

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2015
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

OFFICIAL ROSTER
June 30, 2015

BOARD OF EDUCATION

Ted Kemp	President
Beaver Segotta	Vice President
Kathy Honeyfield	Secretary
Art Armijo	Member
Robert Gonzales	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

Beaver Segotta	Board President
Robert Gonzales	Board Member
Jose Archuleta	Parent
Sandy Mantz	Community Member
M. Neil Terhune	Superintendent
Lita Sanchez	Finance Director

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FINANCIAL SECTION

FISCAL YEAR 2015

JULY 1, 2014 THROUGH JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

Tim Keller, 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, 2015, 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 major capital project funds, debt service fund, 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, 2015, 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.

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, 2015, 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, 2015, 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.

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

Emphasis of Matter

As discussed in Note I.A and Note IV.F, during the year ended June 30, 2015 Artesia Public Schools adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

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.

The Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2015 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
October 6, 2015

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

STATEMENT OF NET POSITION
June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 1,326,875
Receivables:	
Delinquent property taxes receivable	56,528
Grant	230,128
Other receivables	8
Due from other governments	7,453
Fuel inventory	17,123
USDA commodities inventory	369
Food inventory	363
Non-current:	
Non-depreciable assets	357,911
Depreciable capital assets, net	<u>10,844,598</u>
Total Assets	<u>12,841,356</u>
 Deferred Outflows of Resources:	
Contributions to pension subsequent to the measurement date	<u>817,397</u>
 Liabilities	
Accounts payable	75,185
Accrued interest	6,191
Compensated absences	40,044
Long-term liabilities other than pensions:	
Due within one year	388,000
Due in more than one year	1,914,000
Aggregate net pension liability	<u>12,706,654</u>
Total Liabilities	<u>15,130,074</u>
 Deferred Inflows of Resources	
Advances of federal, state, and local grants	662
Difference between expected and actual experience	189,286
Net difference between projected and actual investment earnings on plan investments	1,155,099
Change in proportionate share of pension liability	<u>434,702</u>
Total Deferred Inflows of Resources	<u>1,779,749</u>
 Net Position	
Net investment in capital assets	8,942,767
Restricted for:	
Inventories	17,855
Special revenue funds	251,683
Capital projects	727,663
Debt service	65,169
Unrestricted	<u>(13,256,207)</u>
Total Net Position	<u>\$ (3,251,070)</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, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>	
Primary government:						
Governmental activities:						
Instruction	\$ 7,152,461	\$ 6,314	\$ 874,826	\$ 73,652	\$ (6,197,669)	
Support Services - Students	1,152,343	23,307	140,944	11,866	(976,226)	
Support Services - Instruction	327,858	-	40,101	3,376	(284,381)	
Support Services - General Administration	266,860	-	32,640	2,748	(231,472)	
Support Services - School Administration	887,165	-	108,510	9,135	(769,520)	
Central Services	178,282	-	21,806	-	(156,476)	
Operations & Maintenance of Plant	1,709,698	-	209,115	-	(1,500,583)	
Student Transportation	392,765	-	359,678	-	(33,087)	
Other Support Services	8,951	-	1,095	-	(7,856)	
Food Services	540,284	6,968	499,558	-	(33,758)	
Community Services	2,963	-	362	-	(2,601)	
Bond interest paid	70,844	-	-	-	(70,844)	
Total governmental activities	\$ 12,690,474	\$ 36,589	\$ 2,288,635	\$ 100,777	(10,264,473)	
General revenues:						
Taxes:						
Property Taxes:						
General purposes						53,307
Capital projects						277,396
Debt service						263,943
Oil and gas						21,054
Grants and contributions not restricted						8,927,506
Miscellaneous income						11,576
Total general revenues						<u>9,554,782</u>
<i>Change in net position</i>						<u>(709,691)</u>
Net position - beginning						11,215,549
Restatement						<u>(13,756,928)</u>
Net position - beginning as restated						<u>(2,541,379)</u>
Net position - ending						<u>\$ (3,251,070)</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, 2015

	General <u>Fund</u>	Food Service <u>Fund #21000</u>	Incentive Pay <u>Fund #27188</u>	Capital Improvements SB-9 <u>Fund #31700</u>
Assets				
Cash and cash equivalents	\$ 256,617	\$ 270,646	\$ -	\$ 150,962
Receivables:				
Property taxes	5,057	-	-	26,436
Grant	-	-	152,691	-
Other receivables	8	-	-	-
Due from other governments	732	-	-	3,437
Due from other funds	231,610	2,255	-	-
Fuel inventory	17,123	-	-	-
USDA commodities inventory	-	369	-	-
Food inventory	-	363	-	-
Total assets	<u>\$ 511,147</u>	<u>\$ 273,633</u>	<u>\$ 152,691</u>	<u>\$ 180,835</u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Accounts payable	\$ 37,438	\$ 31,125	\$ -	\$ 6,622
Due to other funds	-	7	152,691	-
Total liabilities	<u>37,438</u>	<u>31,132</u>	<u>152,691</u>	<u>6,622</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	4,405	-	-	22,660
Total deferred inflows of resources	<u>4,405</u>	<u>-</u>	<u>-</u>	<u>22,660</u>
Fund balance:				
Non-spendable:				
Inventories	17,123	732	-	-
Restricted for:				
Special revenue funds	-	241,769	-	-
Capital projects funds	-	-	-	151,553
Debt service	-	-	-	-
Unassigned	452,181	-	-	-
Total fund balance	<u>469,304</u>	<u>242,501</u>	<u>-</u>	<u>151,553</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 511,147</u>	<u>\$ 273,633</u>	<u>\$ 152,691</u>	<u>\$ 180,835</u>

(cont'd; 1 of 2)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2015

	Ed Technology Equipment Act <u>Fund #31900</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets				
Cash and cash equivalents	\$ 576,110	\$ 58,234	\$ 14,306	\$ 1,326,875
Receivables:				
Property taxes	-	25,035	-	56,528
Grant	-	-	77,437	230,128
Other receivables	-	-	-	8
Due from other governments	-	3,284	-	7,453
Due from other funds	-	-	-	233,865
Fuel inventory	-	-	-	17,123
USDA commodities inventory	-	-	-	369
Food inventory	-	-	-	363
Total assets	<u>\$ 576,110</u>	<u>\$ 86,553</u>	<u>\$ 91,743</u>	<u>\$ 1,872,712</u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 75,185
Due to other funds	-	-	81,167	233,865
Total liabilities	<u>-</u>	<u>-</u>	<u>81,167</u>	<u>309,050</u>
 Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	662	662
Delinquent property taxes	-	21,384	-	48,449
Total deferred inflows of resources	<u>-</u>	<u>21,384</u>	<u>662</u>	<u>49,111</u>
 Fund balance:				
Non-spendable:				
Inventories	-	-	-	17,855
Restricted for:				
Special revenue funds	-	-	9,914	251,683
Capital projects funds	576,110	-	-	727,663
Debt service	-	65,169	-	65,169
Unassigned	-	-	-	452,181
Total fund balance	<u>576,110</u>	<u>65,169</u>	<u>9,914</u>	<u>1,514,551</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 576,110</u>	 <u>\$ 86,553</u>	 <u>\$ 91,743</u>	 <u>\$ 1,872,712</u>

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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, 2015

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

Fund balances - total governmental funds	\$	1,514,551
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		28,250,550
Accumulated depreciation		(17,048,041)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		48,449
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		817,397
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(2,302,000)
Accrued interest payable		(6,191)
Accrued vacation payable		(40,044)
Net pension liability		(12,706,654)
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(189,286)
Net difference between projected and actual investment earnings on plan investments		(1,155,099)
Change in proportionate share of pension liability		<u>(434,702)</u>
Net position of governmental activities	\$	<u>(3,251,070)</u>

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, 2015

	<u>General</u> <u>Fund</u>	<u>Food Service</u> <u>Fund #21000</u>	<u>Incentive Pay</u> <u>Fund #27188</u>	<u>Capital</u> <u>Improvements</u> <u>SB-9</u> <u>Fund #31700</u>
Revenues:				
Taxes:				
Property	\$ 57,130	\$ -	\$ -	\$ 297,486
Oil and gas	2,368	-	-	9,472
Intergovernmental - federal grants	32,862	499,558	-	-
Intergovernmental - state grants	9,451,035	-	152,691	99,460
Contributions - private grants	-	-	-	-
Charges for services	6,314	6,968	-	-
Investment and interest income	973	172	-	146
Miscellaneous	<u>7,878</u>	<u>822</u>	<u>-</u>	<u>2,876</u>
Total revenues	<u>9,558,560</u>	<u>507,520</u>	<u>152,691</u>	<u>409,440</u>
Expenditures:				
Current:				
Instruction	5,632,572	-	152,691	-
Support services:				
Students	950,667	-	-	-
Instruction	205,734	-	-	-
General Administration	238,488	-	-	3,014
School Administration	774,576	-	-	-
Central Services	163,261	-	-	-
Operation & Maintenance of Plant	997,810	-	-	351,939
Student transportation	359,674	-	-	-
Other Support services	8,197	-	-	-
Food services operations	-	459,266	-	-
Community services	2,713	-	-	-
Capital outlay	-	-	-	89,808
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,333,692</u>	<u>459,266</u>	<u>152,691</u>	<u>444,761</u>
<i>Excess (deficiency) of revenues over expenditures</i>	224,868	48,254	-	(35,321)
Other financing sources:				
Sale of bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	224,868	48,254	-	(35,321)
Fund balance at beginning of the year	<u>244,436</u>	<u>194,247</u>	<u>-</u>	<u>186,874</u>
Fund balance at end of the year	<u>\$ 469,304</u>	<u>\$ 242,501</u>	<u>\$ -</u>	<u>\$ 151,553</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, 2015

	Ed Technology Equipment Act <u>Fund #31900</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Taxes:				
Property	\$ -	\$ 283,087	\$ -	\$ 637,703
Oil and gas	-	9,214	-	21,054
Intergovernmental - federal grants	-	-	868,806	1,401,226
Intergovernmental - state grants	-	-	156,040	9,859,226
Contributions - private grants	-	-	55,149	55,149
Charges for services	-	-	23,307	36,589
Investment and interest income	14	-	12	1,317
Miscellaneous	-	-	-	11,576
Total revenues	14	292,301	1,103,314	12,023,840
Expenditures:				
Current:				
Instruction	-	-	853,177	6,638,440
Support services:				
Students	-	-	104,589	1,055,256
Instruction	-	-	74,991	280,725
General Administration	-	2,875	-	244,377
School Administration	-	-	37,844	812,420
Central Services	-	-	-	163,261
Operation & Maintenance of Plant	175,904	-	-	1,525,653
Student transportation	-	-	-	359,674
Other Support services	-	-	-	8,197
Food services operations	-	-	35,498	494,764
Community services	-	-	-	2,713
Capital outlay	-	-	-	89,808
Debt service:				
Principal retirement	-	330,000	-	330,000
Bond interest paid	-	71,498	-	71,498
Bond issuance costs	40,000	-	-	40,000
Total expenditures	215,904	404,373	1,106,099	12,116,786
<i>Excess (deficiency) of revenues over expenditures</i>	(215,890)	(112,072)	(2,785)	(92,946)
Other financing sources:				
Sale of bonds	792,000	-	-	792,000
<i>Net change in fund balance</i>	576,110	(112,072)	(2,785)	699,054
Fund balance at beginning of the year	-	177,241	12,699	815,497
Fund balance at end of the year	\$ 576,110	\$ 65,169	\$ 9,914	\$ 1,514,551

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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, 2015

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

Net change in fund balance - total governmental funds	\$	699,054
<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		89,808
Depreciation		(1,063,224)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Deferred property taxes at:		
June 30, 2014		(91,506)
June 30, 2015		48,449
<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		330,000
Bonds sold		(792,000)
<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>		
Compensated absences at:		
June 30, 2014		20,534
June 30, 2015		(40,044)
Accrued interest at:		
June 30, 2014		6,845
June 30, 2015		(6,191)
Deferred contributions to pension plan		817,397
Pension expense		<u>(728,813)</u>
Change in net position of governmental activities	\$	<u>(709,691)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 56,734	\$ 56,734	\$ 65,797	\$ 9,063
Oil and gas	1,982	1,982	2,614	632
Intergovernmental - federal grants	1,886	1,886	32,862	30,976
Intergovernmental - state sources:				
State equalization guarantee	8,880,958	8,874,221	8,872,357	(1,864)
Transportation	382,828	359,678	359,678	-
State instructional material	50,220	68,443	69,000	557
State grant	-	-	150,000	150,000
Charges for services	9,014	9,014	6,314	(2,700)
Investment and interest income	<u>1,000</u>	<u>1,000</u>	<u>973</u>	<u>(27)</u>
Total revenues	<u>9,384,622</u>	<u>9,372,958</u>	<u>9,559,595</u>	<u>186,637</u>
Expenditures:				
Current:				
Instruction	5,820,969	5,839,192	5,637,575	201,617
Support services:				
Students	946,781	958,030	950,667	7,363
Instruction	227,715	214,375	205,734	8,641
General Administration	232,110	251,994	238,656	13,338
School Administration	785,885	779,562	774,576	4,986
Central Services	164,447	189,538	181,444	8,094
Operation & Maintenance of Plant	1,120,024	1,076,726	1,006,320	70,406
Student transportation	382,828	359,678	359,674	4
Other Support services	20,345	20,345	8,197	12,148
Community Services Operations	<u>5,119</u>	<u>5,119</u>	<u>2,713</u>	<u>2,406</u>
Total expenditures	<u>9,706,223</u>	<u>9,694,559</u>	<u>9,365,556</u>	<u>329,003</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(321,601)	(321,601)	194,039	515,640
<i>Beginning cash balance budgeted</i>	344,036	350,462	-	(350,462)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>244,436</u>	<u>244,436</u>
Fund balance at end of the year	<u>\$ 22,435</u>	<u>\$ 28,861</u>	<u>438,475</u>	<u>\$ 409,614</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			3,003	
Change in property tax receivable			(4,136)	
Change in due from other governments			(722)	
Change in payables			28,861	
Change in deferred property taxes			<u>3,823</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 469,304</u>	

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

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

FOOD SERVICE FUND - NO. 21000
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 410,000	\$ 410,000	\$ 500,586	\$ 90,586
Charges for services	57,700	57,700	7,789	(49,911)
Investment and interest income	175	175	173	(2)
Total revenues	467,875	467,875	508,548	40,673
Expenditures:				
Current:				
Food Services Operations	530,861	530,861	396,339	134,522
<i>Excess (deficiency) of revenues over expenditures</i>	(62,986)	(62,986)	112,209	175,195
<i>Beginning cash balance budgeted</i>	62,986	62,986	-	(62,986)
Fund balance at beginning of the year	-	-	194,247	194,247
Fund balance at end of the year	\$ -	\$ -	306,456	\$ 306,456
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(313)	
Change in receivables			(32,522)	
Change in accrued liabilities			(31,120)	
Fund balance at end of the year (GAAP basis)			\$ 242,501	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

INCENTIVE PAY FUND - NO. 27188
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 153,000	\$ -	\$ (153,000)
Expenditures:				
Current:				
Instruction	-	153,000	152,691	309
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(152,691)	(152,691)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(152,691)	<u>\$ (152,691)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			152,691	
Fund balance at end of the year (GAAP basis)			<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, 2015

ASSETS

Pooled cash and investments	\$	<u>139,119</u>
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LIABILITIES

Deposits held for others	\$	<u>139,119</u>
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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.

During fiscal year 2015, Raton Public School District No. 11 adopted the following GASB Statements:

- 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.
- 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

A. Reporting Entity (cont'd)

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

- GASB 72, *Fair Value Measurement and Application*, This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement will be effective for the year ended June 30, 2016.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, this Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This Statement will be effective for the year ended June 30, 2016.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This Statement will be effective for the year ended June 30, 2017.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be effective for the year ended June 30, 2018.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement will be effective for the year ended June 30, 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues received during the year but are applicable to subsequent years are reported as deferred inflows of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Expenditures incurred during the year that are for the benefit of subsequent years are reported as deferred outflows of resources.

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

The government reports the following major governmental funds:

➤ General Fund

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

➤ Food Services Special Revenue (Fund No. 21000)

Minimum Balance: None

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.

➤ Incentive Pay Special Revenue Fund (Fund No. 27188)

Minimum Balance: None

Establishes group and individual-based incentive programs designed to recognize and reward New Mexico's high performing teachers and principals. By using local expertise and negotiating with local partners, grantees will create innovative systems primarily to reward teachers and principals for their excellence.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

- Capital Improvements SB – 9 Capital Projects Fund (Fund No. 31700) Minimum Balance: None
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.
- Ed Technology Equipment Act Capital Projects Fund (Fund No. 31900) Minimum Balance: None
This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.
- Debt Service Fund (Fund No. 41000) Minimum Balance: None
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.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

2. *Receivables and payables*

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

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

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

3. *Inventories*

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

4. *Capital assets*

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

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. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Education Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

8. *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, 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015.

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.

9. *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.

10. *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, 2015

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

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

11. *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.

12. *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 \$8,872,357 in state equalization guarantee distributions during the year ended June 30, 2015.

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 \$359,678 in transportation distributions during the year ended June 30, 2015.

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, 2015

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, 2015 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	\$ 9,706,223	\$ 9,694,559
Special Revenue Fund	1,462,202	2,029,145
Capital Projects Fund	612,590	1,463,851
Debt Service Fund	<u>566,530</u>	<u>566,530</u>
Totals	<u>\$ 12,347,545</u>	<u>\$ 13,754,085</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2015.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

Cash and equivalents are comprised of the following balances:

	<u>Balance</u>
Banks:	
International Bank	\$ 1,761,824
First Bank of NM	165,312
Less agency cash	(139,119)
Less net reconciling items	(461,242)
Cash on hand	100
Total cash and equivalents	\$ 1,326,875

At June 30, 2015, the carrying amount of the District's deposits was \$1,465,994 and the bank balance was \$1,927,136 with the difference consisting of outstanding checks. Of this balance \$415,312 was covered by federal depository insurance and \$937,668 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, 2015, \$574,156 of the District's bank balance of \$1,927,136 was exposed to custodial risk as follows:

	International Bank	First National Bank of New Mexico	Total
Uninsured and uncollateralized	\$ 574,156	\$ -	\$ 574,156
Uninsured and collateral held by pledging bank's trust dept not in the District's name	937,668	-	937,668
Total uninsured	1,511,824	-	1,511,824
Insured (FDIC)	250,000	165,312	415,312
Total deposits	\$ 1,761,824	\$ 165,312	\$ 1,927,136
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 755,912	\$ -	\$ 755,912
Pledged security	937,668	-	937,668
Over collateralization	\$ 181,756	\$ -	\$ 181,756

The collateral pledged is listed on Page 103 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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	\$ 5,057	\$ -	\$ 732	\$ 231,610
Food Service	-	-	-	2,255
Incentive Pay	-	152,691	-	-
Capital Improvements SB - 9	26,436	-	3,437	-
Debt Service	25,035	-	3,284	-
Other Governmental Funds	-	77,437	-	-
Total	\$ 56,528	\$ 230,128	\$ 7,453	\$ 233,865

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:

	Unavailable	Unearned
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 662
Delinquent property taxes		
General Fund	4,405	-
Capital Improvements SB - 9	22,660	-
Debt Service Fund	21,384	-
Total deferred/unearned revenue for governmental funds	\$ 48,449	\$ 662

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2014 were:

	Receivables	Payables
General Fund	\$ 231,610	\$ -
Food Service	2,255	7
Incentive Pay	-	152,691
Other Governmental Funds	-	81,167
Total Due To/Due From Other Funds	\$ 233,865	\$ 233,865

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.

D. Inter-Fund Transfers

There was not any inter-fund transfers made during the year ended June 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

E. Capital Assets

Capital asset activity for the year ended June 30, 2015 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
Total capital assets not being depreciated	<u>357,911</u>	<u>-</u>	<u>-</u>	<u>357,911</u>
Capital assets being depreciated:				
Land improvements	1,064,616	83,112	-	1,147,728
Buildings and improvements	25,050,579	-	-	25,050,579
Furniture, fixtures, and equipment	1,687,636	6,696	-	1,694,332
Total capital assets being depreciated	<u>27,802,831</u>	<u>89,808</u>	<u>-</u>	<u>27,892,639</u>
Less accumulated depreciation for:				
Land improvements	(353,934)	(64,757)	-	(418,691)
Buildings and improvements	(14,559,065)	(914,554)	-	(15,473,619)
Furniture, fixtures, and equipment	(1,071,818)	(83,913)	-	(1,155,731)
Total accumulated depreciation	<u>(15,984,817)</u>	<u>(1,063,224)</u>	<u>-</u>	<u>(17,048,041)</u>
Total capital assets being depreciated, net	<u>11,818,014</u>	<u>(973,416)</u>	<u>-</u>	<u>10,844,598</u>
Total capital assets, net	<u>\$ 12,175,925</u>	<u>\$ (973,416)</u>	<u>\$ -</u>	<u>\$ 11,202,509</u>

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 608,543
Support Services - Students	95,835
Support Services - Instruction	27,267
Support Services - General Administration	22,194
Support Services - School Administration	73,782
Central Services	14,827
Operations & Maintenance of Plant	142,188
Student Transportation	32,665
Other Support Services	744
Food Services	44,933
Community Services	246
Total Depreciation Expense	<u>\$ 1,063,224</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 in the capital projects funds designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015 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 2008	\$ 2,400,000	3.35% to 4.15%	\$ 1,510,000	\$ 235,000
Series 2015 Ed Tech	<u>792,000</u>	0.67% to 1.50%	<u>792,000</u>	<u>153,000</u>
Total	<u>\$ 3,192,000</u>		<u>\$ 2,302,000</u>	<u>\$ 388,000</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	\$ 388,000	\$ 68,018	\$ 456,018
2016	408,000	58,176	466,176
2017	409,000	47,280	456,280
2018	410,000	35,475	445,475
2019	437,000	23,070	460,070
2020 - 2024	<u>250,000</u>	<u>10,375</u>	<u>260,375</u>
Total	<u>\$ 2,302,000</u>	<u>\$ 242,394</u>	<u>\$ 2,544,394</u>

The District issued Series 2015 General Obligation Bonds in the amount of \$792,000 on May 1, 2015. The District will make the first interest and principal payment on May 1, 2016. The bond series will mature on May 1, 2020 with interest rates between 0.67% and 1.50%. The District was at 25% bonding capacity after the issuance of Series 2015.

Changes in long term debt – During the year ended June 30, 2015 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	\$ 20,534	\$ 30,380	\$ 10,870	\$ 40,044	\$ 40,044
Bonds payable	<u>1,840,000</u>	<u>792,000</u>	<u>330,000</u>	<u>2,302,000</u>	<u>388,000</u>
	<u>\$ 1,860,534</u>	<u>\$ 822,380</u>	<u>\$ 340,870</u>	<u>\$ 2,342,044</u>	<u>\$ 428,044</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, 2015

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, 2015.

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, Sections 1 through 52, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the New Mexico Educational Employees' Retirement Plan (Plan), which is a cost-sharing multiple-employer defined benefit retirement plan. 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 www.nmerb.org, www.saonm.org, or by writing to:

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

Membership in the Plan is a condition of employment. Employees of public schools, universities, regional cooperatives, special schools and state agencies providing educational programs, who are employed at more than 25% of a full-time equivalency, are required to be members of the Plan. There were 140,008 active, retired, and inactive members in fiscal year 2014; there were 135,603 active, retired, and inactive members in fiscal year 2013.

Benefits Provided - 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. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FAS is the higher of annual earnings for the previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20 consecutive calendar quarters.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the Cola would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

The member, upon retirement, has three options as to how to receive the benefit.

Option A – If the member elects the Option A, there is no reduction to the monthly benefit other than any “Rule of 75” deductions or any community property or child support reductions. There will be no continuing benefit to a beneficiary or estate upon the retiree's death, except the balance, if any, of member contributions. Those contributions are usually exhausted in the first three to four years of retirement.

Option B – If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

Option C – If the member elects Option C, the monthly benefit is reduced to provide for a 50% survivor's benefit. The benefit is payable during the life of the member and upon the retiree's death, one half of the member's benefit is paid to the beneficiary for his or her lifetime. Here again, the named beneficiary may not be changed after the effective date of retirement. If the beneficiary predeceases the member, the member's benefit is adjusted by returning it to the Option A Benefit amount.

Under the provisions of Options B and C coverage, the beneficiary must be a person, and only one beneficiary may be named. The term beneficiary means a person having an insurable interest in the life of the member.

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: 10.7% of their gross salary in fiscal year 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Employer Contributions – In fiscal year 2015, the District was required to contribute 13.9% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.9% of the gross covered salary for employees whose annual salary is more than \$20,000. 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, 2015, 2014, and 2013, were \$817,397, \$807,253, and \$695,131, respectively, which equal the amount of the required contributions for each fiscal year.

Employers

The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 213 contributing employers in fiscal year 2014; there were 212 contributing employers in fiscal year 2013.

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

At June 30, 2015, the District reported a liability of \$12,706,654 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.2227 percent, which was a decrease of 0.00933 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$728,813.

Pension Expense Calculation

	Add: Net pension liability - end of the year	\$ 12,706,654
	Deduct: Net pension liability - beginning of the year	(14,564,181)
	Deduct: Deferred outflows of resources during the year	-
	Add: First year of amortization of deferred outflows of resources	-
	Add: Deferred inflows of resources during the year	1,779,087
	Deduct: First year of amortization of deferred inflows of resources	-
	Add: Layerd amortization of prior year(s) deferred outflows of resources	-
	Deduct: Layerd amortization of prior year(s) deferred inflows of resources	-
	Reductions to ending net pension liability due contributions paid	<u>807,253</u>
	Total Pension Expense	<u>\$ 728,813</u>

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 189,286
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,155,099
Changes in proportion and differences between District contributions and proportionate share of contributions	-	434,702
District contributions subsequent to the measurement date	<u>817,397</u>	<u>-</u>
Total	<u>\$ 817,397</u>	<u>\$ 1,779,087</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Deferred outflows of resources related to pensions in the amount of \$817,397 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending		
<u>June 30,</u>		
2016	\$	505,436
2017		505,436
2018		479,436
2019		288,779
2020		-
Thereafter		-
Total	\$	<u>1,779,087</u>

Actuarial Assumptions

A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2014. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the assumptions described below and the projection of cash flows, pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. The long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2013. The total pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

- 1) All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7%, thereafter.
- 2) Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their Cost of Living Adjustment (COLA) will be deferred until age 67.
- 3) COLAs for most retirees are reduced until ERB attains a 100% funded status.
- 4) These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial Cost Method Entry Age:	Normal
Amortization Method:	Level Percentage of Payroll
Remaining Period:	Amortized - closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method:	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation:	3.00%
Salary Increases:	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return:	7.75%
Retirement Age:	Experience based table of age and service rates
Mortality:	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

Asset Class	2014	2013
	Long-Term Expected <u>Real Rate of Return</u>	Long-Term Expected <u>Real Rate of Return</u>
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Rate of Return

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following:

- 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.),
- 2) Application of key economic projections (inflation, real growth, dividends, etc.), and
- 3) Structural themes (supply and demand imbalances, capital flows, etc.).

These items are developed for each major asset class.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2014. In particular, the table presents the Plan's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

		1% Decrease 6.75%	Current Single Rate Assumption 7.75%	1% Increase 8.75%
ERB (All Employers)				
2014	\$	7,763,304,829	\$ 5,705,730,813	\$ 3,987,098,791
2013	\$	8,286,923,513	\$ 6,276,852,149	\$ 4,599,162,126
Raton Public Schools				
2014	\$	17,288,870	\$ 12,706,654	\$ 8,879,303
2013	\$	19,228,149	\$ 14,564,181	\$ 10,671,436

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

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, 2015, 2014 and 2013 were \$117,542, \$122,770, and \$125,558, respectively, which equal the required contributions for each year.

D. Contingent Liabilities

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

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

E. 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

F. Restatement

There was a restatement of the District's basic financial statements of \$13,756,928, net pension liability, for the implementation of GASB68 which requires the recognition of the District's portion of the cost-sharing pension liability.

G. Subsequent Events

Subsequent events were evaluated through October 6, 2015, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015

SCHEDULE OF THE RATON PUBLIC SCHOOLS' PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.222700%
District's proportionate share of the net pension liability	\$ 12,706,654
District's covered-employee payroll	\$ 6,138,457
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.00%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF RATON PUBLIC SCHOOLS' CONTRIBUTIONS

Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 807,253
Contributions in relation to the contractually required	<u>(807,253)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 6,138,457
Contribution as a percentage of covered-employee payroll	13.15%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

Changes of benefit terms: The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure General Information on the Pension Plan.

Changes of assumptions: ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

- 1) Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75% to 0.50%

- 2) Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%

See also the Note IV (B) *Actuarial Assumptions* of the financial statement note disclosure on the Pension Plan.

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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 FUNDS
Combining Balance Sheet
June 30, 2015

	<u>Operational</u> <u>Fund #11000</u>	<u>Transportation</u> <u>Fund #13000</u>	<u>Instructional</u> <u>Materials</u> <u>Fund #14000</u>	<u>Total General</u> <u>Funds</u>
Assets				
Cash and cash equivalents	\$ 223,025	\$ 13	\$ 33,579	\$ 256,617
Receivables:				
Property taxes	5,057	-	-	5,057
Other receivables	8	-	-	8
Due from other governments	732	-	-	732
Due from other funds	231,610	-	-	231,610
Fuel inventory	<u>17,123</u>	<u>-</u>	<u>-</u>	<u>17,123</u>
Total assets	<u>\$ 477,555</u>	<u>\$ 13</u>	<u>\$ 33,579</u>	<u>\$ 511,147</u>
 Liabilities and fund balance				
Liabilities:				
Accounts payable	<u>\$ 37,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,438</u>
Deferred inflows of resources:				
Delinquent property taxes	<u>4,405</u>	<u>-</u>	<u>-</u>	<u>4,405</u>
Fund balance:				
Non-spendable:				
Inventories	17,123	-	-	17,123
Unassigned	<u>418,589</u>	<u>13</u>	<u>33,579</u>	<u>452,181</u>
Total fund balance	<u>435,712</u>	<u>13</u>	<u>33,579</u>	<u>469,304</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 477,555</u>	<u>\$ 13</u>	<u>\$ 33,579</u>	<u>\$ 511,147</u>

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GENERAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2015**

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Taxes:				
Property	\$ 57,130	\$ -	\$ -	\$ 57,130
Oil and gas	2,368	-	-	2,368
Intergovernmental - federal grants	32,862	-	-	32,862
Intergovernmental - state grants	9,022,357	359,678	69,000	9,451,035
Charges for services	6,314	-	-	6,314
Investment and interest income	973	-	-	973
Miscellaneous	7,878	-	-	7,878
Total revenue	<u>9,129,882</u>	<u>359,678</u>	<u>69,000</u>	<u>9,558,560</u>
Expenditures:				
Current:				
Instruction	5,582,657	-	49,915	5,632,572
Support services:				
Students	950,667	-	-	950,667
Instruction	205,734	-	-	205,734
General Administration	238,488	-	-	238,488
School Administration	774,576	-	-	774,576
Central Services	163,261	-	-	163,261
Operation & Maintenance of Plant	997,810	-	-	997,810
Student transportation	-	359,674	-	359,674
Other Support services	8,197	-	-	8,197
Community services	2,713	-	-	2,713
Total expenditures	<u>8,924,103</u>	<u>359,674</u>	<u>49,915</u>	<u>9,333,692</u>
<i>Excess of revenues over expenditures</i>	205,779	4	19,085	224,868
Fund balance at beginning of the year	<u>229,933</u>	<u>9</u>	<u>14,494</u>	<u>244,436</u>
Fund balance at end of the year	<u>\$ 435,712</u>	<u>\$ 13</u>	<u>\$ 33,579</u>	<u>\$ 469,304</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes:				
Property	\$ 56,734	\$ 56,734	\$ 65,797	\$ 9,063
Oil and gas	1,982	1,982	2,614	632
Intergovernmental - federal grants	1,886	1,886	32,862	30,976
Intergovernmental - state sources:				
State equalization guarantee	8,880,958	8,874,221	8,872,357	(1,864)
State grant	-	-	150,000	150,000
Charges for services	9,014	9,014	6,314	(2,700)
Investment and interest income	<u>1,000</u>	<u>1,000</u>	<u>973</u>	<u>(27)</u>
Total revenues	<u>8,951,574</u>	<u>8,944,837</u>	<u>9,130,917</u>	<u>186,080</u>
Expenditures:				
Current:				
Instruction	5,770,749	5,770,749	5,587,660	183,089
Support services:				
Students	946,781	958,030	950,667	7,363
Instruction	227,715	214,375	205,734	8,641
General Administration	232,110	251,994	238,656	13,338
School Administration	785,885	779,562	774,576	4,986
Central Services	164,447	189,538	181,444	8,094
Operation & Maintenance of Plant	1,120,024	1,076,726	1,006,320	70,406
Other Support services	20,345	20,345	8,197	12,148
Community Services Operations	<u>5,119</u>	<u>5,119</u>	<u>2,713</u>	<u>2,406</u>
Total expenditures	<u>9,273,175</u>	<u>9,266,438</u>	<u>8,955,967</u>	<u>310,471</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(321,601)	(321,601)	174,950	496,551
<i>Beginning cash balance budgeted</i>	321,601	321,601	-	(321,601)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>229,933</u>	<u>229,933</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>404,883</u>	<u>\$ 404,883</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			3,003	
Change in property tax receivable			(4,136)	
Change in due from other governments			(722)	
Change in payables			28,861	
Change in deferred property taxes			<u>3,823</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 435,712</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state sources:				
Transportation	\$ 382,828	\$ 359,678	\$ 359,678	\$ -
Expenditures:				
Current:				
Support services:				
Student transportation	<u>382,828</u>	<u>359,678</u>	<u>359,674</u>	<u>4</u>
<i>Excess of revenues over expenditures</i>	-	-	4	4
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>13</u>	<u><u>\$ 13</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 13</u></u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

INSTRUCTIONAL MATERIALS FUND - NO. 14000
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state sources:				
State instructional material	\$ 50,220	\$ 68,443	\$ 69,000	\$ 557
Expenditures:				
Current:				
Instruction	<u>50,220</u>	<u>68,443</u>	<u>49,915</u>	<u>18,528</u>
<i>Excess of revenues over expenditures</i>	-	-	19,085	19,085
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>14,494</u>	<u>14,494</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>33,579</u>	<u>\$ 33,579</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 33,579</u>	

MAJOR CAPITAL PROJECTS FUNDS
AND
MAJOR DEBT SERVICE FUNDS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 295,130	\$ 295,130	\$ 301,410	\$ 6,280
Oil and gas	7,928	7,928	10,456	2,528
Intergovernmental - state grants	-	44,261	161,591	117,330
Investment and interest income	1,000	1,000	147	(853)
Miscellaneous	-	-	2,876	2,876
Total revenues	304,058	348,319	476,480	128,161
Expenditures:				
Current:				
Support services:				
General Administration	2,951	3,016	3,014	2
Operation & Maintenance of Plant	445,000	476,010	431,982	44,028
Capital outlay:				
Equipment	-	10,000	750	9,250
Construction in progress	153,132	156,318	83,112	73,206
Total expenditures	601,083	645,344	518,858	126,486
<i>Excess (deficiency) of revenues over expenditures</i>	(297,025)	(297,025)	(42,378)	254,647
<i>Beginning cash balance budgeted</i>	297,025	297,025	-	(297,025)
Fund balance at beginning of the year	-	-	186,874	186,874
Fund balance at end of the year	\$ -	\$ -	144,496	\$ 144,496
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(19,946)	
Change in due from other governments			(3,775)	
Change in payables			11,964	
Change in deferred property taxes			18,814	
Fund balance at end of the year (GAAP basis)			\$ 151,553	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

ED TECHNOLOGY EQUIPMENT ACT FUND - NO. 31900
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Investment and interest income	\$ -	\$ -	\$ 14	\$ 14
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	-	725,350	215,904	509,446
Capital outlay:				
Equipment	-	66,650	-	66,650
Total expenditures	-	792,000	215,904	576,096
<i>Excess (deficiency) of revenues over expenditures</i>	-	(792,000)	(215,890)	576,110
Other financing sources:				
Sale of bonds	-	792,000	792,000	-
<i>Net change in fund balance</i>	-	-	576,110	576,110
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	576,110	\$ 576,110
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 576,110	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

DEBT SERVICE FUND - NO. 41000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes:				
Property	\$ 388,334	\$ 388,334	\$ 287,291	\$ (101,043)
Oil and gas	<u>13,164</u>	<u>13,164</u>	<u>10,282</u>	<u>(2,882)</u>
Total revenues	<u>401,498</u>	<u>401,498</u>	<u>297,573</u>	<u>(103,925)</u>
Expenditures:				
Current:				
Support services:				
General Administration	3,883	3,883	2,874	1,009
Debt service:				
Principal retirement	330,000	330,000	330,000	-
Bond interest paid	71,498	71,498	71,498	-
Reserves	<u>161,149</u>	<u>161,149</u>	<u>-</u>	<u>161,149</u>
Total expenditures	<u>566,530</u>	<u>566,530</u>	<u>404,372</u>	<u>162,158</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(165,032)	(165,032)	(106,799)	58,233
<i>Beginning cash balance budgeted</i>	165,032	165,032	-	(165,032)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>177,241</u>	<u>177,241</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>70,442</u>	<u>\$ 70,442</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(21,705)	
Change in due from other governments			(3,988)	
Change in deferred property taxes			<u>20,420</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 65,169</u>	

NONMAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Nonmajor Special Revenue Funds

ATHLETICS (Fund No. 22000)	Minimum Balance:	None
This fund provides financing for school athletic activities. Funding is provided by fees from patrons.		
TITLE I (Fund No. 24101)	Minimum Balance:	None
To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.		
ENTITLEMENT IDEA-B (Fund No. 24106)	Minimum Balance:	None
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.		
NM AUTISM (Fund No. 24108)	Minimum Balance:	None
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)	Minimum Balance:	None
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)	Minimum Balance:	None
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)	Minimum Balance:	None
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)	Minimum Balance:	None
To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.		
TITLE II TEACHER QUALITY (Fund No. 24154)	Minimum Balance:	None
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.		
RURAL & LOW-INCOME SCHOOLS (Fund No. 24160)	Minimum Balance:	None
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.		

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Nonmajor Special Revenue Funds (cont'd)

TITLE XIX MEDICAID (Fund No. 25153)	Minimum Balance:	None
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.		
LIBRARIES GO BOND 2010 (Fund No. 27106)	Minimum Balance:	None
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)	Minimum Balance:	None
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)	Minimum Balance:	None
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)	Minimum Balance:	None
To provide elementary students with the nutrition necessary to facilitate learning.		
2010 GO BOND INSTRUCTIONAL MATERIALS (Fund No. 27171)	Minimum Balance:	None
Used to purchase books and instructional materials for schools which received a letter grade of “A” or those which are recognized as a “Top Growth” school. Authority for the creation of this fund is the New Mexico Public Education Department.		
WORKFORCE READINESS (Fund No. 27179)	Minimum Balance:	None
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)	Minimum Balance:	None
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)	Minimum Balance:	None
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.		

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Nonmajor Special Revenue Funds (cont'd)

YOUTH CONSERVATION CORP (Fund No. 28133)	Minimum Balance:	None
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)	Minimum Balance:	None
To provide support for poets in schools.		
CITY/COUNTY GRANTS (Fund No. 29107)	Minimum Balance:	None
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.		

Nonmajor Capital Projects Funds

SPECIAL CAPITAL OUTLAY - STATE	Minimum Balance:	None
This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.		

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Athletics <u>Fund #22000</u>	Title I <u>Fund #24101</u>	Entitlement IDEA-B <u>Fund #24106</u>	NM Autism <u>Fund #24108</u>
Assets				
Cash and cash equivalents	\$ 9,914	\$ -	\$ -	\$ -
Receivables:				
Grant	<u>-</u>	<u>12,855</u>	<u>160</u>	<u>1,567</u>
Total assets	<u>\$ 9,914</u>	<u>\$ 12,855</u>	<u>\$ 160</u>	<u>\$ 1,567</u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Due to other funds	\$ -	\$ 12,855	\$ 160	\$ 1,567
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Restricted for:				
Special revenue funds	<u>9,914</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 9,914</u>	<u>\$ 12,855</u>	<u>\$ 160</u>	<u>\$ 1,567</u>

(cont'd; 1 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Preschool IDEA-B <u>Fund #24109</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title III English Language <u>Fund #24153</u>
Assets				
Cash and cash equivalents	\$ 20	\$ 2,948	\$ -	\$ 385
Receivables:				
Grant	<u>-</u>	<u>-</u>	<u>207</u>	<u>-</u>
Total assets	<u><u>\$ 20</u></u>	<u><u>\$ 2,948</u></u>	<u><u>\$ 207</u></u>	<u><u>\$ 385</u></u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Due to other funds	\$ -	\$ 2,948	\$ 207	\$ -
Deferred inflows of resources:				
Advances of federal, state, and local grants	20	-	-	385
Fund balance:				
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 20</u></u>	<u><u>\$ 2,948</u></u>	<u><u>\$ 207</u></u>	<u><u>\$ 385</u></u>

(cont'd; 2 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Title II Teacher Quality <u>Fund #24154</u>	Rural & Low- Income Schools <u>Fund #24160</u>	Title XIX Medicaid <u>Fund #25153</u>	Libraries GO Bond 2010 <u>Fund #27106</u>
Assets				
Cash and cash equivalents	\$ 1,039	\$ -	\$ -	\$ -
Receivables:				
Grant	<u>-</u>	<u>-</u>	<u>4,739</u>	<u>-</u>
Total assets	<u>\$ 1,039</u>	<u>\$ -</u>	<u>\$ 4,739</u>	<u>\$ -</u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Due to other funds	\$ 782	\$ -	\$ 4,739	\$ -
Deferred inflows of resources:				
Advances of federal, state, and local grants	257	-	-	-
Fund balance:				
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,039</u>	<u>\$ -</u>	<u>\$ 4,739</u>	<u>\$ -</u>

(cont'd; 3 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Libraries GO Bond 2012 <u>Fund #27107</u>	Center for Teacher Excellence <u>Fund #27114</u>	Breakfast for Elementary Students <u>Fund #27155</u>	GO Bond 2010 Instructional Materials <u>Fund #27171</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	2,702	73	2,255	-
Total assets	\$ 2,702	\$ 73	\$ 2,255	\$ -
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Due to other funds	\$ 2,702	\$ 73	\$ 2,255	\$ -
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,702	\$ 73	\$ 2,255	\$ -

(cont'd; 4 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Workforce Readiness <u>Fund #27179</u>	NM Grown <u>Fund #27183</u>	Next Generation Assessments <u>Fund #27185</u>	Youth Conservation Corp <u>Fund #28133</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	-	-	-	25,653
Total assets	\$ -	\$ -	\$ -	\$ 25,653
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ 25,653
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ -	\$ -	\$ 25,653

(cont'd; 5 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		Total Non-Major Special Funds	Special Capital Outlay - State Fund #31400	Total Nonmajor Governmental Funds
	Sloat-Prince Foundation Fund #29102	City/County Grants Fund #29107			
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 14,306	\$ -	\$ 14,306
Receivables:					
Grant	-	27,226	77,437	-	77,437
Total assets	\$ -	\$ 27,226	\$ 91,743	\$ -	\$ 91,743
 Liabilities, deferred inflows, and fund balance					
Liabilities:					
Due to other funds	\$ -	\$ 27,226	\$ 81,167	\$ -	\$ 81,167
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	662	-	662
Fund balance:					
Restricted for:					
Special revenue funds	-	-	9,914	-	9,914
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ 27,226	\$ 91,743	\$ -	\$ 91,743

(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, 2015**

Special Revenue Funds

	<u>Athletics</u> <u>Fund #22000</u>	<u>Title I</u> <u>Fund #24101</u>	<u>Entitlement</u> <u>IDEA-B</u> <u>Fund #24106</u>	<u>NM Autism</u> <u>Fund #24108</u>	<u>Preschool</u> <u>IDEA-B</u> <u>Fund #24109</u>
Revenues:					
Intergovernmental - federal grants	\$ -	\$ 367,993	\$ 307,266	\$ 7,836	\$ 26,158
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	23,307	-	-	-	-
Investment and interest income	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>23,319</u>	<u>367,993</u>	<u>307,266</u>	<u>7,836</u>	<u>26,158</u>
Expenditures:					
Current:					
Instruction	26,104	367,993	198,884	7,836	26,158
Support services:					
Students	-	-	36,093	-	-
Instruction	-	-	72,289	-	-
School Administration	-	-	-	-	-
Food services operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>26,104</u>	<u>367,993</u>	<u>307,266</u>	<u>7,836</u>	<u>26,158</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(2,785)	-	-	-	-
Fund balance at beginning of the year	<u>12,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 9,914</u>	<u>\$ -</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, 2015**

	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>	Title II Teacher Quality <u>Fund #24154</u>	Rural & Low- Income Schools <u>Fund #24160</u>
Revenues:					
Intergovernmental - federal grants	\$ 27,819	\$ 223	\$ 6,610	\$ 44,258	\$ 19,278
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Total revenues	<u>27,819</u>	<u>223</u>	<u>6,610</u>	<u>44,258</u>	<u>19,278</u>
Expenditures:					
Current:					
Instruction	-	223	6,610	44,258	19,278
Support services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
School Administration	-	-	-	-	-
Food services operations	<u>27,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>27,819</u>	<u>223</u>	<u>6,610</u>	<u>44,258</u>	<u>19,278</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 2 of 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, 2015**

	Special Revenue Funds				
	Title XIX Medicaid <u>Fund #25153</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>	Center for Teacher Excellence <u>Fund #27114</u>	Breakfast for Elementary Students <u>Fund #27155</u>
Revenues:					
Intergovernmental - federal grants	\$ 61,365	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	-	-	2,702	97,491	7,679
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Total revenues	61,365	-	2,702	97,491	7,679
Expenditures:					
Current:					
Instruction	-	-	-	97,491	-
Support services:					
Students	23,521	-	-	-	-
Instruction	-	-	2,702	-	-
School Administration	37,844	-	-	-	-
Food services operations	-	-	-	-	7,679
Total expenditures	61,365	-	2,702	97,491	7,679
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2015**

	Special Revenue Funds			
	GO Bond 2010			Next
	Instructional Materials	Workforce Readiness	NM Grown	Generation Assessments
	<u>Fund #27171</u>	<u>Fund #27179</u>	<u>Fund #27183</u>	<u>Fund #27185</u>
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
School Administration	-	-	-	-
Food services operations	-	-	-	-
Total expenditures	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(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, 2015**

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	Youth Conservation Corp <u>Fund #28133</u>	Sloat-Prince Foundation <u>Fund #29102</u>	City/County Grants <u>Fund #29107</u>	
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ 868,806
Intergovernmental - state grants	48,168	-	-	156,040
Contributions - private grants	-	10,174	44,975	55,149
Charges for services	-	-	-	23,307
Investment and interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>
Total revenues	<u>48,168</u>	<u>10,174</u>	<u>44,975</u>	<u>1,103,314</u>
Expenditures:				
Current:				
Instruction	48,168	10,174	-	853,177
Support services:				
Students	-	-	44,975	104,589
Instruction	-	-	-	74,991
School Administration	-	-	-	37,844
Food services operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,498</u>
Total expenditures	<u>48,168</u>	<u>10,174</u>	<u>44,975</u>	<u>1,106,099</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	(2,785)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,699</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,914</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, 2015**

	Special Capital Outlay - State <u>Fund #31400</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:		
Intergovernmental - federal grants	\$ -	\$ 868,806
Intergovernmental - state grants	-	156,040
Contributions - private grants	-	55,149
Charges for services	-	23,307
Investment and interest income	<u>-</u>	<u>12</u>
Total revenues	<u>-</u>	<u>1,103,314</u>
Expenditures:		
Current:		
Instruction	-	853,177
Support services:		
Students	-	104,589
Instruction	-	74,991
School Administration	-	37,844
Food services operations	<u>-</u>	<u>35,498</u>
Total expenditures	<u>-</u>	<u>1,106,099</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(2,785)
Fund balance at beginning of the year	<u>-</u>	<u>12,699</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ 9,914</u>

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NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY PRESENTATION

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ 29,000	\$ 29,000	\$ 23,307	\$ (5,693)
Investment and interest income	<u>30</u>	<u>30</u>	<u>12</u>	<u>(18)</u>
Total revenues	29,030	29,030	23,319	(5,711)
Expenditures:				
Current:				
Instruction	<u>41,744</u>	<u>41,744</u>	<u>26,104</u>	<u>15,640</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(12,714)	(12,714)	(2,785)	9,929
<i>Beginning cash balance budgeted</i>	12,714	12,714	-	(12,714)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>12,699</u>	<u>12,699</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	9,914	<u><u>\$ 9,914</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 9,914</u></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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 312,536	\$ 419,261	\$ 359,384	\$ (59,877)
Expenditures:				
Current:				
Instruction	<u>312,536</u>	<u>419,261</u>	<u>367,993</u>	<u>51,268</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(8,609)	(8,609)
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>	(8,609)	<u>\$ (8,609)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>8,609</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

ENTITLEMENT IDEA-B FUND - NO. 24106
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 259,308	\$ 326,618	\$ 524,090	\$ 197,472
Expenditures:				
Current:				
Instruction	161,928	215,202	198,884	16,318
Support services:				
Students	31,134	38,390	36,093	2,297
General Administration	66,246	73,026	72,289	737
Total expenditures	<u>259,308</u>	<u>326,618</u>	<u>307,266</u>	<u>19,352</u>
<i>Excess of revenues over expenditures</i>	-	-	216,824	216,824
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	216,824	<u>\$ 216,824</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(216,824)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 7,837	\$ 14,222	\$ 6,385
Expenditures:				
Current:				
Instruction	-	7,837	7,836	1
<i>Excess of revenues over expenditures</i>	-	-	6,386	6,386
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	6,386	<u>\$ 6,386</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(6,386)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 23,500	\$ 26,275	\$ 26,720	\$ 445
Expenditures:				
Current:				
Instruction	23,500	26,275	26,158	117
<i>Excess of revenues over expenditures</i>	-	-	562	562
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	562	\$ 562
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(542)	
Change in deferred revenue			(20)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 27,853	\$ 27,819	\$ (34)
Expenditures:				
Current:				
Food Services Operations	-	27,853	27,819	34
<i>Excess of revenues over expenditures</i>	-	-	-	-
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			-	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 227	\$ 1,887	\$ 1,660
Expenditures:				
Current:				
Instruction	-	227	223	4
<i>Excess of revenues over expenditures</i>	-	-	1,664	1,664
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,664	<u>\$ 1,664</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,664)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 4,413	\$ 23,382	\$ 8,722	\$ (14,660)
Expenditures:				
Current:				
Instruction	4,413	23,382	6,610	16,772
<i>Excess of revenues over expenditures</i>	-	-	2,112	2,112
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	2,112	\$ 2,112
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,727)	
Change in deferred revenue			(385)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TITLE II TEACHER QUALITY FUND - NO. 24154
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 50,917	\$ 60,734	\$ 141,888	\$ 81,154
Expenditures:				
Current:				
Instruction	50,917	60,734	44,258	16,476
<i>Excess of revenues over expenditures</i>	-	-	97,630	97,630
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	97,630	\$ 97,630
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(97,372)	
Change in deferred revenue			(258)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 19,699	\$ 19,279	\$ 19,278	\$ (1)
Expenditures:				
Current:				
Instruction	19,699	19,279	19,278	1
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 72,000	\$ 72,000	\$ 66,356	\$ (5,644)
Expenditures:				
Current:				
Instruction	31,913	31,913	23,521	8,392
Support services:				
Instruction	12,021	-	-	-
General Administration	28,066	40,087	37,844	2,243
Total expenditures	<u>72,000</u>	<u>72,000</u>	<u>61,365</u>	<u>10,635</u>
<i>Excess of revenues over expenditures</i>	-	-	4,991	4,991
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,991	<u>\$ 4,991</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,991)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 15	\$ 15
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	15	15
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	15	<u>\$ 15</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(15)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 4,724	\$ 5,107	\$ 11,350	\$ 6,243
Expenditures:				
Current:				
Support services:				
Instruction	4,724	5,107	2,702	2,405
<i>Excess of revenues over expenditures</i>	-	-	8,648	8,648
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	8,648	\$ 8,648
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(8,648)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 97,500	\$ 97,500	\$ 135,905	\$ 38,405
Expenditures:				
Current:				
Instruction	97,500	97,500	97,491	9
<i>Excess of revenues over expenditures</i>	-	-	38,414	38,414
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	38,414	\$ 38,414
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(38,414)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 7,680	\$ 5,424	\$ (2,256)
Expenditures:				
Current:				
Food Services Operations	-	7,680	7,679	1
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,255)	(2,255)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,255)	<u>\$ (2,255)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,255	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GO BOND 2010 INSTRUCTIONAL MATERIALS FUND - NO. 27171
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 7,342	\$ 7,342
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	7,342	7,342
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	7,342	<u>\$ 7,342</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(7,342)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 79,005	\$ 79,005
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	79,005	79,005
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	79,005	\$ 79,005
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(79,005)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 5,000	\$ 588	\$ (4,412)
Expenditures:				
Current:				
Food Services Operations	-	5,000	-	5,000
<i>Excess of revenues over expenditures</i>	-	-	588	588
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	588	<u>\$ 588</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(588)	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 11,184	\$ 11,184
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	11,184	11,184
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	11,184	\$ 11,184
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(11,184)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 149,613	\$ 48,658	\$ (100,955)
Expenditures:				
Current:				
Instruction	-	149,613	48,168	101,445
<i>Excess of revenues over expenditures</i>	-	-	490	490
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	490	<u>\$ 490</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(490)	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ 10,174	\$ 10,174	\$ -
Expenditures:				
Current:				
Instruction	-	10,174	10,174	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ 45,000	\$ 45,000	\$ 24,133	\$ (20,867)
Expenditures:				
Current:				
Support services:				
Students	45,000	45,000	44,975	25
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(20,842)	(20,842)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(20,842)	\$ (20,842)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			20,842	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 15,000	\$ -	\$ (15,000)
Expenditures:				
Capital outlay:				
Land and improvements	11,507	26,507	-	26,507
<i>Excess (deficiency) of revenues over expenditures</i>	(11,507)	(11,507)	-	11,507
<i>Beginning cash balance budgeted</i>	11,507	11,507	-	(11,507)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2015</u>
23000	Non-Instructional Support	\$ 605	\$ 168	\$ 92	\$ 681
23001	MS Orchestra	185	-	-	185
23004	HS Girls Basketball	-	900	620	280
23005	HS Cheerleaders	4,787	19,977	14,480	10,284
23006	MS Cheerleaders	3,985	6,780	3,985	6,780
23007	HS Dance Team	881	17,125	11,566	6,440
23008	HS Football	5,155	4,151	5,149	4,157
23011	MS Science Fair	280	(280)	-	-
23012	MS Phys Ed Class	1,013	659	211	1,461
23013	HS Rodeo Team	388	-	-	388
23014	HS Girls Software	1,223	175	1,210	188
23016	Longfellow After School	86	-	-	86
23019	HS Girls Volleyball Team	530	-	453	77
23020	RMS Paws	322	1,186	1,211	297
23021	RHS Ski Club	2,897	2,275	1,763	3,409
23022	HS Art	799	1,471	2,143	127
23023	MS Art	2,183	616	168	2,631
23024	HS Band	-	181	170	11
23025	MS Band	47	-	-	47
23026	National Spanish Exam	756	395	-	1,151
23028	HS Building Trades	233	-	-	233
23029	HS Cadd-Drafting	13	80	-	93
23030	HS Chorus	853	2,445	2,353	945
23032	MS Facs	1,224	840	295	1,769
23035	MS Industrial Arts	4,877	2,725	3,905	3,697
23036	HS Library	1,244	-	233	1,011
23037	MS Library	516	1,438	1,173	781
23038	HS Science	330	-	-	330
23039	MS Science	189	482	313	358
23040	Kearny Library	322	2,689	2,694	317
23042	Longfellow Library	319	6,258	6,522	55
23043	Class Of 2013	163	-	-	163
23044	Marquee Donations	200	-	-	200
23045	Culinary Arts	3,245	8,048	9,450	1,843
23047	RMS Diabetes Fundraising	25	34	-	59
23049	RMS Teach Students To Ski	336	-	-	336
23050	Poetry Programs At RHS	15	590	250	355
23051	Fellowship For Christian Atl	2,383	-	-	2,383
23052	HS Annual	3,859	14,189	16,951	1,097
23053	MS Annual	3,313	3,070	3,623	2,760
23054	HS Arts & Crafts	1,610	340	942	1,008
23055	HS Book Fund	\$ 4,660	\$ -	\$ -	\$ 4,660

(cont'd; 1 of 3)

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, 2015

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2015</u>
23056	HS BPA	\$ 101	\$ -	\$ -	\$ 101
23057	Counseling Fund	1,578	5	52	1,531
23058	Class Of 2015	1,916	2,110	3,363	663
23060	Class Of 2014	1,316	-	170	1,146
23061	Class Of 2016	1,293	2,220	1,198	2,315
23062	Class Of 2017	1,112	1,105	621	1,596
23063	Class Of 2018	-	2,403	559	1,844
23065	HS Drama	1,284	1	229	1,056
23066	HS FCCLA	1,553	24,597	25,068	1,082
23067	MS FCCLA	1,157	28,668	28,879	946
23068	HS FFA	14,183	9,743	15,919	8,007
23070	HS Rspec	243	-	-	243
23071	HS Honor Society	661	162	504	319
23072	Northern District	164	-	-	164
23073	HS Key Club	14	-	-	14
23074	HS Ldz	1,032	-	-	1,032
23075	HS Mock Trail	650	-	-	650
23076	HS Principal Fund	6,545	11,621	7,579	10,587
23077	MS Principal Fund	3,047	5,099	3,089	5,057
23078	Kearny Principal Fund	552	1,688	1,880	360
23079	Columbian Principal Fund	309	3,310	3,349	270
23080	Longfellow Principal Fund	639	1,100	894	845
23081	Mesa View Academy	1,282	-	-	1,282
23084	HS Special Fund	156	-	-	156
23085	HS Spirit Club	194	-	-	194
23086	HS Student Senate	1,334	1,836	1,792	1,378
23087	MS Student Senate	2,435	568	574	2,429
23088	HS Welding	988	201	893	296
23089	HS Woodshop	1,786	51	846	991
23091	Columbian Book Fair	883	2,867	3,120	630
23093	Columbian Card Factory	1,871	3,016	4,709	178
23096	Kearny Science Fund	1	-	-	1
23097	Students Publishing	1,150	15	-	1,165
23099	Ag/Science Teacher	124	-	-	124
23101	Back To School Festival	1,410	-	525	885
23102	RHS Computer Application:	89	-	-	89
23103	RHS Sp Ed	322	47	7	362
23104	Ffa Greenhouse	513	-	-	513
23105	Joe Vigil Law Enforcement	500	20,500	19,998	1,002
23106	Athletic Fund Raiser	15,498	15,423	14,670	16,251
23107	Youth Alive	561	98	147	512
23108	Aquarium Club	\$ 42	\$ (42)	\$ -	\$ -

(cont'd; 2 of 3)

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, 2015

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2015</u>
23109	RMS Green Team	\$ 259	\$ -	\$ -		\$ 259
23110	RMS Fea	2,069	-	510		1,559
23111	RMS Geobee	313	-	153		160
23112	Band Boosters	2,449	3,450	5,172		727
23113	American Cancer Society	1,000	-	-		1,000
23114	Longfellow 1St Grade Field	125	655	432		348
23115	Longfellow Kinder Field Tri	9	1,145	732		422
23116	Longfellow Boxtops	1,397	360	800		957
23117	Columbian Library	50	-	-		50
23119	Spaceport	11	-	-		11
23120	Josephine Biundo Literacy	221	-	-		221
23121	HS Hitting Club	491	1,500	1,985		6
23122	HS Summit Scholarship	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>		<u>2,000</u>
	Pooled cash and investment:	<u>\$ 136,933</u>	<u>\$ 246,529</u>	<u>\$ 244,343</u>		<u>\$ 139,119</u>
LIABILITIES						
	Deposits held for others	<u>\$ 136,933</u>	<u>\$ 246,529</u>	<u>\$ 244,343</u>		<u>\$ 139,119</u>

(3 of 3)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2015

	International Bank	First National Bank of New Mexico	Total
Cash on deposit at June 30, 2015	\$ 1,761,824	\$ 165,312	\$ 1,927,136
Less: FDIC coverage	<u>250,000</u>	<u>165,312</u>	<u>415,312</u>
Uninsured funds	<u>\$ 1,511,824</u>	<u>\$ -</u>	<u>\$ 1,511,824</u>
50% collateral requirement	\$ 755,912	\$ -	\$ 755,912
Pledged collateral	<u>937,668</u>	<u>-</u>	<u>937,668</u>
Excess (deficiency) of pledged collateral	<u>\$ 181,756</u>	<u>\$ -</u>	<u>\$ 181,756</u>

Pledged collateral of financial institutions consists of the following at June 30, 2015

International Bank:	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FNMA	12/20/2018	6136G12K4	\$ 690,523
Raton NM Pub Sch	6/1/2019	754179BV0	<u>247,145</u>
			<u>\$ 937,668</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
 Year Ended June 30, 2015

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ (241,616)	\$ 9,130,914	\$ (8,955,967)	\$ 289,694	\$ 223,025	\$ -	\$ 223,025
Transportation	9	359,678	(359,674)	-	13	-	13
Instructional Materials	14,494	69,000	(49,915)	-	33,579	-	33,579
Food Services	160,681	508,548	(396,339)	(2,244)	270,646	-	270,646
Athletics	12,699	23,319	(26,104)	-	9,914	-	9,914
Federal Flowthrough Funds	385	1,124,009	(807,441)	(312,561)	4,392	-	4,392
Federal Direct Funds	-	66,356	(61,365)	(4,991)	-	-	-
State Flowthrough Funds	-	250,812	(260,562)	9,750	-	-	-
State Direct Funds	-	48,658	(48,168)	(490)	-	-	-
Local/State	-	34,307	(55,149)	20,842	-	-	-
Capital Improvements SB-9	193,340	476,479	(518,857)	-	150,962	-	150,962
Ed Technology Equipment Act	-	792,014	(215,904)	-	576,110	-	576,110
Debt Service	165,033	297,572	(404,371)	-	58,234	-	58,234
Agency Funds	-	-	-	-	-	139,119	139,119
Total	\$ 305,025	\$ 13,181,666	\$ (12,159,816)	\$ -	\$ 1,326,875	\$ 139,119	\$ 1,465,994

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>		
Operational	Checking - Interest	International Bank	\$ 532,390	Adjustments to report:	
Operational	Checking - Interest	International Bank	85,000	Agency funds	<u>\$ (625,623)</u>
Cafeteria	Checking - Non-Interest	International Bank	274,607	Adjustments to cash:	
Athletics	Checking - Interest	International Bank	10,157	Bank Balance	\$ 1,927,136
Activities	Checking - Interest	First National Bank	165,312	Cash on hand	100
Capital Projects	Checking - Interest	International Bank	576,110	Outstanding deposits	3,148
Payroll	Checking - Interest	International Bank	283,560	Outstanding checks	(464,390)
			<u>\$ 1,927,136</u>	Total adjustment to cash	<u>\$ 1,465,994</u>

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SCHEDULE OF VENDOR INFORMATION
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)
Year Ended June 30, 2015

Prepared by (Agency Staff Name): Lita Sanchez Title: Business Manager Date: October 6, 2015

<u>RFB/RFP #</u>	<u>Type of Procurement</u>	<u>Awarded To</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State / Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
N/A	RFB	Archuleta Constuction	\$ 65,000	\$ 86,000	Archuleta Construction PO Box 271, Maxwell NM 87728	Y	N/A	Remodel a portion of the football stadium into new locker rooms.
					Stoven Construction 2709 Vassar PL. NE -#F Albuquerque, NM 87107	Y	N/A	

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

§

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

§

Summary Schedule of Prior Year Audit Findings

§

Required Disclosure

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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

Tim Keller, 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, 2015, 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 October 6, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Raton Public School District No. 11's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

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

Compliance and other matters

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

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of
Raton Public School District No. 11

Purpose of this Report

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

Accounting & Financial Solutions, LLC
Farmington, New Mexico
October 6, 2015



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

Tim Keller, 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, 2015. 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, 2015.

Tim Keller, 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
October 6, 2015

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, 2015

<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.S. Department of Agriculture:				
Direct Program:				
Forest Reserve	10.670	11000		\$ 17,997
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	271,062	
USDA School Breakfast Program	10.553	21000	156,710	
Total Child Nutrition Cluster				427,772
Fresh Fruits and Vegetables	10.582	24118		27,819
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		31,494
Subtotal Pass-Through Programs				487,085
Total U.S. Department of Agriculture				505,082
 U.S. Department of Education:				
Direct Programs:				
Impact Aid Indian Education	84.041	11000		14,865
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	307,266	
NM Autism	84.027	24108	7,836	
Preschool IDEA-B	84.173	24109	26,158	
IDEA-B "Risk Pool"	84.027	24120	223	
Total Special Education (IDEA) Cluster				341,483
Title I	84.010	24101		367,993
Title III English Language	84.365	24153		6,610
Title II Teacher Quality	84.367	24154		44,258
Rural & Low-Income Schools	84.358	24160		19,278
Subtotal Pass-Through Programs				779,622
Total U.S. Department of Education				794,487
 U.S. Department of Health and Human Services:				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		61,365
Total Expenditures of Federal Awards				\$ 1,360,934

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, 2015

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 July 2015 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 2015 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 32% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$1,329,440 and all non-cash expenditures amounted to \$31,494.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2015 Expenditure</u>
Cash assistance:	
USDA Child Nutrition Cluster	\$ 436,570

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, 2015. 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, 2015, 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.

3. Reconciliation of Federal Awards to Expenditure of Federal Awards

The differences between the federal awards received (Intergovernmental sources – federal) during the year ended June 30, 2015 and the federal awards expended during the year are as follows:

Federal sources	\$ 1,401,226
Indirect costs from federal programs	-
Unexpended federal sources	(40,292)
Prior year federal sources expended	-
Total expenditures of federal awards	\$ 1,360,934

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

4. Unexpended Federal Awards

There were federal awards received during the year ended June 30, 2015 that were not expended during the year. These awards will be reported in subsequent years when they have been expended. Those amounts are as follows:

	2015
	<u>Unexpended Awards</u>
USDA Child Nutrition Cluster	\$ 40,292

5. Federal Awards Receivable

There are federal programs that have not received reimbursement for expenditures made within those programs. The District expects to receive all reimbursement of federal awards in the following year. The following programs reported a receivable for the expenditures that had not been reimbursed as of June 30, 2015.

Title I	\$ 12,855
Entitlement IDEA-B	160
NM Autism	1,567
IDEA-B "Risk Pool"	207
Title XIX Medicaid	<u>4,739</u>
	<u>\$ 19,528</u>

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?	—	✓	—
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>			
USDA Child Nutrition Cluster			
<u>CFDA Number</u>			
10.553 and 10.555			
The threshold for distinguishing types A and B programs: <u>\$300,000</u>			
Auditee qualified as low-risk auditee?	✓	—	

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings required to be reported relating to financial statements.

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

2014 – 001 UNAUTHORIZED LOANS

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

2014 – 002 CONTROL OVER RECEIPTS

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

REQUIRED DISCLOSURES

YEAR ENDED JUNE 30, 2013

The financial statements were prepared by the independent public accountants.

An exit conference was held October 6, 2015, during which the audit findings were discussed. The exit conference was attended by the following individuals:

RATON PUBLIC SCHOOL DISTRICT NO. 11

Kathy Honeyfield	Board Secretary, Board of Education / Audit Committee
Kay Medina	Member, Audit Committee
Neil Terhune	Superintendent; Member, Audit Committee
Lita Sanchez	Finance Director; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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