

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2016
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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OFFICIAL ROSTER

June 30, 2016

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Andy Ortiz	Superintendent
Lita Sanchez	Finance Director

AUDIT COMMITTEE

Ted Kamp	Board Member
Kathy Honeyfield	Board Member
Kay Medina	Parent
E.J. Johnson	Bus/Community
Andy Ortiz	Superintendent
Lita Sanchez	Finance Director

FINANCE COMMITTEE

Beaver Segotta	Board President
Robert Gonzales	Board Member
Jose Archuleta	Parent
Sandy Mantz	Community Member
Andy Ortiz	Superintendent
Lita Sanchez	Finance Director

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FINANCIAL SECTION

FISCAL YEAR 2016

JULY 1, 2015 THROUGH JUNE 30, 2016

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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, 2016, 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 funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, 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, 2016, 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, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, 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

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. Accounting principles generally accepted in the United States of America also require that the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions on page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Our 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 Raton Public School District No. 11's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate 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 the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures and other schedules required by 2.2.2 NMAC are 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 November 2, 2016 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.


Farmington, New Mexico
November 2, 2016

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

STATEMENT OF NET POSITION
 June 30, 2016

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 970,399
Receivables:	
Delinquent property taxes receivable	132,232
Grant	701,175
Due from other governments	14,327
Supplies inventory	17,138
Food inventory	1,108
Non-current:	
Non-depreciable assets	357,911
Depreciable capital assets, net	<u>10,189,640</u>
Total Assets	<u><u>12,383,930</u></u>
Deferred Outflows of Resources:	
Contributions to pension subsequent to the measurement date	801,750
Net change in pension assumptions	<u>460,881</u>
Total Deferred Outflows of Resources	<u><u>1,262,631</u></u>
Liabilities	
Accounts payable	17,569
Accrued interest	5,310
Compensated absences	33,451
Long-term liabilities other than pensions:	
Due within one year	408,000
Due in more than one year	1,506,000
Aggregate net pension liability	<u>13,399,521</u>
Total Liabilities	<u><u>15,369,851</u></u>
Deferred Inflows of Resources	
Advances of federal, state, and local grants	385
Difference between expected and actual experience	255,321
Net difference between projected and actual investment earnings on plan investments	57,723
Net change in proportionate share of pension liability	<u>1,028,069</u>
Total Deferred Inflows of Resources	<u><u>1,341,498</u></u>
Net Position	
Net investment in capital assets	8,749,490
Restricted for:	
Inventories	18,246
Special revenue funds	443,829
Capital projects	238,129
Debt service	43,986
Unrestricted	<u>(12,558,468)</u>
Total Net Position	<u><u>\$ (3,064,788)</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

STATEMENT OF ACTIVITIES
 Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Primary governmental activities:					
Governmental activities:					
Instruction	\$ 6,750,289	\$ 9,636	\$ 924,193	\$ 16,548	\$ (5,799,912)
Support Services - Students	1,248,940	25,707	170,994	-	(1,052,239)
Support Services - Instruction	186,990	-	25,601	-	(161,389)
Support Services - General Administration	342,312	-	46,866	118	(295,328)
Support Services - School Administration	703,003	-	96,249	-	(606,754)
Central Services	229,140	-	31,372	-	(197,768)
Operations & Maintenance of Plant	1,438,685	-	196,973	16,213	(1,225,499)
Student Transportation	675,904	-	451,855	-	(224,049)
Other Support Services	4,585	-	628	-	(3,957)
Food Services	559,652	7,608	553,673	-	1,629
Community Services	2,855	-	391	-	(2,464)
Bond interest paid	67,138	-	-	-	(67,138)
Total governmental activities	\$ 12,209,493	\$ 42,951	\$ 2,498,795	\$ 32,879	(9,634,868)
			General revenues:		
			Taxes:		
			Property Taxes:		
			General purposes	63,635	
			Capital projects	335,478	
			Debt service	455,120	
			Oil and gas	15,717	
			State equalization	8,802,234	
			Miscellaneous income	4,380	
			Total general revenues	9,821,150	
			<i>Change in net position</i>	186,282	
			Net position - beginning	(3,251,070)	
			Net position - ending	\$ (3,064,788)	

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, 2016

	General Fund	Food Service Fund #21000	Title I Fund #24101	IDEA-B "Risk Pool" Fund #24120	2013 School Bus Fund #27178
Assets					
Cash and cash equivalents	\$ 261,342	\$ 326,004	\$ -	\$ -	\$ -
Receivables:					
Property taxes	11,071	-	-	-	-
Grant	-	-	195,387	122,681	167,974
Due from other governments	1,284	-	-	-	-
Due from other funds	712,366	-	-	-	-
Supplies inventory	17,138	-	-	-	-
Food inventory	-	1,108	-	-	-
Total assets	<u>\$ 1,003,201</u>	<u>\$ 327,112</u>	<u>\$ 195,387</u>	<u>\$ 122,681</u>	<u>\$ 167,974</u>
 Liabilities, deferred inflows, and fund balance					
Liabilities:					
Accounts payable	\$ 17,259	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	195,387	122,681	167,974
Total liabilities	<u>17,259</u>	<u>-</u>	<u>195,387</u>	<u>122,681</u>	<u>167,974</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	10,232	-	-	-	-
Total deferred inflows of resources	<u>10,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Non-spendable:					
Inventories	17,138	1,108	-	-	-
Restricted for:					
Special revenue funds	-	326,004	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	958,572	-	-	-	-
Total fund balance	<u>975,710</u>	<u>327,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,003,201</u>	<u>\$ 327,112</u>	<u>\$ 195,387</u>	<u>\$ 122,681</u>	<u>\$ 167,974</u>

(cont'd; 1 of 2)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2016

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Ed Tech Debt Service <u>Fund #43000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets					
Cash and cash equivalents	\$ 42,869	\$ 34,375	\$ -	\$ 305,809	\$ 970,399
Receivables:					
Property taxes	55,208	51,700	14,253	-	132,232
Grant	-	-	-	215,133	701,175
Due from other governments	5,775	5,427	1,841	-	14,327
Due from other funds	-	-	-	-	712,366
Supplies inventory	-	-	-	-	17,138
Food inventory	-	-	-	-	1,108
Total assets	<u>\$ 103,852</u>	<u>\$ 91,502</u>	<u>\$ 16,094</u>	<u>\$ 520,942</u>	<u>\$ 2,548,745</u>
 Liabilities, deferred inflows, and fund balance					
Liabilities:					
Accounts payable	\$ 310	\$ -	\$ -	\$ -	\$ 17,569
Due to other funds	-	-	8,899	217,425	712,366
Total liabilities	<u>310</u>	<u>-</u>	<u>8,899</u>	<u>217,425</u>	<u>729,935</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	385	385
Delinquent property taxes	<u>50,720</u>	<u>47,516</u>	<u>12,781</u>	<u>-</u>	<u>121,249</u>
Total deferred inflows of resources	<u>50,720</u>	<u>47,516</u>	<u>12,781</u>	<u>385</u>	<u>121,634</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	18,246
Restricted for:					
Special revenue funds	-	-	-	117,825	443,829
Capital projects funds	52,822	-	-	185,307	238,129
Debt service	-	43,986	-	-	43,986
Unassigned	<u>-</u>	<u>-</u>	<u>(5,586)</u>	<u>-</u>	<u>952,986</u>
Total fund balance	<u>52,822</u>	<u>43,986</u>	<u>(5,586)</u>	<u>303,132</u>	<u>1,697,176</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 103,852</u>	<u>\$ 91,502</u>	<u>\$ 16,094</u>	<u>\$ 520,942</u>	<u>\$ 2,548,745</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, 2016

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

Fund balances - total governmental funds	\$	1,697,176
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		28,667,990
Accumulated depreciation		(18,120,439)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		121,249
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		801,750
Net change in pension assumptions		460,881
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(1,914,000)
Accrued interest payable		(5,310)
Accrued vacation payable		(33,451)
Net pension liability		(13,399,521)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(255,321)
Net difference between projected and actual investment earnings on plan investments		(57,723)
Net change in proportionate share of pension liability		(1,028,069)
Net position of governmental activities	\$	<u><u>(3,064,788)</u></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, 2016

	General <u>Fund</u>	Food Service <u>Fund #21000</u>	Title I <u>Fund #24101</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>
Revenues:				
Taxes:				
Property	\$ 57,808	\$ -	\$ -	\$ -
Oil and gas	1,919	-	-	-
Intergovernmental - federal grants	21,315	553,673	355,119	122,697
Intergovernmental - state grants	9,321,505	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	9,636	7,608	-	-
Investment and interest income	2,929	990	-	-
Miscellaneous	4,380	-	-	-
Total revenues	<u>9,419,492</u>	<u>562,271</u>	<u>355,119</u>	<u>122,697</u>
Expenditures:				
Current:				
Instruction	5,304,468	-	355,119	122,697
Support services:				
Students	1,034,560	-	-	-
Instruction	167,296	-	-	-
General Administration	228,105	-	-	-
School Administration	605,143	-	-	-
Central Services	208,903	-	-	-
Operation & Maintenance of Plant	906,074	-	-	-
Student transportation	448,235	-	-	-
Other Support services	4,180	-	-	-
Food services operations	-	477,660	-	-
Community services	2,603	-	-	-
Capital outlay	3,512	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
Total expenditures	<u>8,913,079</u>	<u>477,660</u>	<u>355,119</u>	<u>122,697</u>
<i>Excess (deficiency) of revenues over expenditures</i>	506,413	84,611	-	-
Other financing uses:				
Refunds	(7)	-	-	-
<i>Net change in fund balance</i>	506,406	84,611	-	-
Fund balance at beginning of the year	<u>469,304</u>	<u>242,501</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ 975,710</u>	<u>\$ 327,112</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 3)

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, 2016

	2013 School Bus Fund #27178	Capital Improvements SB-9 Fund #31700	Debt Service Fund #41000	Ed Tech Debt Service Fund #43000
Revenues:				
Taxes:				
Property	\$ -	\$ 297,841	\$ 270,952	\$ 154,832
Oil and gas	-	6,135	5,244	2,419
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	167,974	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	205	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>167,974</u>	<u>304,181</u>	<u>276,196</u>	<u>157,251</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	2,944	2,679	1,518
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	303,204	-	-
Student transportation	167,974	-	-	-
Other Support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	96,764	-	-
Debt service:				
Principal retirement	-	-	235,000	153,000
Bond interest paid	-	-	59,700	8,319
Total expenditures	<u>167,974</u>	<u>402,912</u>	<u>297,379</u>	<u>162,837</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(98,731)	(21,183)	(5,586)
Other financing uses:				
Refunds	-	-	-	-
<i>Net change in fund balance</i>	-	(98,731)	(21,183)	(5,586)
Fund balance at beginning of the year	<u>-</u>	<u>151,553</u>	<u>65,169</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ 52,822</u>	<u>\$ 43,986</u>	<u>\$ (5,586)</u>

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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, 2016

	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:		
Taxes:		
Property	\$ -	\$ 781,433
Oil and gas	-	15,717
Intergovernmental - federal grants	517,284	1,570,088
Intergovernmental - state grants	269,730	9,759,209
Contributions - private grants	144,586	144,586
Charges for services	25,707	42,951
Investment and interest income	487	4,611
Miscellaneous	<u>-</u>	<u>4,380</u>
Total revenues	<u>957,794</u>	<u>12,322,975</u>
Expenditures:		
Current:		
Instruction	562,162	6,344,446
Support services:		
Students	104,075	1,138,635
Instruction	9,772	177,068
General Administration	76,833	312,079
School Administration	35,772	640,915
Central Services	-	208,903
Operation & Maintenance of Plant	102,344	1,311,622
Student transportation	-	616,209
Other Support services	-	4,180
Food services operations	32,564	510,224
Community services	-	2,603
Capital outlay	317,164	417,440
Debt service:		
Principal retirement	-	388,000
Bond interest paid	<u>-</u>	<u>68,019</u>
Total expenditures	<u>1,240,686</u>	<u>12,140,343</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(282,892)	182,632
Other financing uses:		
Refunds	<u>-</u>	<u>(7)</u>
<i>Net change in fund balance</i>	(282,892)	182,625
Fund balance at beginning of the year	<u>586,024</u>	<u>1,514,551</u>
Fund balance (deficit) at end of the year	<u>\$ 303,132</u>	<u>\$ 1,697,176</u>

(3 of 3)

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

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

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

Net change in fund balance - total governmental funds	\$	182,625
<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		417,440
Depreciation		(1,072,398)
<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, 2015		(48,449)
June 30, 2016		121,249
<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		388,000
<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, 2015		40,044
June 30, 2016		(33,451)
Accrued interest at:		
June 30, 2015		6,191
June 30, 2016		(5,310)
Deferred contributions to pension plan		801,750
Pension expense		<u>(611,409)</u>
Change in net position of governmental activities	\$	<u>186,282</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 57,585	\$ 57,585	\$ 56,973	\$ (612)
Oil and gas	2,498	2,498	2,015	(483)
Intergovernmental - federal sources:				
Public Law 874	14,833	14,833	3,588	(11,245)
Forest reserve	-	17,727	17,727	-
Intergovernmental - state grants	9,264,626	9,318,867	9,321,505	2,638
Charges for services	5,161	5,161	9,636	4,475
Investment and interest income	675	675	2,929	2,254
Miscellaneous	-	-	4,380	4,380
Total revenues	<u>9,345,378</u>	<u>9,417,346</u>	<u>9,418,753</u>	<u>1,407</u>
Expenditures:				
Current:				
Instruction	5,728,727	5,742,952	5,304,484	438,468
Support services:				
Students	966,567	1,048,570	1,034,560	14,010
Instruction	204,349	177,243	167,296	9,947
General Administration	239,999	247,370	227,786	19,584
School Administration	649,489	621,813	605,143	16,670
Central Services	208,792	215,829	209,323	6,506
Operation & Maintenance of Plant	1,037,981	1,068,935	927,171	141,764
Student transportation	402,067	451,862	447,216	4,646
Other Support services	12,419	12,419	4,180	8,239
Community Services Operations	5,119	5,119	2,603	2,516
Capital outlay:				
Equipment	15,000	-	-	-
Construction in progress	36,826	186,826	3,512	183,314
Total expenditures	<u>9,507,335</u>	<u>9,778,938</u>	<u>8,933,274</u>	<u>845,664</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(161,957)	(361,592)	485,479	847,071
Other financing uses:				
Refunds	-	-	(7)	(7)
<i>Net change in fund balance</i>	(161,957)	(361,592)	485,472	847,064
<i>Beginning cash balance budgeted</i>	161,957	361,592	-	(361,592)
Fund balance at beginning of the year	-	-	469,304	469,304
Fund balance at end of the year	\$ -	\$ -	954,776	\$ 954,776
RECONCILIATION TO GAAP BASIS:				
Change in inventory			16	
Change in property tax receivable			6,014	
Change in due from other governments			552	
Change in payables			20,179	
Change in deferred property taxes			(5,827)	
Fund balance at end of the year (GAAP basis)			\$ 975,710	

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 450,000	\$ 450,000	\$ 514,952	\$ 64,952
Charges for services	6,500	6,500	7,608	1,108
Investment and interest income	<u>175</u>	<u>175</u>	<u>990</u>	<u>815</u>
Total revenues	456,675	456,675	523,550	66,875
Expenditures:				
Current:				
Food Services Operations	<u>613,275</u>	<u>613,275</u>	<u>470,435</u>	<u>142,840</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(156,600)	(156,600)	53,115	209,715
<i>Beginning cash balance budgeted</i>	156,600	156,600	-	(156,600)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>242,501</u>	<u>242,501</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>295,616</u>	<u><u>\$ 295,616</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			376	
Change in payables			<u>31,120</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 327,112</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

TITLE I FUND - NO. 24101
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 311,016	\$ 362,233	\$ 172,587	\$ (189,646)
Expenditures:				
Current:				
Instruction	311,016	362,233	355,119	7,114
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(182,532)	(182,532)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(182,532)	\$ (182,532)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			182,532	
Fund balance at end of the year (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

IDEA-B "RISK POOL" FUND - NO. 24120
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 134,045	\$ 223	\$ (133,822)
Expenditures:				
Current:				
Instruction	-	134,045	122,697	11,348
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(122,474)	(122,474)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(122,474)	<u>\$ (122,474)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			122,474	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

2013 SCHOOL BUS FUND - NO. 27178
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 167,974	\$ -	\$ (167,974)
Expenditures:				
Current:				
Support services:				
Student transportation	-	167,974	167,974	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(167,974)	(167,974)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(167,974)	<u>\$ (167,974)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			167,974	
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, 2016

ASSETS

Pooled cash and investments	\$	<u>145,448</u>
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LIABILITIES

Deposits held for others	\$	<u>145,448</u>
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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 2016, Raton Public School District No. 11 adopted the following GASB Statements:

- 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 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

A. Reporting Entity (cont'd)

- GASB 79, *Certain External Investment Pools and Pool Participants*, this Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2015 (FYE June 30, 2016), except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

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

- 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

A. Reporting Entity (cont'd)

- GASB 77, *Tax Abatement Disclosures*, financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

- GASB 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, the objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

A. Reporting Entity (cont'd)

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

- GASB 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, the objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 (FYE June 30, 2017). Earlier application is encouraged.

- GASB 81, *Irrevocable Split-Interest Agreements*, The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016 (FYE June 30, 2018), and should be applied retroactively. Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

A. Reporting Entity (cont'd)

- GASB 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, the objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 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. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 (FYE June 30, 2017), except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017 (FYE June 30, 2018). Earlier application is encouraged.

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

B. Government-Wide and Fund Financial Statements

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

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

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.

➤ Title I Special Revenue Fund (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.

➤ IDEA-B "Risk Pool" Special Revenue Fund (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.

➤ 2013 School Buses Special Revenue Fund (Fund No. 27178) Minimum Balance: None

To provide for the purchase of school buses.

➤ 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.

➤ 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.

➤ Education Technology Debt Service Fund (Fund No. 43000) Minimum Balance: None

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

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

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.

2. *Receivables and payables*

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

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

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

3. *Inventories*

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

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

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, 2016.

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, 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

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

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.

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 \$8,802,234 in state equalization guarantee distributions during the year ended June 30, 2016.

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 \$451,855 in transportation distributions during the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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.
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, 2016 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 Funds	\$ 9,507,335	\$ 9,778,938
Special Revenue Funds	1,673,282	2,608,945
Capital Projects Funds	1,050,914	1,075,630
Debt Service Fund	365,533	530,428
	<u>\$ 12,597,064</u>	<u>\$ 13,993,941</u>

B. Budgetary Violations

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

C. Deficit Fund Equity

The District had one deficit fund balance of \$5,586 in the Ed Tech Debt Service Fund as of June 30, 2016. These deficits will be funded by future grants or by the Operational Fund.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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	\$ 1,288,304
First Bank of NM	184,273
Less agency cash	(145,448)
Less net reconciling items	(528,769)
State agencies:	
New Mexico Finance Authority	172,039
Total cash and equivalents	\$ 970,399

At June 30, 2016, the carrying amount of the District's deposits was \$1,115,847 and the bank balance was \$1,644,616 with the difference consisting of outstanding checks. Of this balance \$434,273 was covered by federal depository insurance and \$922,931 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, 2016, \$287,412 of the District's bank balance was exposed to custodial risk as follows:

	<u>International Bank</u>	<u>First National Bank of New Mexico</u>	<u>New Mexico Finance Authority</u>	<u>Total</u>
Uninsured and uncollateralized	\$ 287,412	\$ -	\$ -	\$ 287,412
Uninsured and collateral held by pledging bank's trust dept not in the District's name	750,892	-	172,039	922,931
Total uninsured	1,038,304	-	172,039	1,210,343
Insured (FDIC)	250,000	184,273	-	434,273
Total deposits	\$ 1,288,304	\$ 184,273	\$ 172,039	\$ 1,644,616
State of New Mexico collateral requirement:				
50% of uninsured public fund bank deposits	\$ 519,152	\$ -	\$ 86,020	\$ 605,172
Pledged security	750,892	-	172,039	922,931
Over collateralization	\$ 231,740	\$ -	\$ 86,019	\$ 317,759

The collateral pledged is listed on Page 101 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, 2016

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 Fund	\$ 11,071	\$ -	\$ 1,284	\$ 712,366
Food Service	-	-	-	-
Title I	-	195,387	-	-
IDEA-B "Risk Pool"	-	122,681	-	-
2013 School Bus	-	167,974	-	-
Capital Improvements SB-9	55,208	-	5,775	-
Debt Service	51,700	-	5,427	-
Ed Tech Debt Service	14,253	-	1,841	-
Other Governmental Funds	-	215,133	-	-
Total	<u>\$ 132,232</u>	<u>\$ 701,175</u>	<u>\$ 14,327</u>	<u>\$ 712,366</u>

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	\$ -	\$ 385
Delinquent property taxes		
General Fund	10,232	-
Capital Improvements SB - 9	50,720	-
Debt Service Fund	47,516	-
Ed Tech Debt Service	12,781	-
Total deferred/unearned revenue for governmental funds	<u>\$ 121,249</u>	<u>\$ 385</u>

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2016 were:

	Receivables	Payables
General Fund	\$ 712,366	\$ -
Title I	-	195,387
IDEA-B "Risk Pool"	-	122,681
2013 School Bus	-	167,974
Ed Tech Debt Service	-	8,899
Other Governmental Funds	-	217,425
Total Due To/Due From Other Funds	<u>\$ 712,366</u>	<u>\$ 712,366</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

D. Inter-Fund Transfers

There was not any inter-fund transfers made during the year ended June 30, 2016.

E. Capital Assets

Capital asset activity for the year ended June 30, 2016 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	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total capital assets not being depreciated	<u>357,911</u>	<u>-</u>	<u>-</u>	<u>357,911</u>
Capital assets being depreciated:				
Land improvements	1,147,728	64,826	-	1,212,554
Buildings and improvements	25,050,579	45,148	-	25,095,727
Furniture, fixtures, and equipment	<u>1,694,332</u>	<u>307,466</u>	<u>-</u>	<u>2,001,798</u>
Total capital assets being depreciated	<u>27,892,639</u>	<u>417,440</u>	<u>-</u>	<u>28,310,079</u>
Less accumulated depreciation for:				
Land improvements	(418,691)	(69,848)	-	(488,539)
Buildings and improvements	(15,473,619)	(918,505)	-	(16,392,124)
Furniture, fixtures, and equipment	<u>(1,155,731)</u>	<u>(84,045)</u>	<u>-</u>	<u>(1,239,776)</u>
Total accumulated depreciation	<u>(17,048,041)</u>	<u>(1,072,398)</u>	<u>-</u>	<u>(18,120,439)</u>
Total capital assets being depreciated, net	<u>10,844,598</u>	<u>(654,958)</u>	<u>-</u>	<u>10,189,640</u>
Total capital assets, net	<u>\$ 11,202,509</u>	<u>\$ (654,958)</u>	<u>\$ -</u>	<u>\$ 10,547,551</u>

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 606,027
Support Services - Students	108,763
Support Services - Instruction	13,089
Support Services - General Administration	29,810
Support Services - School Administration	61,221
Central Services	19,955
Operations & Maintenance of Plant	125,287
Student Transportation	58,861
Other Support Services	399
Food Services	48,737
Community Services	249
Total Depreciation Expense	<u>\$ 1,072,398</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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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

E. Capital Assets (cont'd)

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.

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, 2016 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%	\$ 1,275,000	\$ 250,000
Series 2015 Ed Tech	<u>792,000</u>	0.67% to 1.50%	<u>639,000</u>	<u>158,000</u>
Total	<u>\$ 3,192,000</u>		<u>\$ 1,914,000</u>	<u>\$ 408,000</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>
2017	\$ 408,000	\$ 58,176	\$ 466,176
2018	409,000	47,280	456,280
2019	410,000	35,475	445,475
2020	437,000	23,070	460,070
2021	250,000	10,375	260,375
2022 - 2026	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,914,000</u>	<u>\$ 174,376</u>	<u>\$ 2,088,376</u>

Changes in long term debt – During the year ended June 30, 2016 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	\$ 40,044	\$ 30,739	\$ 37,332	\$ 33,451	\$ 33,451
Bonds payable	<u>2,302,000</u>	<u>-</u>	<u>388,000</u>	<u>1,914,000</u>	<u>408,000</u>
	<u>\$ 2,342,044</u>	<u>\$ 30,739</u>	<u>\$ 425,332</u>	<u>\$ 1,947,451</u>	<u>\$ 441,451</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, 2016

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, 2016.

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 146,089 active, retired, and inactive members in fiscal year 2015; there were 140,008 active, retired, and inactive members in fiscal year 2014.

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, 2016

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 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Employer Contributions – In fiscal year 2016, 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, 2016, 2015, and 2014, were \$801,750, \$817,397, and \$807,253, 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 216 contributing employers in fiscal year 2015; there were 217 contributing employers in fiscal year 2014.

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

At June 30, 2016, the District reported a liability of \$13,399,521 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the District's proportion was 0.20687 percent, which was a decrease of 0.01583 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$611,409.

Pension Expense Calculation

	Add: Net pension liability - end of the year	\$ 13,399,521
	Deduct: Net pension liability - beginning of the year	(12,706,654)
	Deduct: Deferred outflows of resources during the year	(1,205,307)
	Add: First year of amortization of deferred outflows of resources	-
	Add: Deferred inflows of resources during the year	1,132,406
	Deduct: First year of amortization of deferred inflows of resources	(250,151)
	Add: Layered amortization of prior year(s) deferred outflows of resources	-
	Deduct: Layered amortization of prior year(s) deferred inflows of resources	(575,803)
	Reductions to ending net pension liability due contributions paid	817,397
	Total Pension Expense	\$ 611,409

At June 30, 2016, 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	\$ -	\$ 255,321
Change of assumptions	460,881	-
Net difference between projected and actual earnings on pension plan investments	-	57,723
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,028,069
District contributions subsequent to the measurement date	801,750	-
Total	\$ 1,262,631	\$ 1,341,113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Deferred outflows of resources related to pensions in the amount of \$801,750 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, 2017. 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>	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>	<u>Total</u>
2017	\$ -	\$ 603,037	\$ 603,037
2018	(164,600)	577,598	412,998
2019	(164,600)	346,583	181,983
2020	(131,681)	(186,105)	(317,786)
2021	-	-	-
Thereafter	-	-	-
Total	<u>\$ (460,881)</u>	<u>\$ 1,341,113</u>	<u>\$ 880,232</u>

Actuarial Assumptions

A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2015. 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, 2014. The total pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2014. The total pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 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, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

- 1) All members with an annual salary of more than \$20,000 will contribute 10.7% during the fiscal year ending June 30, 2015 and 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) The new assumptions were adopted by ERB on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.

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 2015 using Scale AA (one year setback for females)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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 2015 and 2014 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	2015	2014
	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	3.25%	1.50%
Treasuries	3.50%	2.00%
IG Corp Credit	4.75%	3.50%
MBS	3.75%	2.25%
Core Bonds	3.98%	2.53%
TIPS	4.00%	2.50%
High Yield Bonds	5.75%	4.50%
Bank Loans	6.00%	5.00%
Global Bonds (Unhedged)	2.25%	1.25%
Global Bonds (Hedged)	2.41%	1.38%
EMD External	6.00%	5.00%
EMD Local Currency	6.75%	5.75%
Large Cap Equities	7.50%	6.25%
Small/Mid Cap	7.75%	6.25%
International Equities (Unhedged)	8.00%	7.25%
International Equities (Hedged)	8.47%	7.50%
Emerging International Equities	9.25%	9.50%
Private Equity	9.50%	8.75%
Private Debt	8.00%	8.00%
Private Real Assets	7.75%	7.75%
Real Estate	6.50%	6.25%
Commodities	5.75%	5.00%
Hedge Funds	6.75%	5.50%

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, 2016

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 2015. 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)						
2015	\$	8,715,594,530	\$	6,477,266,299	\$	4,596,837,569
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						
2015	\$	18,029,950	\$	13,399,521	\$	9,509,478
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, 2016

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, 2016, 2015, and 2014 were \$114,773, \$117,542, and \$122,770, 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.

F. Subsequent Events

Subsequent events were evaluated through November 2, 2016, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016

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

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

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.206870%	0.222700%
District's proportionate share of the net pension liability	\$ 13,399,521	\$ 12,706,654
District's covered-employee payroll	\$ 5,880,551	\$ 6,138,457
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	228.00%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	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>2016</u>	<u>2015</u>
Contractually required contribution	\$ 817,396	\$ 807,253
Contributions in relation to the contractually required	<u>(817,396)</u>	<u>(807,253)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,880,551	\$ 6,138,457
Contribution as a percentage of covered-employee payroll	13.90%	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, 2016

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 June 12, 2015, ERB implemented the following changes in assumptions for fiscal years 2015.

- 1) Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 3.75%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.50% to 0.00%

- 2) Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Net real return remains at 4.75%
 - c. Inflation will remain at 3.00%
 - d. COLA assumption of 2.00% per year
 - e. Payroll growth remains at 3.50%

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

GENERAL FUNDS
YEAR ENDED JUNE 30, 2016

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, 2016

	Operational <u>Fund #11000</u>	Transportation <u>Fund #13000</u>	Instructional Materials <u>Fund #14000</u>	Total General <u>Funds</u>
Assets				
Cash and cash equivalents	\$ 205,581	\$ 4,645	\$ 51,116	\$ 261,342
Receivables:				
Property taxes	11,071	-	-	11,071
Due from other governments	1,284	-	-	1,284
Due from other funds	712,366	-	-	712,366
Supplies inventory	<u>17,138</u>	<u>-</u>	<u>-</u>	<u>17,138</u>
Total assets	<u><u>\$ 947,440</u></u>	<u><u>\$ 4,645</u></u>	<u><u>\$ 51,116</u></u>	<u><u>\$ 1,003,201</u></u>
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	<u>\$ 16,240</u>	<u>\$ 1,019</u>	<u>\$ -</u>	<u>\$ 17,259</u>
Deferred inflows of resources:				
Delinquent property taxes	<u>10,232</u>	<u>-</u>	<u>-</u>	<u>10,232</u>
Fund balance:				
Non-spendable:				
Inventories	17,138	-	-	17,138
Unassigned	<u>903,830</u>	<u>3,626</u>	<u>51,116</u>	<u>958,572</u>
Total fund balance	<u>920,968</u>	<u>3,626</u>	<u>51,116</u>	<u>975,710</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 947,440</u></u>	<u><u>\$ 4,645</u></u>	<u><u>\$ 51,116</u></u>	<u><u>\$ 1,003,201</u></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, 2016**

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Taxes:				
Property	\$ 58,245	\$ -	\$ -	\$ 58,245
Oil and gas	1,482	-	-	1,482
Intergovernmental - federal grants	21,315	-	-	21,315
Intergovernmental - state grants	8,802,234	451,855	67,416	9,321,505
Charges for services	9,636	-	-	9,636
Investment and interest income	2,929	-	-	2,929
Miscellaneous	4,380	-	-	4,380
Total revenue	<u>8,900,221</u>	<u>451,855</u>	<u>67,416</u>	<u>9,419,492</u>
Expenditures:				
Current:				
Instruction	5,254,589	-	49,879	5,304,468
Support services:				
Students	1,034,560	-	-	1,034,560
Instruction	167,296	-	-	167,296
General Administration	228,105	-	-	228,105
School Administration	605,143	-	-	605,143
Central Services	208,903	-	-	208,903
Operation & Maintenance of Plant	906,074	-	-	906,074
Student transportation	-	448,235	-	448,235
Other Support services	4,180	-	-	4,180
Community services	2,603	-	-	2,603
Capital outlay	3,512	-	-	3,512
Total expenditures	<u>8,414,965</u>	<u>448,235</u>	<u>49,879</u>	<u>8,913,079</u>
<i>Excess of revenues over expenditures</i>	485,256	3,620	17,537	506,413
Other financing uses:				
Refunds	-	(7)	-	(7)
<i>Net change in fund balance</i>	485,256	3,613	17,537	506,406
Fund balance at beginning of the year	<u>435,712</u>	<u>13</u>	<u>33,579</u>	<u>469,304</u>
Fund balance at end of the year	<u>\$ 920,968</u>	<u>\$ 3,626</u>	<u>\$ 51,116</u>	<u>\$ 975,710</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 57,585	\$ 57,585	\$ 56,973	\$ (612)
Oil and gas	2,498	2,498	2,015	(483)
Intergovernmental - federal sources:				
Public Law 874	14,833	14,833	3,588	(11,245)
Forest reserve	-	17,727	17,727	-
Intergovernmental - state grants	8,794,669	8,799,744	8,802,234	2,490
Charges for services	5,161	5,161	9,636	4,475
Investment and interest income	675	675	2,929	2,254
Miscellaneous	-	-	4,380	4,380
Total revenues	8,875,421	8,898,223	8,899,482	1,259
Expenditures:				
Current:				
Instruction	5,675,837	5,642,106	5,254,605	387,501
Support services:				
Students	966,567	1,048,570	1,034,560	14,010
Instruction	204,349	177,243	167,296	9,947
General Administration	239,999	247,370	227,786	19,584
School Administration	649,489	621,813	605,143	16,670
Central Services	208,792	215,829	209,323	6,506
Operation & Maintenance of Plant	1,037,981	1,068,935	927,171	141,764
Other Support services	12,419	12,419	4,180	8,239
Community Services Operations	5,119	5,119	2,603	2,516
Capital outlay:				
Construction in progress	36,826	186,826	3,512	183,314
Total expenditures	9,037,378	9,226,230	8,436,179	790,051
<i>Excess (deficiency) of revenues over expenditures</i>	(161,957)	(328,007)	463,303	791,310
<i>Beginning cash balance budgeted</i>	161,957	328,007	-	(328,007)
Fund balance at beginning of the year	-	-	435,712	435,712
Fund balance at end of the year	\$ -	\$ -	899,015	\$ 899,015
RECONCILIATION TO GAAP BASIS:				
Change in inventory			16	
Change in property tax receivable			6,014	
Change in due from other governments			552	
Change in payables			21,198	
Change in deferred property taxes			(5,827)	
Fund balance at end of the year (GAAP basis)			\$ 920,968	

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 417,067	\$ 451,855	\$ 451,855	\$ -
Expenditures:				
Current:				
Support services:				
Student transportation	402,067	451,862	447,216	4,646
Capital outlay:				
Equipment	15,000	-	-	-
Total expenditures	417,067	451,862	447,216	4,646
<i>Excess (deficiency) of revenues over expenditures</i>	-	(7)	4,639	4,646
Other financing uses:				
Refunds	-	-	(7)	(7)
<i>Net change in fund balance</i>	-	(7)	4,632	4,639
<i>Beginning cash balance budgeted</i>	-	7	-	(7)
Fund balance at beginning of the year	-	-	13	13
Fund balance at end of the year	\$ -	\$ -	4,645	\$ 4,645
RECONCILIATION TO GAAP BASIS:				
Change in payables			(1,019)	
Fund balance at end of the year (GAAP basis)			\$ 3,626	

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 52,890	\$ 67,268	\$ 67,416	\$ 148
Expenditures:				
Current:				
Instruction	52,890	100,846	49,879	50,967
<i>Excess (deficiency) of revenues over expenditures</i>	-	(33,578)	17,537	51,115
<i>Beginning cash balance budgeted</i>	-	33,578	-	(33,578)
Fund balance at beginning of the year	-	-	33,579	33,579
Fund balance at end of the year	\$ -	\$ -	51,116	\$ 51,116
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 51,116	

MAJOR CAPITAL PROJECT FUND
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, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 297,626	\$ 297,626	\$ 294,404	\$ (3,222)
Oil and gas	9,991	9,991	6,522	(3,469)
Intergovernmental - state grants	3,031	27,747	-	(27,747)
Investment and interest income	80	80	205	125
Total revenues	310,728	335,444	301,131	(34,313)
Expenditures:				
Current:				
Support services:				
General Administration	3,476	2,976	2,944	32
Operation & Maintenance of Plant	324,807	329,797	305,016	24,781
Capital outlay:				
Equipment	-	4,500	4,500	-
Construction in progress	118,031	133,757	96,764	36,993
Total expenditures	446,314	471,030	409,224	61,806
<i>Excess (deficiency) of revenues over expenditures</i>	(135,586)	(135,586)	(108,093)	27,493
<i>Beginning cash balance budgeted</i>	135,586	135,586	-	(135,586)
Fund balance at beginning of the year	-	-	151,553	151,553
Fund balance at end of the year	\$ -	\$ -	43,460	\$ 43,460
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			28,773	
Change in due from other governments			2,337	
Change in payables			6,312	
Change in deferred property taxes			(28,060)	
Fund balance at end of the year (GAAP basis)			\$ 52,822	

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, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 285,037	\$ 285,037	\$ 267,889	\$ (17,148)
Oil and gas	<u>9,663</u>	<u>9,663</u>	<u>5,630</u>	<u>(4,033)</u>
Total revenues	<u>294,700</u>	<u>294,700</u>	<u>273,519</u>	<u>(21,181)</u>
Expenditures:				
Current:				
Support services:				
General Administration	2,850	2,850	2,679	171
Debt service:				
Principal retirement	235,000	235,000	235,000	-
Bond interest paid	59,700	59,700	59,700	-
Reserves	<u>67,983</u>	<u>67,983</u>	<u>-</u>	<u>67,983</u>
Total expenditures	<u>365,533</u>	<u>365,533</u>	<u>297,379</u>	<u>68,154</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(70,833)	(70,833)	(23,860)	46,973
<i>Beginning cash balance budgeted</i>	70,833	70,833	-	(70,833)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>65,169</u>	<u>65,169</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>41,309</u>	<u>\$ 41,309</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			26,665	
Change in due from other governments			2,144	
Change in deferred property taxes			<u>(26,132)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 43,986</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

ED TECH DEBT SERVICE FUND - NO. 43000

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ -	\$ 164,895	\$ 151,782	\$ (13,113)
Oil and gas	-	-	2,155	2,155
Total revenues	-	164,895	153,937	(10,958)
Expenditures:				
Current:				
Support services:				
General Administration	-	3,576	1,518	2,058
Debt service:				
Principal retirement	-	153,000	153,000	-
Bond interest paid	-	8,319	8,319	-
Total expenditures	-	164,895	162,837	2,058
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(8,900)	(8,900)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(8,900)	\$ (8,900)
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			14,253	
Change in due from other governments			1,842	
Change in deferred property taxes			(12,781)	
Fund balance (deficit) at end of the year (GAAP basis)			\$ (5,586)	

NONMAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds

ATHLETICS (Fund No. 22000) This fund provides financing for school athletic activities. Funding is provided by fees from patrons.	Minimum Balance: None
ENTITLEMENT IDEA-B (Fund No. 24106) 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.	Minimum Balance: None
NM AUTISM (Fund No. 24108) Program is to provide grants to states that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.	Minimum Balance: None
PRESCHOOL IDEA-B (Fund No.24109) The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.	Minimum Balance: None
FRESH FRUITS AND VEGETABLES (Fund No. 24118) To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.	Minimum Balance: None
IDEA-B STUDENT SUCCESS (Fund No. 24132) The purpose of this grant award is to support activities included in the school's Educational Plan for Student Success, or areas in need of improvement, identified through the instructional audit. The program is funded by the United States government, under the Individuals with Disabilities Act, Public Law 108-446 Part B.	Minimum Balance: None
TITLE III ENGLISH LANGUAGE (Fund No. 24153) To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.	Minimum Balance: None
TITLE II TEACHER QUALITY (Fund No. 24154) 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.	Minimum Balance: None
RURAL & LOW-INCOME SCHOOLS (Fund No. 24160) To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.	Minimum Balance: None
TITLE XIX MEDICAID (Fund No. 25153) To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.	Minimum Balance: None

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds (cont'd)

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.		
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.		
INCENTIVE PAY (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.		
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.		
ED TECHNOLOGY EQUIPMENT ACT (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.		

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds			
	Athletics Fund #22000	Entitlement IDEA-B Fund #24106	NM Autism Fund #24108	Preschool IDEA-B Fund #24109
Assets				
Cash and cash equivalents	\$ 10,672	\$ -	\$ -	\$ 1,253
Receivables:				
Grant	-	27,669	5,305	2,232
Total assets	<u>\$ 10,672</u>	<u>\$ 27,669</u>	<u>\$ 5,305</u>	<u>\$ 3,485</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Due to other funds	\$ -	\$ 27,669	\$ 5,305	\$ 3,485
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Restricted for:				
Special revenue funds	10,672	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	<u>10,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 10,672</u>	<u>\$ 27,669</u>	<u>\$ 5,305</u>	<u>\$ 3,485</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, 2016

	Special Revenue Funds			
	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B Student Success <u>Fund #24132</u>	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 385	\$ 1,039
Receivables:				
Grant	<u>16,947</u>	<u>39,846</u>	<u>-</u>	<u>26,984</u>
Total assets	<u>\$ 16,947</u>	<u>\$ 39,846</u>	<u>\$ 385</u>	<u>\$ 28,023</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Due to other funds	\$ 16,947	\$ 39,846	\$ -	\$ 28,023
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>385</u>	<u>-</u>
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 16,947</u>	<u>\$ 39,846</u>	<u>\$ 385</u>	<u>\$ 28,023</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, 2016

	Special Revenue Funds			
	Rural & Low- Income Schools Fund #24160	Title XIX Medicaid Fund #25153	Libraries GO Bond 2012 Fund #27107	Center for Teacher Excellence Fund #27114
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	<u>3,671</u>	<u>6,441</u>	<u>9,772</u>	<u>17,780</u>
Total assets	<u>\$ 3,671</u>	<u>\$ 6,441</u>	<u>\$ 9,772</u>	<u>\$ 17,780</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Due to other funds	\$ 3,671	\$ 6,441	\$ 9,772	\$ 17,780
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,671</u>	<u>\$ 6,441</u>	<u>\$ 9,772</u>	<u>\$ 17,780</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, 2016

	Special Revenue Funds			
	Breakfast for Elementary Students Fund #27155	NM Grown Fund #27183	Incentive Pay Fund #27188	Youth Conservation Corp Fund #28133
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	-	983	-	54,303
Total assets	\$ -	\$ 983	\$ -	\$ 54,303
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Due to other funds	\$ -	\$ 983	\$ -	\$ 54,303
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ 983	\$ -	\$ 54,303

(cont'd; 4 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds		
	Sloat-Prince Foundation <u>Fund #29102</u>	City/County Grants <u>Fund #29107</u>	Total Non-Major Special Revenue <u>Funds</u>
Assets			
Cash and cash equivalents	\$ 107,153	\$ -	\$ 120,502
Receivables:			
Grant	-	3,200	215,133
Total assets	\$ 107,153	\$ 3,200	\$ 335,635
 Liabilities, deferred inflows and fund balance			
Liabilities:			
Due to other funds	\$ -	\$ 3,200	\$ 217,425
Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	385
Fund balance:			
Restricted for:			
Special revenue funds	107,153	-	117,825
Capital projects funds	-	-	-
Total fund balance	107,153	-	117,825
Total liabilities, deferred inflows of resources, and fund balance	\$ 107,153	\$ 3,200	\$ 335,635

(cont'd; 5 of 6)

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Capital Project Funds			
	Special Capital Outlay - State Fund #31400	Ed Technology Equipment Act Fund #31900	Total Non-Major Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 13,268	\$ 172,039	\$ 185,307	\$ 305,809
Receivables:				
Grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,133</u>
Total assets	<u>\$ 13,268</u>	<u>\$ 172,039</u>	<u>\$ 185,307</u>	<u>\$ 520,942</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ 217,425
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>385</u>
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	117,825
Capital projects funds	<u>13,268</u>	<u>172,039</u>	<u>185,307</u>	<u>185,307</u>
Total fund balance	<u>13,268</u>	<u>172,039</u>	<u>185,307</u>	<u>303,132</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 13,268</u>	<u>\$ 172,039</u>	<u>\$ 185,307</u>	<u>\$ 520,942</u>

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

Special Revenue Funds

	Athletics Fund #22000	Entitlement IDEA-B Fund #24106	NM Autism Fund #24108	Preschool IDEA-B Fund #24109	Fresh Fruits and Vegetables Fund #24118
Revenues:					
Intergovernmental - federal grants	\$ -	\$ 282,681	\$ 5,527	\$ 26,066	\$ 22,547
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	25,707	-	-	-	-
Investment and interest income	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>25,757</u>	<u>282,681</u>	<u>5,527</u>	<u>26,066</u>	<u>22,547</u>
Expenditures:					
Current:					
Instruction	24,999	171,787	5,527	26,066	-
Support services:					
Students	-	36,517	-	-	-
Instruction	-	-	-	-	-
General Administration	-	74,377	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food services operations	-	-	-	-	22,547
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>24,999</u>	<u>282,681</u>	<u>5,527</u>	<u>26,066</u>	<u>22,547</u>
<i>Excess (deficiency) of revenues over expenditures</i>	758	-	-	-	-
Fund balance at beginning of the year	<u>9,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 10,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 5)

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, 2016**

Special Revenue Funds

	IDEA-B Student Success Fund #24132	Title III English Language Fund #24153	Title II Teacher Quality Fund #24154	Rural & Low- Income Schools Fund #24160	Title XIX Medicaid Fund #25153
Revenues:					
Intergovernmental - federal grants	\$ 39,846	\$ 3,620	\$ 52,114	\$ 16,081	\$ 68,802
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Total revenues	<u>39,846</u>	<u>3,620</u>	<u>52,114</u>	<u>16,081</u>	<u>68,802</u>
Expenditures:					
Current:					
Instruction	39,846	3,620	52,114	16,081	-
Support services:					
Students	-	-	-	-	30,574
Instruction	-	-	-	-	-
General Administration	-	-	-	-	2,456
School Administration	-	-	-	-	35,772
Operation & Maintenance of Plant	-	-	-	-	-
Food services operations	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>39,846</u>	<u>3,620</u>	<u>52,114</u>	<u>16,081</u>	<u>68,802</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 5)

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, 2016**

	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>	NM Grown <u>Fund #27183</u>	Incentive Pay <u>Fund #27188</u>
Revenues:					
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	9,772	95,391	9,034	983	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Total revenues	<u>9,772</u>	<u>95,391</u>	<u>9,034</u>	<u>983</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	95,391	-	-	-
Support services:					
Students	-	-	-	-	-
Instruction	9,772	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food services operations	-	-	9,034	983	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>9,772</u>	<u>95,391</u>	<u>9,034</u>	<u>983</u>	<u>-</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>

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2016

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	Youth	Sloat-Prince	City/County	
	Conservation Corp <u>Fund #28133</u>	Foundation <u>Fund #29102</u>	Grants <u>Fund #29107</u>	
	-	-	-	
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ 517,284
Intergovernmental - state grants	126,282	-	-	241,462
Contributions - private grants	-	107,602	36,984	144,586
Charges for services	-	-	-	25,707
Investment and interest income	-	-	-	50
Total revenues	126,282	107,602	36,984	929,089
Expenditures:				
Current:				
Instruction	126,282	449	-	562,162
Support services:				
Students	-	-	36,984	104,075
Instruction	-	-	-	9,772
General Administration	-	-	-	76,833
School Administration	-	-	-	35,772
Operation & Maintenance of Plant	-	-	-	-
Food services operations	-	-	-	32,564
Capital outlay	-	-	-	-
Total expenditures	126,282	449	36,984	821,178
<i>Excess (deficiency) of revenues over expenditures</i>	-	107,153	-	107,911
Fund balance at beginning of the year	-	-	-	9,914
Fund balance at end of the year	\$ -	\$ 107,153	\$ -	\$ 117,825

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2016

	Capital Project Funds			Total Nonmajor Governmental Funds
	Special Capital Outlay - State Fund #31400	Ed Technology Equipment Act Fund #31900	Total Nonmajor Capital Projects Funds	
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	-	\$ 517,284
Intergovernmental - state grants	28,268	-	28,268	269,730
Contributions - private grants	-	-	-	144,586
Charges for services	-	-	-	25,707
Investment and interest income	-	437	437	487
Total revenues	28,268	437	28,705	957,794
Expenditures:				
Current:				
Instruction	-	-	-	562,162
Support services:				
Students	-	-	-	104,075
Instruction	-	-	-	9,772
General Administration	-	-	-	76,833
School Administration	-	-	-	35,772
Operation & Maintenance of Plant	-	102,344	102,344	102,344
Food services operations	-	-	-	32,564
Capital outlay	15,000	302,164	317,164	317,164
Total expenditures	15,000	404,508	419,508	1,240,686
<i>Excess (deficiency) of revenues over expenditures</i>	13,268	(404,071)	(390,803)	(282,892)
Fund balance at beginning of the year	-	576,110	576,110	586,024
Fund balance at end of the year	\$ 13,268	\$ 172,039	\$ 185,307	\$ 303,132

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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, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ 23,000	\$ 23,000	\$ 25,707	\$ 2,707
Investment and interest income	<u>10</u>	<u>10</u>	<u>50</u>	<u>40</u>
Total revenues	23,010	23,010	25,757	2,747
Expenditures:				
Current:				
Instruction	<u>32,222</u>	<u>32,222</u>	<u>24,999</u>	<u>7,223</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(9,212)	(9,212)	758	9,970
<i>Beginning cash balance budgeted</i>	9,212	9,212	-	(9,212)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>9,914</u>	<u>9,914</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>10,672</u>	<u><u>\$ 10,672</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 10,672</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 255,626	\$ 300,874	\$ 255,173	\$ (45,701)
Expenditures:				
Current:				
Instruction	161,562	188,201	171,787	16,414
Support services:				
Students	31,943	37,426	36,517	909
General Administration	62,121	75,247	74,377	870
Total expenditures	255,626	300,874	282,681	18,193
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(27,508)	(27,508)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(27,508)	\$ (27,508)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			27,508	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 6,080	\$ 1,789	\$ (4,291)
Expenditures:				
Current:				
Instruction	-	6,080	5,527	553
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(3,738)	(3,738)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,738)	<u>\$ (3,738)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,738	
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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 26,111	\$ 26,229	\$ 23,814	\$ (2,415)
Expenditures:				
Current:				
Instruction	26,111	26,229	26,066	163
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,252)	(2,252)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,252)	\$ (2,252)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,232	
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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 22,565	\$ 5,600	\$ (16,965)
Expenditures:				
Current:				
Food Services Operations	-	22,565	22,547	18
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(16,947)	(16,947)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(16,947)	<u>\$ (16,947)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			16,947	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

IDEA-B RESULTS FUND - NO. 24132
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Expenditures:				
Current:				
Instruction	40,000	40,000	39,846	154
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(39,846)	(39,846)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(39,846)	\$ (39,846)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			39,846	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 14,147	\$ 37,349	\$ 3,620	\$ (33,729)
Expenditures:				
Current:				
Instruction	13,871	37,073	3,620	33,453
Support services:				
General Administration	276	276	-	276
Total expenditures	14,147	37,349	3,620	33,729
<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 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, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 50,666	\$ 70,209	\$ 24,873	\$ (45,336)
Expenditures:				
Current:				
Instruction	50,666	70,209	52,114	18,095
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(27,241)	(27,241)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(27,241)	\$ (27,241)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			26,984	
Change in deferred revenue			257	
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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 16,090	\$ 16,090	\$ 12,410	\$ (3,680)
Expenditures:				
Current:				
Instruction	<u>16,090</u>	<u>16,090</u>	<u>16,081</u>	<u>9</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(3,671)	(3,671)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,671)	<u>\$ (3,671)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>3,671</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

TITLE XIX MEDICAID FUND - NO. 25153
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 72,000	\$ 72,000	\$ 67,100	\$ (4,900)
Expenditures:				
Current:				
Support services:				
Students	32,351	32,349	30,574	1,775
General Administration	-	2,456	2,456	-
School Administration	39,649	37,195	35,772	1,423
Total expenditures	72,000	72,000	68,802	3,198
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,702)	(1,702)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,702)	\$ (1,702)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,702	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 20,016	\$ 20,016	\$ 2,702	\$ (17,314)
Expenditures:				
Current:				
Support services:				
Instruction	20,016	20,016	9,772	10,244
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(7,070)	(7,070)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(7,070)	\$ (7,070)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,070	
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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 97,500	\$ 97,500	\$ 77,685	\$ (19,815)
Expenditures:				
Current:				
Instruction	97,500	97,500	95,391	2,109
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(17,706)	(17,706)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(17,706)	\$ (17,706)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			17,706	
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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 9,034	\$ 11,290	\$ 2,256
Expenditures:				
Current:				
Food Services Operations	-	9,034	9,034	-
<i>Excess of revenues over expenditures</i>	-	-	2,256	2,256
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,256	<u>\$ 2,256</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,256)	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

NM GROWN FUND - NO. 27183
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 1,035	\$ -	\$ (1,035)
Expenditures:				
Current:				
Food Services Operations	-	1,035	983	52
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(983)	(983)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(983)	<u>\$ (983)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			983	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

INCENTIVE PAY FUND - NO. 27188
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 263,000	\$ 152,691	\$ (110,309)
Expenditures:				
Current:				
Instruction	-	263,000	-	263,000
<i>Excess 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>	

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, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 79,613	\$ 164,613	\$ 97,632	\$ (66,981)
Expenditures:				
Current:				
Instruction	<u>79,613</u>	<u>164,613</u>	<u>126,282</u>	<u>38,331</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(28,650)	(28,650)
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>	(28,650)	<u>\$ (28,650)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>28,650</u>	
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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ 107,602	\$ 107,602	\$ -
Expenditures:				
Current:				
Instruction	-	107,602	449	107,153
<i>Excess of revenues over expenditures</i>	-	-	107,153	107,153
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	107,153	<u>\$ 107,153</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			<u>\$ 107,153</u>	

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CITY/COUNTY GRANTS FUND - NO. 29107
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ 45,000	\$ 45,000	\$ 61,009	\$ 16,009
Expenditures:				
Current:				
Support services:				
Students	45,000	45,000	36,984	8,016
<i>Excess of revenues over expenditures</i>	-	-	24,025	24,025
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	24,025	\$ 24,025
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(24,025)	
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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 15,000	\$ 15,000	\$ 28,268	\$ 13,268
Expenditures:				
Capital outlay:				
Land and improvements	15,000	15,000	15,000	-
<i>Excess of revenues over expenditures</i>	-	-	13,268	13,268
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	13,268	\$ 13,268
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 13,268	

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, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Investment and interest income	\$ -	\$ -	\$ 437	\$ 437
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	522,950	522,950	362,689	160,261
Capital outlay:				
Equipment	66,650	66,650	41,819	24,831
Total expenditures	589,600	589,600	404,508	185,092
<i>Excess (deficiency) of revenues over expenditures</i>	(589,600)	(589,600)	(404,071)	185,529
<i>Beginning cash balance budgeted</i>	589,600	589,600	-	(589,600)
Fund balance at beginning of the year	-	-	576,110	576,110
Fund balance at end of the year	\$ -	\$ -	172,039	\$ 172,039
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 172,039	

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OTHER SUPPLEMENTAL INFORMATION
(Schedules Required by the New Mexico State Auditor)

Schedule of Changes in Assets and Liabilities – Agency Funds

Schedule of Pledged Collateral

Cash Reconciliation

Schedule of Vendor 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, 2016

Activity		Balance			Transfers	Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2016</u>
23000	Non-Instructional Support	\$ 681	\$ 606	\$ -	\$ -	\$ 1,287
23001	MS Orchestra	185	-	-	(185)	-
23002	HS Baseball	-	2,237	1,556	6	687
23003	HS Boys Basketball	-	855	480	-	375
23004	HS Girls Basketball	280	4,088	4,151	-	217
23005	HS Cheerleaders	10,284	26,262	26,446	97	10,197
23006	MS Cheerleaders	6,780	3,552	9,712	-	620
23007	HS Dance Team	6,440	8,114	10,398	97	4,253
23008	HS Football	4,157	2,139	6,004	-	292
23011	MS Science Fair	-	1,398	1,398	-	-
23012	MS Phys Ed Class	1,461	652	1,062	-	1,051
23013	HS Rodeo Team	388	-	-	(388)	-
23014	HS Girls Software	188	-	-	-	188
23015	HS Tennis	-	2,793	2,627	-	166
23016	Longfellow After School	86	-	-	-	86
23019	HS Girls Volleyball Team	77	1,112	-	-	1,189
23020	RMS Paws	297	1	-	-	298
23021	RHS Ski Club	3,409	2,130	1,857	-	3,682
23022	HS Art	127	15	-	3,638	3,780
23023	MS Art	2,631	-	-	(2,631)	-
23024	HS Band	11	605	746	959	829
23025	MS Band	47	-	-	(47)	-
23026	National Spanish Exam	1,151	-	-	(1,151)	-
23027	HS Track	-	780	248	-	532
23028	HS Building Trades	233	-	-	-	233
23029	HS Cadd-Drafting	93	-	-	-	93
23030	HS Chorus	945	1,070	1,422	-	593
23032	MS Facs	1,769	581	645	-	1,705
23035	MS Industrial Arts	3,697	-	-	(3,697)	-
23036	HS Library	1,011	132	-	782	1,925
23037	MS Library	781	-	-	(781)	-
23038	HS Science	330	-	-	357	687
23039	MS Science	358	-	-	(358)	-
23040	Kearny Library	317	-	-	(317)	-
23042	Longfellow Library	55	6,938	6,973	-	20
23043	Class Of 2013	163	-	-	(163)	-
23044	Marquee Donations	200	-	-	-	200
23045	Culinary Arts	1,843	9,768	9,822	200	1,989
23047	RMS Diabetes Fundraising	59	-	-	(59)	-
23049	RMS Teach Students To Ski	336	3,995	3,063	-	1,268
23050	Poetry Programs At RHS	355	-	350	-	5
23051	Fellowship For Christian Athletes	\$ 2,383	\$ -	\$ -	\$ -	\$ 2,383

(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, 2016

Activity		Balance			Transfers	Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2016</u>
23052	HS Annual	\$ 1,097	\$ 11,890	\$ 8,256	\$ 2,760	\$ 7,491
23053	MS Annual	2,760	-	-	(2,760)	-
23054	HS Arts & Crafts	1,008	-	-	(1,008)	-
23055	HS Book Fund	4,660	-	-	-	4,660
23056	HS BPA	101	-	-	-	101
23057	Counseling Fund	1,531	-	-	(1,531)	-
23058	Class Of 2015	663	-	-	(663)	-
23060	Class Of 2014	1,146	-	-	(1,146)	-
23061	Class Of 2016	2,315	345	2,596	-	64
23062	Class Of 2017	1,596	1,460	958	-	2,098
23063	Class Of 2018	1,844	1,185	380	-	2,649
23065	HS Drama	1,056	-	-	-	1,056
23066	HS FCCLA	1,082	24,513	20,929	-	4,666
23067	MS FCCLA	946	34,508	34,082	-	1,372
23068	HS FFA	8,007	16,577	16,846	124	7,862
23069	Fines On Textbooks	-	1,937	446	-	1,491
23070	HS Rspec	243	-	-	(243)	-
23071	HS Honor Society	319	2,199	2,161	-	357
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	10,587	17,285	12,953	12,538	27,457
23077	MS Principal Fund	5,057	49	-	(5,106)	-
23078	Kearny Principal Fund	360	-	-	(360)	-
23079	Columbian Principal Fund	270	1,952	1,508	138	852
23080	Longfellow Principal Fund	845	1,505	1,041	260	1,569
23081	Mesa View Academy	1,282	-	-	(1,282)	-
23084	HS Special Fund	156	25	-	-	181
23085	HS Spirit Club	194	194	-	(194)	194
23086	HS Student Senate	1,378	2,923	3,150	14	1,165
23087	MS Student Senate	2,429	303	135	-	2,597
23088	HS Welding	296	1,125	-	-	1,421
23089	HS Woodshop	991	2,194	4,146	3,697	2,736
23090	HS PE	-	167	167	-	-
23091	Columbian Book Fair	630	4,716	4,717	-	629
23093	Columbian Card Factory	178	-	-	-	178
23096	Kearny Science Fund	1	-	-	(1)	-
23097	Students Publishing	1,165	-	-	-	1,165
23099	Ag/Science Teacher	124	-	-	(124)	-
23101	Back To School Festival	885	-	-	(885)	-
23102	RHS Computer Applications	89	-	-	-	89
23103	RHS Sp Ed	\$ 362	\$ 33	\$ 367	\$ 243	\$ 271

(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, 2016

Activity		Balance			Transfers	Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2016</u>
23104	Ffa Greenhouse	\$ 513	\$ -	\$ -	\$ -	\$ 513
23105	Joe Vigil Law Enforcement Mem	1,002	20,000	20,000	-	1,002
23106	Athletic Fund Raiser	16,251	13,197	11,844	-	17,604
23107	Youth Alive	512	-	-	(200)	312
23109	RMS Green Team	259	5,767	2,752	-	3,274
23110	RMS Fea	1,559	-	-	-	1,559
23111	RMS Geobee	160	-	-	-	160
23112	Band Boosters	727	-	-	(727)	-
23113	American Cancer Society	1,000	-	-	-	1,000
23114	Longfellow 1St Grade Field Trips	348	764	394	-	718
23115	Longfellow Kinder Field Trips	422	666	864	-	224
23116	Longfellow Boxtops	957	362	35	-	1,284
23117	Columbian Library	50	108	-	292	450
23118	Uncommon Drumming	-	838	594	-	244
23119	Spaceport	11	-	-	(11)	-
23120	Josephine Biundo Literacy	221	-	-	-	221
23121	HS Hitting Club	6	-	-	(6)	-
23122	HS Summit Scholarship	<u>2,000</u>	<u>2,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>
	Pooled cash and investments	<u>\$ 139,119</u>	<u>\$ 250,610</u>	<u>\$ 244,281</u>	<u>\$ -</u>	<u>\$ 145,448</u>
 <u>LIABILITIES</u>						
	Deposits held for others	<u>\$ 139,119</u>	<u>\$ 250,610</u>	<u>\$ 244,281</u>	<u>\$ -</u>	<u>\$ 145,448</u>

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STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2016

	<u>International Bank</u>	<u>First National Bank of New Mexico</u>	<u>New Mexico Finance Authority</u>	<u>Total</u>
Cash on deposit at June 30, 2016:				
Checking and savings	\$ 1,288,304	\$ 184,273	\$ 172,039	\$ 1,644,616
Less: FDIC coverage	(250,000)	(184,273)	-	(434,273)
Uninsured funds	<u>\$ 1,038,304</u>	<u>\$ -</u>	<u>\$ 172,039</u>	<u>\$ 1,210,343</u>
Amount requiring pledged collateral:				
50% collateral requirement	\$ 519,152	\$ -	\$ 86,020	\$ 605,172
Pledged collateral	<u>750,892</u>	<u>-</u>	<u>172,039</u>	<u>922,931</u>
Excess (deficiency) of pledged collateral	<u>\$ 231,740</u>	<u>\$ -</u>	<u>\$ 86,019</u>	<u>\$ 317,759</u>

Pledged collateral of financial institutions consists of the following at June 30, 2016

<u>International Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FNMA	12/20/2018	3136G12K4	\$ 700,832
FNMA	12/20/2018	3136G12K4	<u>50,060</u>
			<u>\$ 750,892</u>

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

State of New Mexico:

Detail of the pledged collateral to the District is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors the pledged collateral for all state funds.

STATE OF NEW MEXICO
RATON PUBLIC SCHOOL DISTRICT NO. 11

CASH RECONCILIATION
 Year Ended June 30, 2016

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 223,025	\$ 8,899,483	\$ 8,436,181	\$ (480,746)	\$ 205,581	\$ -	\$ 205,581
Transportation	13	451,855	447,223	-	4,645	-	4,645
Instructional Materials	33,579	67,416	49,879	-	51,116	-	51,116
Food Services	270,646	523,549	470,435	2,244	326,004	-	326,004
Athletics	9,914	25,757	24,999	-	10,672	-	10,672
Federal Flowthrough Funds	4,392	500,087	926,298	424,496	2,677	-	2,677
Federal Direct Funds	-	67,100	68,802	1,702	-	-	-
State Flowthrough Funds	-	244,367	283,154	38,787	-	-	-
State Direct Funds	-	97,632	126,282	28,650	-	-	-
Local/State	-	168,611	37,433	(24,025)	107,153	-	107,153
Special Capital Outlay - State	-	28,268	15,000	-	13,268	-	13,268
Capital Improvements SB-9	150,962	301,132	409,225	-	42,869	-	42,869
Ed Technology Equipment Act	576,110	437	404,508	-	172,039	-	172,039
Debt Service	58,234	273,519	297,378	-	34,375	-	34,375
Ed Tech Debt Service	-	153,937	162,836	8,899	-	-	-
Agency Funds	-	-	-	-	-	145,448	145,448
Total	\$ 1,326,875	\$ 11,803,150	\$ 12,159,633	\$ 7	\$ 970,399	\$ 145,448	\$ 1,115,847

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>		
Operational	Checking - Interest	International Bank	\$ 998,747	Adjustments to report:	
Activities	Checking - Interest	First National Bank	184,273	Agency funds	<u>\$ 145,448</u>
Payroll	Checking - Interest	International Bank	289,557	Adjustments to cash:	
Ed Tech	Escrow	NMFA	<u>172,039</u>	Bank Balance	\$ 1,644,616
			<u>\$ 1,644,616</u>	Cash on hand	-
				Outstanding deposits	-
				Outstanding checks	(528,769)
				Errors	-
				Total adjusted cash	<u>\$ 1,115,847</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, 2016

Prepared by (Agency Staff Name): Lita Sanchez Title: Business Manager Date: November 2, 2016

<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>
15-16 001	Competitive (RFP or RFB)	Christmas Enterprises, Inc	\$ 87,870	\$ 103,357	Christmas Enterprises, Inc Wagon Mound NM	No	No	relocation of playground equipment and modular building to include all labor & material costs, waste disposal and permits.
15-16 002	Competitive (RFP or RFB)	Summit Food Services, LLC	.084/meal 4yr contract	\$ 398,191	Summit Food Services, LLC Roseville MN	No	No	food service management
15-16 003	Competitive (RFP or RFB)	DKG & Associates, Inc	\$ 688,632	\$ 688,632	DKG & Associates, Inc Clovis NM WWRC Albuquerque NM	Yes	No	Raton MS/RMA Reroofing-removal and replacement of 7 roof areas totaling approximately 35,680 sf.

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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

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Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards Required By Uniform Guidance

§

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

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

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Summary Schedule of Prior Year Audit Findings

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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, 2016, 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 November 2, 2016.

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. We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2016-001 and 2016-002.

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

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

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

Purpose of this Report

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

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 2, 2016

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 UNIFORM GUIDANCE

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 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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

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 Uniform Guidance, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 2, 2016

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, 2016

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed To Subrecipients</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:					
Direct Program:					
Forest Reserve	10.665	11000	\$ -		<u>\$ 17,727</u>
Pass-Through Program From:					
New Mexico Department of Education:					
<u>Child Nutrition Cluster:</u>					
USDA National School Lunch Program	10.555	21000	-	\$ 367,277	
USDA School Breakfast Program	10.553	21000	-	71,662	
Total Child Nutrition Cluster					438,939
Fresh Fruits and Vegetables	10.582	24118			22,547
Pass-Through Program From:					
New Mexico Human Service Department:					
USDA Commodities Program	10.565	21000	-		38,721
<i>Subtotal Pass-Through Programs</i>					<u>500,207</u>
<i>Total U.S. Department of Agriculture</i>					<u>517,934</u>
 U.S. Department of Education:					
Direct Programs:					
Impact Aid	84.041	11000	-		3,588
Pass-Through Programs From:					
New Mexico Department of Education:					
<u>Special Education (IDEA) Cluster:</u>					
Entitlement IDEA-B	84.027	24106	-	282,681	
NM Autism	84.027	24108	-	5,527	
Preschool IDEA-B	84.173	24109	-	26,066	
IDEA-B "Risk Pool"	84.027	24120	-	122,697	
IDEA-B Student Success	84.027A	24132	-	39,846	
Total Special Education (IDEA) Cluster					476,817
Title I	84.010	24101	-		355,119
Title III English Language	84.365	24153	-		3,620
Title II Teacher Quality	84.367	24154	-		52,114
Rural & Low-Income Schools	84.358	24160	-		16,081
<i>Subtotal Pass-Through Programs</i>					<u>903,751</u>
<i>Total U.S. Department of Education</i>					<u>907,339</u>
 U.S. Department of Health and Human Services:					
Pass-Through Program From:					
New Mexico Department of Health:					
Title XIX Medicaid	93.778	25153	-		68,802
Total Expenditures of Federal Awards			<u>\$ -</u>		<u>\$ 1,494,075</u>

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2016

1. Scope of audit pursuant to OMB Uniform Grant Guidance

All federal grant operations of Raton Public School District No. 11 (the “District”) are included in the scope of the Office of management and Budget (“OMB”) Uniform Grant Guidance audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised August 2016 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 year 2016 cash and non-cash expenditures to ensure coverage of at least 20% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 24% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$1,455,354 and all non-cash expenditures amounted to \$38,721.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2016 Expenditure</u>
Cash assistance:	
Title I	<u>\$ 355,119</u>

The District did not have any Type A programs for the 2016.

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, 2016. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budgets (OMB) Uniform Grant Guidance. 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, 2016, 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 District 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, 2016 and the federal awards expended during the year are as follows:

Federal sources	\$ 1,570,088
Indirect costs from federal programs	-
Unexpended federal sources	(76,013)
Prior year federal sources expended	-
Total expenditures of federal awards	<u>\$ 1,494,075</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2016

4. Unexpended Federal Awards

There were federal awards received during the year ended June 30, 2016 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:

	<u>CFDA #</u>	<u>Fund #</u>	PY Federal Sources		Unexpended Awards		<u>Total</u>
			Carryover	Expended	Carryover	2016	
			<u>During 2016</u>	<u>From PY</u>	<u>Awards</u>		
Food Service	10.555	21000	\$ -	\$ 40,292	\$ 76,013		\$ 116,305
Title III English Language	84.365	24153	-	385	-		385
			<u>\$ -</u>	<u>\$ 40,677</u>	<u>\$ 76,013</u>		<u>\$ 116,690</u>

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, 2016.

	<u>CFDA #</u>	<u>Fund #</u>	<u>Receivable</u>
Title I	84.01	24101	\$ 195,387
Entitlement IDEA-B	84.027	24106	27,669
Competitive IDEA-B	84.027	24108	5,305
Preschool IDEA-B	84.173	24109	2,232
Fresh Fruits and Vegetables	10.582	24118	16,947
IDEA-B "Risk Pool"	84.027	24120	122,681
IDEA-B Student Success	84.276A	24132	39,846
Title II Teacher Quality	84.367	24154	26,984
Rural & Low-Income Schools	84.358	24160	3,671
Title XIX Medicaid	93.778	25153	6,441
			<u>\$ 447,163</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2016

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 200.516 of the Uniform Guidance?	—	✓	—
The programs treated as major programs include:			
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>		
Title I	84.010		
The threshold for distinguishing types A and B programs: <u>\$750,000</u>			
Auditee qualified as low-risk auditee?	✓	—	

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

2016 – 001 EMPLOYEE LEAVING AND RETURNING TIME NOT REASONABLE

Other matters

Condition: The School District reimbursed employees for overnight travel out of state. The employees left a day early after reviewing and determining that the airline ticket and hotel costs would be lower. The employees received a discount on the cost of the airline ticket and hotel cost substantial enough to travel a day early after considering that the Friday workday was a half day at work. The travel was approved by the superintendent but the Board of Education did not allow the reimbursement of the per diem for the extra day of travel.

Criteria: According to NMSA 1978 Section 2.42.2.8 where lodging and/or meals are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses under 2.42.2.9 NMAC. These reimbursements are in lieu of, not in addition to, per diem.

Cause: In an effort to save the District on travel costs the employees hunted for the best deal. In the process of evaluating the cost they did not consider how the travel would appear that the employees were taking a vacation at the Districts expense.

Effect of condition: Violation of NMAC 1978 Section 2.42.2.8, reimbursing for per diem when actual expenses were paid for the meals, and when meals were included in the cost of the training or the cost of the hotel.

Recommendation: The District needs to get board approval in advance if they are going to save the District cost of travel so that the Board can approve the travel and the allocation of the costs in advance.

Management's response: Beginning FY 2016-2017, any effort to save the district money on trips will require documentation to be submitted to the Superintendent and 2 Board of Education Members to be approved prior to travel.

Responsible party(ies) for corrective action(s): Superintendent.

Corrective action(s) timeline: Implemented as of the date of this report.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

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

2016 – 002 PURCHASES MADE PRIOR TO APPROVAL

Other matters

Condition: Of the Thirty disbursements tested, three purchases totaling \$621 were made prior to the approval of purchase orders. Purchase orders are used to control cash and to authorize the purchases in accordance with the authorized budget.

Criteria: Authorization for a purchase is acquired through the completion of a purchase order, which is signed by a person given authority over purchase control. The purchase order must be approved prior to the purchase or ordering of goods as per PSAB Supplement 13.

Cause: Personnel initiated and/or completed purchases prior to obtaining approval for the purchase in accordance with established policies and regulations.

Effect of condition: Any purchases made without prior authorization have the potential to cause cash deficits in the funds from which they are made or violations of the approved budget.

Recommendation: The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school.

Management's response: As of October 14, 2016, the Superintendent will not allow purchases prior to approval. The Business Manager and Accounts Payable Specialist will notify the Superintendent if any purchases are made without a Purchase order being in place.

Responsible party(ies) for corrective action(s): Business Manager and Accounts Payable Specialist.

Corrective action(s) timeline: Implemented as of the date of this report.

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, 2016

I. NOT RESOLVED

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

II. RESOLVED

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

REQUIRED DISCLOSURES

YEAR ENDED JUNE 30, 2016

The independent public accountants assisted in the preparation of the financial statements.

An exit conference was held November 3, 2016, during which the audit findings were discussed. The exit conference was attended by the following individuals:

RATON PUBLIC SCHOOL DISTRICT NO. 11

Kathy Honeyfield	Secretary, Board of Education / Audit Committee
Ted Kemp	Member, Board of Education / Audit Committee
Andy Ortiz	Superintendent; Member, Audit Committee
Lita Sanchez	Finance Director; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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