1,840,000</u>	<u>\$ 286,873</u>	<u>\$ 2,126,873</u>

Changes in long term debt – During the year ended June 30, 2014 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	\$ 15,414	\$ 21,513	\$ 16,393	\$ 20,534	\$ 20,534
Bonds payable	<u>2,055,000</u>	<u>-</u>	<u>215,000</u>	<u>1,840,000</u>	<u>330,000</u>
	<u>\$ 2,070,414</u>	<u>\$ 21,513</u>	<u>\$ 231,393</u>	<u>\$ 1,860,534</u>	<u>\$ 350,534</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, 2014

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, 2014.

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: 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 2014, the District was required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.15% 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, 2014, 2013, and 2012, were \$807,209, \$633,525, and \$649,111, respectively, which equal the amount of the required contributions for each fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

IV. OTHER INFORMATION (cont'd)

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 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, 2014, 2013 and 2012 were \$122,770, \$125,558, and \$118,650, respectively, which equal the required contributions for each year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

IV. OTHER INFORMATION (cont'd)

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. 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.

F. Subsequent Events

Subsequent events were evaluated through September 18, 2014, which is the date the financial statements were available to be issued.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2014

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, 2014

	General Funds			
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	Total General Funds
ASSETS				
Pooled cash and investments	\$ -	\$ 9	\$ 14,494	\$ 14,503
Receivables:				
Property taxes	9,193	-	-	9,193
Due from other governments	1,454	-	-	1,454
Due from other funds	521,309	-	-	521,309
Supplies inventory	<u>14,120</u>	<u>-</u>	<u>-</u>	<u>14,120</u>
Total assets	<u>\$ 546,076</u>	<u>\$ 9</u>	<u>\$ 14,494</u>	<u>\$ 560,579</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 66,299	\$ -	\$ -	\$ 66,299
Due to other funds	<u>241,616</u>	<u>-</u>	<u>-</u>	<u>241,616</u>
Total liabilities	307,915	-	-	307,915
Deferred inflows of resources:				
Delinquent property taxes	<u>8,228</u>	<u>-</u>	<u>-</u>	<u>8,228</u>
Total liabilities and deferred inflows of resources	<u>316,143</u>	<u>-</u>	<u>-</u>	<u>316,143</u>
Fund balance:				
Non-spendable:				
Inventories	14,120	-	-	14,120
Unassigned	<u>215,813</u>	<u>9</u>	<u>14,494</u>	<u>230,316</u>
Total fund balance	<u>229,933</u>	<u>9</u>	<u>14,494</u>	<u>244,436</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 546,076</u>	<u>\$ 9</u>	<u>\$ 14,494</u>	<u>\$ 560,579</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, 2014

	General Funds			
	<u>Operational</u>	<u>Transportation</u>	<u>Instructional</u>	<u>Total General</u>
	<u>Fund #11000</u>	<u>Fund #13000</u>	<u>Fund #14000</u>	<u>Fund</u>
Revenues:				
Federal sources:				
Public Law 874	\$ 1,886	\$ -	\$ -	\$ 1,886
Forest reserve	19,330	-	-	19,330
State sources:				
State equalization guarantee	8,969,301	-	-	8,969,301
Transportation	-	473,223	-	473,223
State instructional material	-	-	62,231	62,231
Local sources:				
District school tax levy	65,718	-	-	65,718
Fees and activities	21,958	-	-	21,958
Earnings from investments	930	-	-	930
Miscellaneous	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>4,800</u>
Total revenue	<u>9,083,923</u>	<u>473,223</u>	<u>62,231</u>	<u>9,619,377</u>
Expenditures:				
Current:				
Instruction	5,748,240	-	53,310	5,801,550
Support Services:				
Students	908,171	-	-	908,171
Instruction	196,241	-	-	196,241
General Administration	292,371	-	-	292,371
School Administration	765,273	-	-	765,273
Central Services	137,259	-	-	137,259
Operation & Maintenance of Plant	1,053,105	-	-	1,053,105
Student Transportation	-	473,214	-	473,214
Other Support Services	10,044	-	-	10,044
Community Services	<u>4,856</u>	<u>-</u>	<u>-</u>	<u>4,856</u>
Total expenditures	<u>9,115,560</u>	<u>473,214</u>	<u>53,310</u>	<u>9,642,084</u>
Excess (deficiency) of revenues over expenditures	(31,637)	9	8,921	(22,707)
Fund balance at beginning of the year	<u>261,570</u>	<u>-</u>	<u>5,573</u>	<u>267,143</u>
Fund balance at end of the year	<u>\$ 229,933</u>	<u>\$ 9</u>	<u>\$ 14,494</u>	<u>\$ 244,436</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 2,600	\$ 2,600	\$ 1,886	\$ (714)
Forest reserve	-	-	19,330	19,330
State sources:				
State equalization guarantee	9,149,262	8,969,390	8,969,301	(89)
Local sources:				
Grant	-	-	4,800	4,800
District school tax levy	62,608	62,608	59,419	(3,189)
Fees and activities	14,712	14,712	28,348	13,636
Earnings from investments	<u>3,000</u>	<u>3,000</u>	<u>930</u>	<u>(2,070)</u>
Total revenues	<u>9,232,182</u>	<u>9,052,310</u>	<u>9,084,014</u>	<u>31,704</u>
Expenditures:				
Current:				
Instruction	6,018,382	5,820,922	5,748,631	72,291
Support Services:				
Students	917,576	912,208	908,929	3,279
Instruction	220,676	203,832	202,988	844
General Administration	287,077	323,365	292,519	30,846
School Administration	763,787	769,780	765,273	4,507
Central Services	184,629	143,130	118,656	24,474
Operation & Maintenance of Plant	1,032,044	1,075,264	1,008,232	67,032
Other Support Services	18,619	79,986	10,044	69,942
Community Services Operations	<u>6,030</u>	<u>6,030</u>	<u>4,856</u>	<u>1,174</u>
Total expenditures	<u>9,448,820</u>	<u>9,334,517</u>	<u>9,060,128</u>	<u>274,389</u>
Excess (deficiency) of revenues over expenditures	(216,638)	(282,207)	23,886	306,093
Beginning cash balance budgeted	216,638	282,207	-	(282,207)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>261,570</u>	<u>261,570</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>285,456</u>	<u>\$ 285,456</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			2,018	
Change in property tax receivable			5,411	
Change in due from other governments			102	
Change in payables			(57,451)	
Change in deferred property taxes			<u>(5,603)</u>	
			<u>\$ 229,933</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 512,700	\$ 473,223	\$ 473,223	\$ -
 Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>512,700</u>	<u>473,223</u>	<u>473,214</u>	<u>9</u>
Excess of revenues over expenditures	-	-	9	9
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>	9	<u>\$ 9</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 9</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 57,629	\$ 57,629	\$ 62,231	\$ 4,602
 Expenditures:				
Current:				
Instruction	<u>59,180</u>	<u>59,180</u>	<u>53,310</u>	<u>5,870</u>
Excess (deficiency) of revenues over expenditures	(1,551)	(1,551)	8,921	10,472
Beginning cash balance budgeted	1,551	1,551	-	(1,551)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>5,573</u>	<u>5,573</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	14,494	<u><u>\$ 14,494</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 14,494</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	Athletics <u>Fund #22000</u>	Title I <u>Fund #24101</u>	NM Autism <u>Fund #24108</u>	Preschool IDEA-B <u>Fund #24109</u>
ASSETS				
Pooled cash and investments	\$ 12,699	\$ -	\$ -	\$ -
Receivables:				
Grant	<u>-</u>	<u>4,246</u>	<u>7,953</u>	<u>542</u>
Total assets	<u>\$ 12,699</u>	<u>\$ 4,246</u>	<u>\$ 7,953</u>	<u>\$ 542</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	\$ -	\$ 4,246	\$ 7,953	\$ 542
Fund balance:				
Restricted for:				
Special revenue funds	<u>12,699</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 12,699</u>	<u>\$ 4,246</u>	<u>\$ 7,953</u>	<u>\$ 542</u>

(cont'd; 1 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Fresh Fruits and Vegetables Fund #24118	IDEA-B "Risk Pool" Fund #24120	Title III English Language Fund #24153	Rural & Low- Income Schools Fund #24160
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ 385	\$ -
Receivables:				
Grant	-	1,871	1,727	-
Total assets	\$ -	\$ 1,871	\$ 2,112	\$ -
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	\$ -	\$ 1,871	\$ 2,112	\$ -
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Total liabilities and fund balance	\$ -	\$ 1,871	\$ 2,112	\$ -

(cont'd; 2 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	Title XIX Medicaid <u>Fund #25153</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	<u>9,730</u>	<u>-</u>	<u>15</u>	<u>11,350</u>
Total assets	<u>\$ 9,730</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 11,350</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	\$ 9,730	\$ -	\$ 15	\$ 11,350
Fund balance:				
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 9,730</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 11,350</u>

(cont'd; 3 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	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>	Workforce Readiness <u>Fund #27179</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	38,487	-	7,342	79,005
Total assets	\$ 38,487	\$ -	\$ 7,342	\$ 79,005
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	\$ 38,487	\$ -	\$ 7,342	\$ 79,005
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Total liabilities and fund balance	\$ 38,487	\$ -	\$ 7,342	\$ 79,005

(cont'd; 4 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	NM Grown Fund #27183	Next Generation Assessments Fund #27185	Youth Conservation Corp Fund #28133	Sloat-Prince Foundation Fund #29102
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	588	11,184	26,144	-
Total assets	\$ 588	\$ 11,184	\$ 26,144	\$ -
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	\$ 588	\$ 11,184	\$ 26,144	\$ -
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Total liabilities and fund balance	\$ 588	\$ 11,184	\$ 26,144	\$ -

(cont'd; 5 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			Total Nonmajor Governmental Funds
	City/County Grants <u>Fund #29107</u>	Total Non-Major Special Revenue Funds	Special Capital Outlay - State <u>Fund #31400</u>	
ASSETS				
Pooled cash and investments	\$ -	\$ 13,084	\$ -	\$ 13,084
Receivables:				
Grant	<u>6,383</u>	<u>206,567</u>	<u>-</u>	<u>206,567</u>
Total assets	<u>\$ 6,383</u>	<u>\$ 219,651</u>	<u>\$ -</u>	<u>\$ 219,651</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	\$ 6,383	\$ 206,952	\$ -	\$ 206,952
Fund balance:				
Restricted for:				
Special revenue funds	<u>-</u>	<u>12,699</u>	<u>-</u>	<u>12,699</u>
Total liabilities and fund balance	<u>\$ 6,383</u>	<u>\$ 219,651</u>	<u>\$ -</u>	<u>\$ 219,651</u>

(6 of 6)

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, 2014

	Special Revenue Funds			
	<u>Athletics</u>	<u>Title I</u>	<u>NM Autism</u>	<u>Preschool</u>
	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>Fund #24108</u>	<u>IDEA-B</u>
				<u>Fund #24109</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 331,854	\$ 7,953	\$ 29,042
Federal direct grants	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	29,302	-	-	-
Earnings from investments	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>29,317</u>	<u>331,854</u>	<u>7,953</u>	<u>29,042</u>
Expenditures:				
Current:				
Instruction	34,828	331,854	7,953	29,042
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
Central Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>34,828</u>	<u>331,854</u>	<u>7,953</u>	<u>29,042</u>
Excess (deficiency) of revenues over expenditures	(5,511)	-	-	-
Fund balance at beginning of the year	<u>18,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 12,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 6)

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, 2014

	Special Revenue Funds			
	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title III English Language <u>Fund #24153</u>	Rural & Low- Income Schools <u>Fund #24160</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 29,561	\$ 1,871	\$ 4,348	\$ 33,032
Federal direct grants	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	-	-	-
Total revenue	<u>29,561</u>	<u>1,871</u>	<u>4,348</u>	<u>33,032</u>
Expenditures:				
Current:				
Instruction	-	1,871	4,348	33,032
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
Central Services	-	-	-	-
Food Services Operations	29,561	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>29,561</u>	<u>1,871</u>	<u>4,348</u>	<u>33,032</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 2 of 6)

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, 2014

	Special Revenue Funds			
	Title XIX Medicaid <u>Fund #25153</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Federal direct grants	30,347	-	-	-
State sources:				
State grant	-	2,213	15	11,350
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	-	-	-
Total revenue	<u>30,347</u>	<u>2,213</u>	<u>15</u>	<u>11,350</u>
Expenditures:				
Current:				
Instruction	-	2,213	-	-
Support Services:				
Students	30,347	-	-	-
Instruction	-	-	15	11,350
Central Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>30,347</u>	<u>2,213</u>	<u>15</u>	<u>11,350</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

cont'd; 3 of 6)

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, 2014

	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>	Workforce Readiness <u>Fund #27179</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-
State sources:				
State grant	84,924	-	7,342	79,005
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	-	-	-
Total revenue	<u>84,924</u>	<u>-</u>	<u>7,342</u>	<u>79,005</u>
Expenditures:				
Current:				
Instruction	84,924	-	7,342	16,727
Support Services:				
Students	-	-	-	18,095
Instruction	-	-	-	-
Central Services	-	-	-	3,997
Food Services Operations	-	-	-	-
Capital outlay	-	-	-	40,186
Total expenditures	<u>84,924</u>	<u>-</u>	<u>7,342</u>	<u>79,005</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 4 of 6)

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, 2014

	Special Revenue Funds				
	NM Grown Fund #27183	Next Generation Assessments Fund #27185	Youth Conservation Corp Fund #28133	Sloat-Prince Foundation Fund #29102	City/County Grants Fund #29107
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
State sources:					
State grant	588	11,184	85,414	-	-
Local sources:					
Grant	-	-	-	6,500	35,709
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total revenue	<u>588</u>	<u>11,184</u>	<u>85,414</u>	<u>6,500</u>	<u>35,709</u>
Expenditures:					
Current:					
Instruction	-	-	81,432	6,500	-
Support Services:					
Students	-	-	-	-	35,709
Instruction	-	-	-	-	-
Central Services	-	-	3,982	-	-
Food Services Operations	588	-	-	-	-
Capital outlay	-	<u>11,184</u>	-	-	-
Total expenditures	<u>588</u>	<u>11,184</u>	<u>85,414</u>	<u>6,500</u>	<u>35,709</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
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; 5 of 6)

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, 2014

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Special Capital Outlay - State Fund #31400</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Federal sources:			
Federal flowthrough grants	\$ 437,661	\$ -	\$ 437,661
Federal direct grants	30,347	-	30,347
State sources:			
State grant	282,035	11,507	293,542
Local sources:			
Grant	42,209	-	42,209
Fees and activities	29,302	-	29,302
Earnings from investments	<u>15</u>	<u>-</u>	<u>15</u>
Total revenue	<u>821,569</u>	<u>11,507</u>	<u>833,076</u>
Expenditures:			
Current:			
Instruction	642,066	-	642,066
Support Services:			
Students	84,151	-	84,151
Instruction	11,365	-	11,365
Central Services	7,979	-	7,979
Food Services Operations	30,149	-	30,149
Capital outlay	<u>51,370</u>	<u>11,507</u>	<u>62,877</u>
Total expenditures	<u>827,080</u>	<u>11,507</u>	<u>838,587</u>
Excess (deficiency) of revenues over expenditures	(5,511)	-	(5,511)
Fund balance at beginning of the year	<u>18,210</u>	<u>-</u>	<u>18,210</u>
Fund balance at end of the year	<u>\$ 12,699</u>	<u>\$ -</u>	<u>\$ 12,699</u>

(6 of 6)

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BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

ATHLETICS (Fund No. 22000)

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

TITLE I (Fund No. 24101)

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.

NM AUTISM (Fund No. 24108)

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 (Fund No.24109)

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.

FRESH FRUITS AND VEGETABLES (Fund No. 24118)

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

IDEA-B “RISK POOL” (Fund No. 24120)

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 (Fund No. 24153)

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.

RURAL & LOW-INCOME SCHOOLS (Fund No. 24160)

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 (Fund No. 25153)

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 (Fund No. 27103)

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

LIBRARIES GO BOND 2010 (Fund No. 27106)

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. Authorized through Senate Bill 2010 SB333.

LIBRARY GO BONDS 2012 (Fund No. 27107)

Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).

CENTER FOR TEACHER EXCELLENCE (Fund No. 27114)

Provides an aligned approach for districts and schools to ensure that children can read by the end of third grade—giving them essential skills for future career and college success. It also provides regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators.

BREAKFAST FOR ELEMENTARY STUDENTS (Fund No. 27155)

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

LIBRARIES GO BOND 2006 (Fund No. 27171)

Funding made available to update and expand library collections.

WORKFORCE READINESS (Fund No. 27179)

help students discover the wide range of career options available to them, chart the most efficient paths for students to achieve those goals and work directly with business and industry partners to ensure that their experience results in the most necessary skills, credentials and technical knowledge to be a success in the students' next step as they enter postsecondary or workforce engagement. Authorization: House Bill 2 of the regular 2013 Legislative Session

NEW MEXICO GROWN (Fund No. 27183)

Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. Funds have been received as appropriation through the General Appropriations Act to distribute to school districts and charter schools.

NEXT GENERATION ASSESSMENTS (Fund No. 27185)

Remediates deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Careers (PARCC). The first phase of the project is designed to assist district and school leaders in identifying gaps in assessment administration capacity, including computer-based test taking devices, and bandwidth, and exploring possible scenarios for addressing those gaps.

YOUTH CONSERVATION CORP (Fund No. 28133)

Plan, design, establish, and manage a Youth Conservation Corps Project (the Project) including recruiting, guiding, and coordinating the work of Corps members and providing them with job and life skills training and educational opportunities in accordance with the NMYCC Act

SLOAT-PRINCE FOUNDATION (Fund No. 29102)

To provide support for poets in schools.

CITY/COUNTY GRANTS (Fund No. 29107)

To provide support for a health education program within the school and to provide workbooks, materials for educational demonstrations and funds to support a nutrition-focused event for the school.

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 27,000	\$ 27,000	\$ 29,302	\$ 2,302
Earnings from investments	<u>30</u>	<u>30</u>	<u>15</u>	<u>(15)</u>
Total revenues	27,030	27,030	29,317	2,287
Expenditures:				
Current:				
Instruction	<u>45,237</u>	<u>45,237</u>	<u>34,828</u>	<u>10,409</u>
Excess (deficiency) of revenues over expenditures	(18,207)	(18,207)	(5,511)	12,696
Beginning cash balance budgeted	18,207	18,207	-	(18,207)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>18,210</u>	<u>18,210</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,699	<u>\$ 12,699</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 12,699</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 327,803	\$ 440,098	\$ 366,921	\$ (73,177)
 Expenditures:				
Current:				
Instruction	<u>327,803</u>	<u>440,098</u>	<u>331,854</u>	<u>108,244</u>
Excess of revenues over expenditures	-	-	35,067	35,067
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>	35,067	<u>\$ 35,067</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(35,067)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NM AUTISM FUND - NO. 24108
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 8,768	\$ -	\$ (8,768)
 Expenditures:				
Current:				
Instruction	-	8,768	7,953	815
 Excess (deficiency) of revenues over expenditures	-	-	(7,953)	(7,953)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7,953)	<u>\$ (7,953)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,953	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 24,853	\$ 29,206	\$ 29,857	\$ 651
 Expenditures:				
Current:				
Instruction	<u>24,853</u>	<u>29,206</u>	<u>29,042</u>	<u>164</u>
Excess of revenues over expenditures	-	-	815	815
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>	815	<u>\$ 815</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(815)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

FRESH FRUITS AND VEGETABLES FUND - NO. 24118
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 29,650	\$ 29,561	\$ (89)
 Expenditures:				
Current:				
Food Services Operations	-	29,650	29,561	89
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

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 2,353	\$ -	\$ (2,353)
 Expenditures:				
Current:				
Instruction	-	2,353	1,871	482
Excess (deficiency) of revenues over expenditures	-	-	(1,871)	(1,871)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,871)	<u>\$ (1,871)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,871	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 12,120	\$ 8,441	\$ 7,424	\$ (1,017)
 Expenditures:				
Current:				
Instruction	<u>12,120</u>	<u>8,441</u>	<u>4,348</u>	<u>4,093</u>
Excess of revenues over expenditures	-	-	3,076	3,076
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>	3,076	<u>\$ 3,076</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(3,076)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 21,307	\$ 33,035	\$ 37,816	\$ 4,781
 Expenditures:				
Current:				
Instruction	<u>21,307</u>	<u>33,035</u>	<u>33,032</u>	<u>3</u>
Excess 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>	4,784	<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 53,000	\$ 72,342	\$ 20,627	\$ (51,715)
 Expenditures:				
Current:				
Support Services:				
Students	<u>53,000</u>	<u>72,342</u>	<u>30,347</u>	<u>41,995</u>
 Excess (deficiency) of revenues over expenditures	-	-	(9,720)	(9,720)
 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>	(9,720)	<u>\$ (9,720)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>9,720</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

DUAL CREDIT INSTRUCTIONAL MATERIALS FUND - NO. 27103
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 2,659	\$ 2,213	\$ (446)
 Expenditures:				
Current:				
Instruction	-	2,659	2,213	446
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

LIBRARIES GO BOND 2010 FUND - NO. 27106
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 16	\$ 16	\$ -	\$ (16)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>16</u>	<u>16</u>	<u>15</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	-	-	(15)	(15)
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>	(15)	<u>\$ (15)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>15</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

LIBRARIES GO BOND 2012 FUND - NO. 27107
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ 16,457	\$ 16,457	\$ -	\$ (16,457)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>16,457</u>	<u>16,457</u>	<u>11,350</u>	<u>5,107</u>
Excess (deficiency) of revenues over expenditures	-	-	(11,350)	(11,350)
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>	(11,350)	<u>\$ (11,350)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>11,350</u>	
			<u>\$ -</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 85,162	\$ 70,900	\$ (14,262)
 Expenditures:				
Current:				
Instruction	-	85,162	84,924	238
 Excess (deficiency) of revenues over expenditures	-	-	(14,024)	(14,024)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(14,024)	<u>\$ (14,024)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>14,024</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 87	\$ 87
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess 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			(87)	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 7,689	\$ 7,689	\$ 7,711	\$ 22
 Expenditures:				
Current:				
Instruction	<u>7,689</u>	<u>7,689</u>	<u>7,342</u>	<u>347</u>
Excess of revenues over expenditures	-	-	369	369
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>	369	<u>\$ 369</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(369)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

WORKFORCE READINESS FUND - NO. 27179
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 79,090	\$ -	\$ (79,090)
 Expenditures:				
Current:				
Instruction	-	16,766	16,727	39
Support Services:				
Students	-	18,095	18,095	-
Central Services	-	4,000	3,997	3
Capital outlay:				
Equipment	-	40,229	40,186	43
Total expenditures	-	79,090	79,005	85
Excess (deficiency) of revenues over expenditures	-	-	(79,005)	(79,005)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(79,005)	<u>\$ (79,005)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>79,005</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NM GROWN FUND - NO. 27183
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 591	\$ -	\$ (591)
Expenditures:				
Current:				
Food Services Operations	-	591	588	3
Excess (deficiency) of revenues over expenditures	-	-	(588)	(588)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(588)	\$ (588)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			588	
			\$ -	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NEXT GENERATION ASSESSMENTS FUND - NO. 27185
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 11,258	\$ -	\$ (11,258)
 Expenditures:				
Capital outlay:				
Equipment	-	11,258	11,184	74
 Excess (deficiency) of revenues over expenditures	-	-	(11,184)	(11,184)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(11,184)	<u>\$ (11,184)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>11,184</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

YOUTH CONSERVATION CORP FUND - NO. 28133
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 199,742	\$ 59,270	\$ (140,472)
 Expenditures:				
Current:				
Instruction	-	195,757	81,432	114,325
Support Services:				
Central Services	-	3,985	3,982	3
Total expenditures	-	199,742	85,414	114,328
 Excess (deficiency) of revenues over expenditures	-	-	(26,144)	(26,144)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(26,144)	\$ (26,144)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			26,144	
			\$ -	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SLOAT-PRINCE FOUNDATION FUND - NO. 29102
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 6,500	\$ 6,500	\$ -
 Expenditures:				
Current:				
Instruction	-	6,500	6,500	-
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

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 91,489	\$ 33,055	\$ (58,434)
 Expenditures:				
Current:				
Support Services:				
Students	-	91,489	35,709	55,780
 Excess (deficiency) of revenues over expenditures	-	-	(2,654)	(2,654)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,654)	<u>\$ (2,654)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,654</u>	
			<u>\$ -</u>	

CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2014

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 11,507	\$ 11,507	\$ 11,507	\$ -
 Expenditures:				
Capital outlay:				
Land and improvements	<u>11,507</u>	<u>11,507</u>	<u>11,507</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>	<u><u>-</u></u>	<u><u>\$ -</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ -</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 58,230	\$ 120,361	\$ -	\$ (120,361)
Local sources:				
District school tax levy	319,786	319,786	306,216	(13,570)
Earnings from investments	1,300	1,300	422	(878)
Total revenues	379,316	441,447	306,638	(134,809)
Expenditures:				
Current:				
Support Services:				
General Administration	3,092	3,092	2,959	133
Operation & Maintenance of Plant	684,230	607,855	407,663	200,192
Capital outlay:				
Equipment	-	72,750	72,750	-
Construction in progress	131,783	197,539	109,236	88,303
Total expenditures	819,105	881,236	592,608	288,628
Excess (deficiency) of revenues over expenditures	(439,789)	(439,789)	(285,970)	153,819
Beginning cash balance budgeted	439,789	439,789	-	(439,789)
Fund balance at beginning of the year	-	-	485,022	485,022
Fund balance at end of the year	\$ -	\$ -	199,052	\$ 199,052
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			26,870	
Change in due from other governments			743	
Change in payables			(12,691)	
Change in deferred property taxes			(27,100)	
			\$ 186,874	

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DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2014

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 295,958	\$ 295,958	\$ 311,181	\$ 15,223
 Expenditures:				
Current:				
Support Services:				
General Administration	3,000	3,010	3,010	-
Debt service:				
Principal retirement	215,000	215,000	215,000	-
Bond interest paid	80,958	80,958	80,958	-
Reserves	152,159	152,149	-	152,149
Total expenditures	451,117	451,117	298,968	152,149
Excess (deficiency) of revenues over expenditures	(155,159)	(155,159)	12,213	167,372
Beginning cash balance budgeted	155,159	155,159	-	(155,159)
Fund balance at beginning of the year	-	-	164,155	164,155
Fund balance at end of the year	\$ -	\$ -	176,368	\$ 176,368
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			26,585	
Change in due from other governments			889	
Change in deferred property taxes			(26,601)	
			\$ 177,241	

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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, 2014

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2014</u>
23000	Non-Instructional Support	\$ 217	\$ 388	\$ -	\$ 605
23001	MS Orchestra	306	-	121	185
23003	HS Boys Basketball	298	-	298	-
23004	HS Girls Basketball	-	-	-	-
23005	HS Cheerleaders	2,574	11,328	9,115	4,787
23006	MS Cheerleaders	1	13,376	9,392	3,985
23007	HS Dance Team	229	9,804	9,152	881
23008	HS Football	-	5,155	-	5,155
23011	MS Science Fair	280	-	-	280
23012	MS Phys Ed Class	978	649	614	1,013
23013	HS Rodeo Team	388	-	-	388
23014	HS Girls Software	-	1,223	-	1,223
23016	Longfellow After School	86	-	-	86
23018	MS Volleyball	119	35	154	-
23019	HS Girls Volleyball Team	547	655	672	530
23020	RMS Paws	552	1,936	2,166	322
23021	RHS Ski Club	1,044	3,661	1,808	2,897
23022	HS Art	889	2,463	2,553	799
23023	MS Art	2,657	420	894	2,183
23024	HS Band	-	-	-	-
23025	MS Band	103	501	557	47
23026	National Spanish Exam	756	-	-	756
23027	HS Track	-	708	708	-
23028	HS Building Trades	213	20	-	233
23029	HS Cadd-Drafting	153	-	140	13
23030	HS Chorus	1,941	2,183	3,271	853
23031	MS Chorus	-	-	-	-
23032	MS Facs	678	1,358	812	1,224
23033	RMS Adult Prin Fund	535	-	535	-
23035	MS Industrial Arts	5,639	2,525	3,287	4,877
23036	HS Library	773	471	-	1,244
23037	MS Library	500	890	874	516
23038	HS Science	454	1	125	330
23039	MS Science	81	108	-	189
23040	Kearny Library	263	3,538	3,479	322
23042	Longfellow Library	114	4,976	4,771	319
23043	Class Of 2013	163	-	-	163
23044	Marquee Donations	200	-	-	200
23045	Culinary Arts	3,370	5,961	6,086	3,245
23046	Class Of 2012	-	-	-	-
23047	RMS Diabetes Fundraising	25	-	-	25
23048	Kearny Adult Prin Fund	1,438	-	1,438	-
23049	RMS Teach Students To Ski	2,080	-	1,744	336
23050	Poetry Programs At RHS	90	200	275	15
23051	Fellowship For Christian Athletes	2,623	-	240	2,383
23052	HS Annual	3,770	18,813	18,724	3,859
23053	MS Annual	3,313	-	-	3,313
23054	HS Arts & Crafts	1,195	485	70	1,610
23055	HS Book Fund	4,660	-	-	4,660
23056	HS BPA	101	-	-	101
23057	Counseling Fund	1,868	-	290	1,578
23058	Class Of 2015	1,103	3,154	2,341	1,916
23060	Class Of 2014	3,140	2,134	3,958	1,316
23061	Class Of 2016	259	1,498	464	1,293
23062	Class Of 2017	-	1,112	-	1,112
23064	Columbian Adult Prin Fund	\$ 207	\$ -	\$ 207	\$ -

(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, 2014

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2014</u>
23065	HS Drama	\$ 756	\$ 1,181	\$ 653	\$ 1,284
23066	HS FCCLA	1,787	21,831	22,065	1,553
23067	MS FCCLA	736	30,417	29,996	1,157
23068	HS FFA	3,252	36,852	25,921	14,183
23069	Fines On Textbooks	-	-	-	-
23070	HS Rspec	243	-	-	243
23071	HS Honor Society	1,342	514	1,195	661
23072	Northern District	164	-	-	164
23073	HS Key Club	14	-	-	14
23074	HS Ldz	1,032	-	-	1,032
23075	HS Mock Trail	289	361	-	650
23076	HS Principal Fund	4,008	13,246	10,709	6,545
23077	MS Principal Fund	3,868	3,590	4,411	3,047
23078	Kearny Principal Fund	276	3,449	3,173	552
23079	Columbian Principal Fund	454	4,235	4,380	309
23080	Longfellow Principal Fund	1,143	910	1,414	639
23081	Mesa View Academy	1,282	-	-	1,282
23084	HS Special Fund	-	156	-	156
23085	HS Spirit Club	237	-	43	194
23086	HS Student Senate	569	3,949	3,184	1,334
23087	MS Student Senate	1,262	1,467	294	2,435
23088	HS Welding	100	1,585	697	988
23089	HS Woodshop	2,571	210	995	1,786
23091	Columbian Book Fair	873	2,857	2,847	883
23092	RHS Adult Prin Fund	1,772	(1,772)	-	-
23093	Columbian Card Factory	909	3,677	2,715	1,871
23096	Kearny Science Fund	1	-	-	1
23097	Students Publishing	1,399	48	297	1,150
23098	Longfellow Adult Prin Fund	296	(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	258	119	55	322
23104	Ffa Greenhouse	677	-	164	513
23105	Joe Vigil Law Enforcement Mem Scholarship	500	20,300	20,300	500
23106	Athletic Fund Raiser	14,230	11,663	10,395	15,498
23107	Youth Alive	153	-	(408)	561
23108	Aquarium Club	42	-	-	42
23109	RMS Green Team	259	-	-	259
23110	RMS Fea	2,297	-	228	2,069
23111	RMS Geobee	57	411	155	313
23112	Band Boosters	1,424	3,846	2,821	2,449
23113	American Cancer Society	1,000	-	-	1,000
23114	Longfellow 1St Grade Field Trips	111	281	267	125
23115	Longfellow Kinder Field Trips	-	423	414	9
23116	Longfellow Boxtops	1,349	710	662	1,397
23117	Columbian Library	35	15	-	50
23118	Uncommon Drumming	-	-	-	-
23119	Spaceport	11	-	-	11
23120	Josephine Biundo Literacy	-	800	579	221
23121	HS Hitting Club	-	3,805	3,314	491
23122	HS Summit Scholarship	-	6,000	4,000	2,000
	Pooled cash and investments	<u>\$ 107,634</u>	<u>\$ 278,569</u>	<u>\$ 249,270</u>	<u>\$ 136,933</u>
LIABILITIES					
	Deposits held for others	<u>\$ 107,634</u>	<u>\$ 278,569</u>	<u>\$ 249,270</u>	<u>\$ 136,933</u>

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2014

	International <u>Bank</u>	First National Bank <u>of New Mexico</u>	<u>Total</u>
Cash on deposit at June 30, 2014	\$ 1,099,383	\$ 180,168	\$ 1,279,551
Less FDIC coverage	<u>250,000</u>	<u>180,168</u>	<u>430,168</u>
Uninsured funds	<u>\$ 849,383</u>	<u>\$ -</u>	<u>\$ 849,383</u>
50% collateral requirement	\$ 424,692	\$ -	\$ 424,692
Pledged collateral	<u>1,221,262</u>	<u>-</u>	<u>1,221,262</u>
Excess (deficiency) of pledged collateral	<u>\$ 796,570</u>	<u>\$ -</u>	<u>\$ 796,570</u>

Pledged collateral of financial institutions consists of the following at June 30, 2014

International Bank:	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Bernalillo Wtr & Swr	6/1/2015	08527VAJ7	\$ 270,745
FHLB	6/12/2015	3133XBTS4	703,767
Raton Pub Sch	6/1/2019	754179BV0	<u>246,750</u>
			<u>\$ 1,221,262</u>

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

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CASH RECONCILIATION
 June 30, 2014

	<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	\$ 168,027	\$ 9,084,014	\$ 9,060,128	\$ (433,529)	\$ (241,616)	\$ 241,616	\$ -
Transportation	-	473,223	473,214	-	9	-	9
Instructional Materials	5,573	62,231	53,310	-	14,494	-	14,494
Food Services	94,095	504,035	437,449	-	160,681	-	160,681
Athletics	18,210	29,317	34,828	-	12,699	-	12,699
Federal Flowthrough Funds	385	674,692	892,627	217,935	385	-	385
Federal Direct Funds	-	20,627	30,347	9,720	-	-	-
Local Grants	-	-	-	-	-	-	-
State Flowthrough Funds	-	80,911	196,620	115,709	-	-	-
State Direct Funds	-	59,271	85,414	26,143	-	-	-
Local/State	-	39,555	42,209	2,654	-	-	-
Capital Improvements SB-9	479,310	306,638	592,608	-	193,340	(193,340)	-
Debt Service	152,819	311,181	298,967	-	165,033	(48,276)	116,757
Agency Funds	-	-	-	-	-	136,933	136,933
Total	\$ 918,419	\$ 11,645,695	\$ 12,197,721	\$ (61,368)	\$ 305,025	\$ 136,933	\$ 441,958

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Adjustments to report:</u>	
Operational	Checking - Interest	International Bank	\$ 244,273	Agency funds	\$ 136,933
Operational	Checking - Interest	International Bank	85,000	Pooled cash loans payable	241,616
Cafeteria	Checking - Non-Interest	International Bank	187,558	Pooled cash loans receivable	(193,340)
Athletics	Checking - Interest	International Bank	13,154	Pooled cash loans receivable	(48,276)
Activities	Checking - Interest	First National Bank	180,168	Total adjustment to the report	<u>\$ 136,933</u>
Payroll	Checking - Interest	International Bank	569,398		
			<u>\$ 1,279,551</u>	<u>Adjustments to cash:</u>	
				Bank Balance	\$ 1,279,551
				Cash on hand	100
				Outstanding deposits	250
				Outstanding checks	(837,943)
				Total adjustment to cash	<u>\$ 441,958</u>

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COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

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

Schedule of Findings and Questioned Costs:
Summary of Auditor's Results
Financial Statement Findings
Federal Award Findings

Summary Schedule of Prior Year Audit Findings

Schedule of Expenditures of Federal Awards
Notes to the Schedule of Expenditures of Federal Awards

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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, 2014, 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 September 18, 2014.

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. 2014-001 and 2014-002.

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. We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2014-001 and 2014-002.

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

Raton Public School District No. 11's Response to Findings

Raton Public School District No. 11 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Raton Public School District No. 11's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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, New Mexico
September 18, 2014

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, 2014. 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, 2014.

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, New Mexico
September 18, 2014

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

I. SUMMARY OF AUDIT RESULTS

	<u>Yes</u>	<u>No</u>	<u>Occurrences</u>
FINANCIAL STATEMENTS:			
Type of auditor's report issued: <u>Unmodified</u>			
Internal control over financial reporting:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	✓	—	2
Noncompliance material to financial statements noted?	—	✓	—
FEDERAL AWARDS:			
Internal control over major programs:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	—	✓	—
The programs treated as major programs include:			
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>		
Title I	84.010		
IDEA-B Special Education Cluster	84.027 & 84.173		
Title II Teacher Quality	84.367		
The threshold for distinguishing types A and B programs: <u>\$300,000</u>			
Auditee qualified as low-risk auditee?	—	✓	

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

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

2014 – 001 UNAUTHORIZED LOANS

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
No	No	Yes

Condition: The District does not have sufficient cash available in the general fund to loan the special revenue funds money in order to keep the school district operating without borrowing from the Capital Improvements SB-9 Capital Projects Fund (\$193,340) and Debt Service Fund (\$48,276).

Criteria: State law has restricted the use of the Debt Service fund for general operating.

Effect of Condition: Management's is out of compliance with the restrictions of the capital funds and the debt service funds.

Cause: The over expending of the Capital Project Funds and reimbursements from the states for the special revenue funds not arriving in a timely manner have caused the district to create an unauthorized loan from the Debt Service Fund.

Recommendation: Management should develop a plan to cover the expenditures in the capital project funds and to receive the reimbursements for the special revenue funds in a timely basis.

Management's Response: District will continue to manage expenditures in accordance with Fiscal deadlines; while prompting PED RFR Department to reimburse within those same fiscal deadlines. District will encourage early purchases whenever possible.

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

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2014 – 002 CONTROL OVER RECEIPTS

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
Yes	No	Yes

Condition: A teacher collected money from students in the amount of \$84 of that amount \$42 was collected as cash. A control roster was not used to identify the students and allow for an audit trail.

Criteria: NMAC 6.20.2.11(C) requires the district to have an internal control structure that allows the District's financial data to meet the financial statement assertions of completeness and existence and occurrence.

Cause: Procedures are not being followed to provide adequate controls over cash collections to insure the completion of the cash receipts.

Effect of condition: The district is susceptible to misuse, errors or fraud due to the lack of controls over receipts.

Recommendation: The District should draft a policy, and make it part of the control structure, that requires the use of control rosters when there are mass collections such as registrations, book sales, etc. This will establish a standard operating procedure across the District instead each school having its own method of collections.

Management's Response: The District has created a control roster for mass collection to be used District-wide. The District will not accept submissions of incomplete receipts. Staff has been trained on the use of the new control roster on Aug 20, 2014.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings required to be reported relating to federal awards.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2014

I. NOT RESOLVED

There were no resolved findings to be reported from the prior year.

II. RESOLVED

There were no resolved findings to be reported from the prior year.

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, 2014

<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		\$ 19,330
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	202,780	
USDA School Breakfast Program	10.553	21000	<u>205,317</u>	
Total Child Nutrition Cluster				408,097
Fresh Fruits and Vegetables	10.582	24118		29,561
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>22,054</u>
Subtotal Pass-Through Programs				<u>459,712</u>
Total U.S. Department of Agriculture				<u>479,042</u>
<u>U.S. Department of Education:</u>				
Direct Programs:				
Impact Aid Indian Education	84.041	11000		<u>1,886</u>
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	315,913	
NM Autism	84.027	24108	7,953	
Preschool IDEA-B	84.173	24109	29,042	
IDEA-B "Risk Pool"	84.027	24120	<u>1,871</u>	
Total Special Education (IDEA) Cluster				354,779
Title I	84.010	24101		331,854
Title III English Language	84.365	24153		4,348
Title II Teacher Quality	84.367	24154		138,627
Rural & Low-Income Schools	84.358	24160		<u>33,032</u>
Subtotal Pass-Through Programs				<u>862,640</u>
Total U.S. Department of Education				<u>864,526</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>30,347</u>
Total Expenditures of Federal Awards				<u>\$ 1,373,915</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 2014 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 2014 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 60% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$1,351,861 and all non-cash expenditures amounted to \$22,054.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2014 Expenditure</u>
Cash assistance:	
Title I	\$ 331,854
Special Education (IDEA) Cluster	354,779
Title II Teacher Quality	<u>138,627</u>
Total	<u>\$ 825,260</u>

The federal programs that were considered high risk Type A programs for the 2014 audit were Title I and IDEA-B Special Education Cluster.

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

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in net position of the District. All federal programs considered active during the year ended June 30, 2014, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Cooperative has met the qualifications for the respective grant. Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the “USDA”). In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

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.

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REQUIRED DISCLOSURES

YEAR ENDED JUNE 30, 2013

The financial statements were prepared by the independent public accountants.

An exit conference was held September 18, 2014, during which the audit findings were discussed. The exit conference was attended by the following individuals:

RATON PUBLIC SCHOOL DISTRICT NO. 11

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

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
Olena Erickson	Staff