

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Financial Statements
With Independent Auditor's Report Thereon
June 30, 2008**

INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

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June 30, 2008**

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Official Roster
June 30, 2008**

BOARD OF EDUCATION

Susan Lutterman
Frank Sayner
Rafael Salas
Rhonda Vincent
Kerry Gladden-Eastep

President
Vice-President
Secretary
Member
Member

SCHOOL OFFICIALS

Bea Etta Harris, Ed.D.
Patty White
Yvonne Perez

Superintendent
Associate Superintendent
Director of Finance

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Education
Ruidoso Municipal School District
Ruidoso, NM

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparisons, and the aggregate remaining fund information of Ruidoso Municipal Schools (the "District"), as of and for the year ended June 30, 2008 which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ruidoso Municipal Schools, as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the General Fund and Bond Building Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Ruidoso Municipal Schools as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison

statements for each nonmajor special revenue fund, each capital projects fund, and the debt service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and the budgetary comparisons. The accompanying Statement of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, the schedules listed under additional supplemental information are presented for purposes of additional analysis are not a required part of the basic financial statements of Ruidoso Municipal Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.



Miller & Associates, CPA, P.C.
November 13, 2008

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

This discussion and analysis will provide a review of the School District's *overall* financial activities, using the accrual basis of accounting, for the year ending June 30, 2008. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the School District as a whole. Whenever possible, this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphic information.

This annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's Report on Compliance on Internal Control (Governmental Accounting Standards), The Independent Auditor's Report on Compliance with Requirements Applicable in each Major Program (OMB A-133) and a Schedule of Findings and Questioned Costs. These statements and information were included in past reporting by the School District.

Ruidoso Municipal Schools Accounting and Finance

We believe this written analysis and the accompanying financial reporting will indicate to the reader that the Ruidoso Municipal Schools is in good financial health. Components such as Bond Ratings, fund balances, cash on hand and budget management all are indicators of a positive financial direction and management. The School District maintains a financial and accounting staff with strong levels of technical experience and education.

Staffing levels and expertise are adequate to meet daily workload demands and to provide the necessary level of internal controls demanded of an organization the size of the Ruidoso Municipal Schools. Financial policies and procedures are in place to guide staff through the daily business routines. Ruidoso Schools has prepared an Internal Controls Manual and this manual is updated on an annual basis or as appropriate.

As an integral part of the School District accountability process, the Ruidoso Municipal School Board is active in the monitoring of expenditures and budgets through a formal, monthly and quarterly reporting process to the Ruidoso School Board. This reporting is provided at public meetings and becomes a part of the School Board's permanent, public record.

These reports are public documents and through this public process, the financial reporting information is provided and open to public inspection.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Significant Financial Highlights for the Year Ending June 30, 2008

- The School District's bond rating was upgraded to an Aaa rating from Moody's Investor Services on the issuance of General Obligation Bonds during the latest rating from Moody's issued October 9, 2007.
- Capital Outlay expenses increased from \$3,836,471 in the year ending June 30, 2007 to \$16,679,502 in the year ending June 30, 2008. The increase in capital outlay expense is attributable to the construction of a new middle school which is scheduled to be complete by May, 2009.
- Accumulated depreciation as of June 30, 2008 of \$14,229,010 was recorded. This includes current year depreciation of \$874,251.
- The overall adjusted Fund Balance decreased from \$16,292,365 for the year ending June 30, 2007 to \$9,592,911 for the year ending June 30, 2008. The most significant reason for the decrease in overall fund balance was due to the expenditure of General Obligation Bond Revenue from the previous year, to support capital outlay initiatives in the district.
- Total revenues increased from \$25,454,169 in the year ending June 30, 2007 to \$27,150,508 in the year ending June 30, 2008. This is an increase of \$1,696,339 reflecting an overall revenue increase of 6%. The increase in revenue was due to the sale of General Obligation Bonds to support capital outlay initiatives in the district.
- Total expenditures increased from \$26,300,195 for the year ending June 30, 2007 to \$42,349,962 for the year ending June 30, 2008. This is an increase of \$16,049,767 reflecting an overall expenditure increase of 61%. The increase in expenditures was due to the increase of capital outlay expenditures for the construction of the new Ruidoso Middle School.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Statement of Net Assets

The Statement of Net Assets is prepared using the accrual method of accounting. This statement shows that as of June 30, 2008 the School District has total net assets of \$22,040,115, compared to \$20,330,962 on June 30, 2007. Of the total net assets \$6,506,953 are "restricted" for debt service and capital projects and \$5,647,409 are "unrestricted." In addition, the School District had \$12,075,954 of cash and cash equivalents, and accounts payable/current liabilities of \$5,051,771.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Statement of Activities

The Statement of (Governmental) Activities is prepared using the accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the School District's net assets for the fiscal year ending June 30, 2008. As of June 30, 2008 the School District had net assets of \$22,040,115 as compared to adjusted net assets of \$20,330,962 as of June 30, 2007

FUND FINANCIAL STATEMENTS

Statement of Revenues and Expenditures

Fund financial statements are based on a modified accrual basis of accounting. This report guides the reader to a meaningful overall view of the district revenues, expenditures and fund balance and changes to the fund balance. Total revenues from state, local and federal sources were \$27,150,508. Total expenditures for the School District were \$42,349,962. The total ending fund balance was \$9,592,911, a decrease of \$6,699,454 from the prior year. The decrease in fund balance was due to expenditures in capital outlay for the new middle school.

Multi-Year District Revenues and Expenditures

A multi-year view of overall School District revenues and expenditures indicates significant changes in both areas. The growth of both revenues and expenditures are commensurate with legislative initiatives to improve funding for teacher salaries, student needs and other educational programs as well as state and local increases in revenues for capital outlay purposes.

The table below reflects a seven year accounting of total revenues and expenditures and the percentage change.

Year	Total Revenues *	Inc/Dec %	Total Expenses*	Inc/Dec %
2001/02	\$21,100,293	5.10%	\$21,771,844.	10.70%
2002/03	\$21,818,793	3.40%	\$22,236,169	2.13%
2003/04	\$21,422,620	1.81%	\$21,508,226	(3.20)%
2004/05	\$21,611,076	.90%	\$21,595,891	.4%
2005/06	\$37,035,627	71.4%	\$22,372,989	3.6%
2006/07	\$25,454,169	(31.27)%	26,300,195	17.55%
2007/2008	27,150,508	6.66%	42,349,962	61%

* Note: Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; Expenses include capital outlay.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

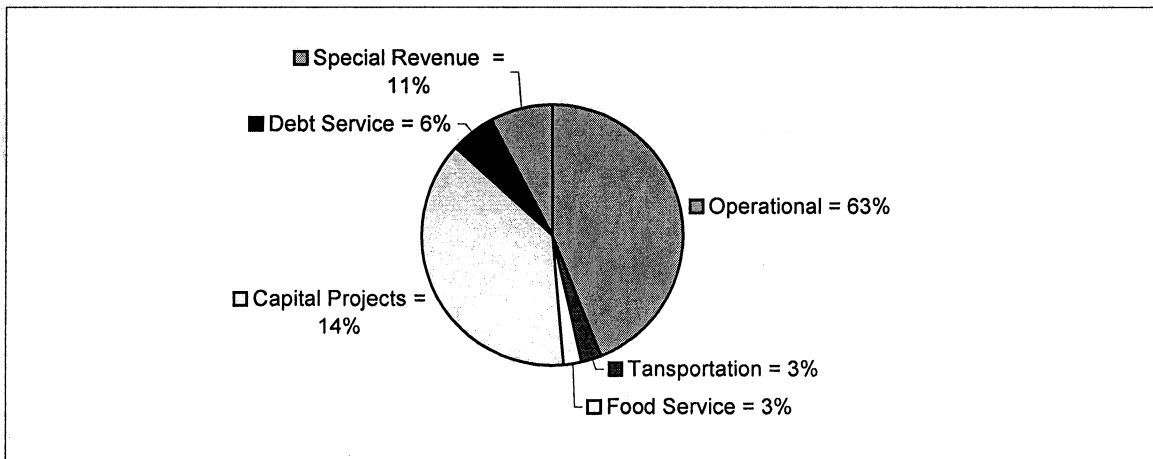
**Management's Discussion and Analysis
(Required Supplementary Information)**

June 30, 2008

The Budget

School District budgets reflect the same growth as seen in the revenue and expenditures of the School District. The State of New Mexico school budget process is defined under New Mexico State Statutes (Section 22) and the New Mexico Administrative Code (Section 6). To enhance the process of developing a budget at the school district level, the Ruidoso Municipal Schools utilize goals and objectives defined by the Ruidoso Municipal School Board, community input meetings, long term plans, and input from various staff groups to develop the School District budget. School District priorities that are in the district's Education Plan for Student Success are well defined through this process.

Major budgetary funds are: The General Fund (Operational Fund), Transportation Fund, Food Services Fund, Debt Service Fund, the 2 Mill Levy (SB-9) Fund, and Bond Building Fund. In addition, twenty-seven (31) non-major Special Revenue Funds and three (2) non-major Capital Projects funds are also reported for their budgetary performance. Non-major budgetary funds include Special Revenue Funds, such as Title 1 and IDEA Funds. The following graphs and tables show the fiscal relationship of the major funds and the combined non-major funds.



The Operational Fund represents 63% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Instructional, Instructional Support and School Support, Maintenance, and Administrative staff as well as classroom materials, special education consulting staff, and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The Operational Fund is explored later in the Management Discussion and Analysis.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2008. Detail budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the combined Special Revenue Funds and Capital Projects Funds.

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

FUND TYPE	FINAL BUDGET	ACTUAL	VARIANCE
Operational	18,949,628	\$17,650,568	\$1,299,060
Transportation	\$945,696	\$945,696	-0-
Food Service	\$958,119	\$947,285	\$10,834
Instructional Materials	\$252,079	\$230,483	\$21,596
Debt Service	\$3,554,149	\$2,185,310	\$1,358,839
Bond Building	\$20,515,973	\$14,253,081	\$6,262,892

All funds fell within the regulatory criteria set by the Public Education Department and New Mexico Statute. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, Annotated require that budget expenditures be within the authorization of the approved budget.

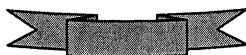
The Operational Fund

The Operational Fund serves as the School District's General Fund. Because the Operational Fund revenues represent \$18,205,348 of the total \$35,650,508 of district revenues (inclusive of bond proceeds), the impact of this fund must be kept in context.

The Operational Fund is predominately funded by revenues from the State Of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administrative staff.

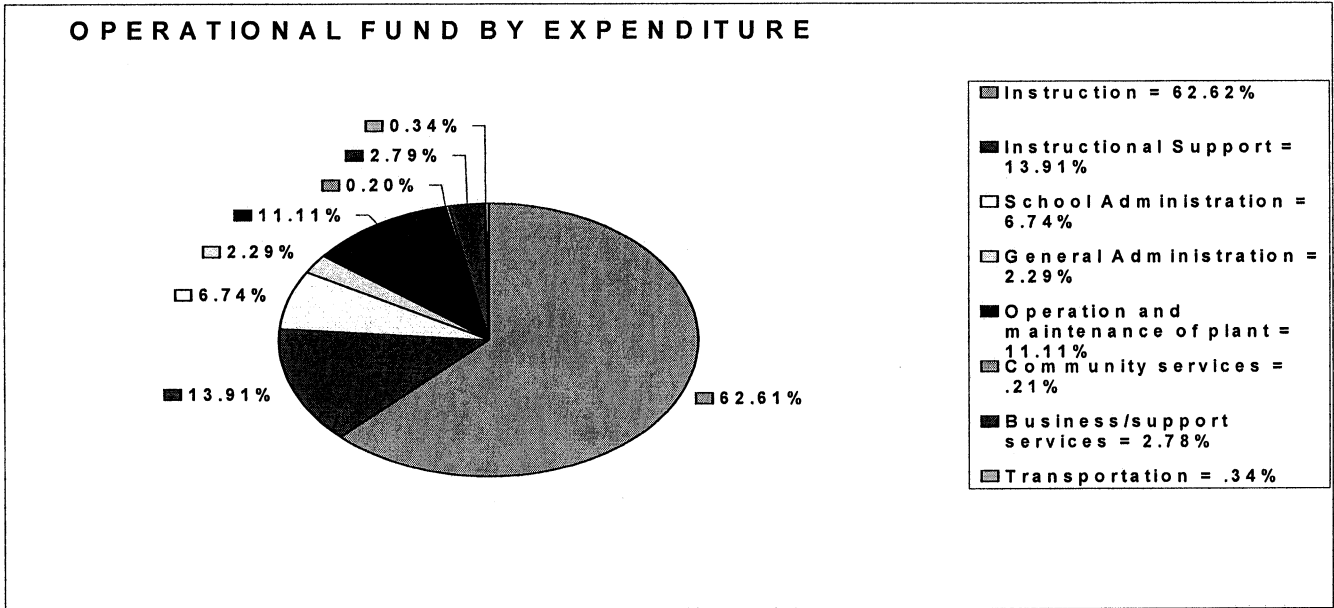
Because the Operational Fund is the main fund where expenditures are significantly related to the educational process, \$17,638,251 was expended in the year ending June 30, 2008. The most significant inter-fund expense was for the function noted as "Direct Instruction". This expenditure was \$11,051,896 or 62.61% of all Operational expenditures. Expenses included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training, and miscellaneous instructional related contract services.

Approximately 86% of all Operational Fund expenditures are for employee salaries, payroll taxes and benefits.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**



The following discussion of the Operational Fund budget will relate functional expenditures for the year ending June 30, 2008, exclusive of Capital Outlay expenditures, for the Operational Fund. Direct Instruction represents 62.62% of all Operational Fund expenditures. Direct Instruction expenditures account for regular education, special education, and kindergarten teachers; educational assistants' salaries, payroll taxes and benefits. It also includes expenditures for school athletics and summer school programs.

Instructional Support represents 13.91% of Operational Fund expenditures and account for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs. The Office of the Superintendent and the Business Office represent the overhead support for the entire operations of the School District; these programs combined represent 5.07% of the total Operational Fund. Maintenance and Operations account for 11.11% of the Operational Fund expenditures. Included in the Maintenance and Operations expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Because of the expansion of school facilities, this functional expenditure area has been increased to meet school needs. Additional support for maintenance supplies and projects comes from the voter approved Two Mill Levy Fund.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Capital Assets

This statement includes an adjusted accumulated depreciation of the School District's capital assets in the amount of \$14,229,010. The School District utilizes a "straight line" depreciation method in all cases and standardized lifetime tables in calculating depreciation.

The School District has taken a planned and focused approach towards investing in equipment and building new facilities as well as adding to and maintaining existing facilities. The School District has initiated a systematic approach to replace old vehicles, enhance technology, and replace outdated school furnishings and equipment. During FY06, FY 07 and FY08, the District sold \$23 million of bonds for the purpose of constructing a new 3 grade school. By the end of June, 2007, the district purchased 72 acres of land. Construction of the new school began in May, 2007 and was 50% complete at the end of June, 2008.

General Long Term Debt

Article IX, Section 11 of the New Mexico constitution limits the powers of a school district to incur general obligation debt beyond a school year. The School District can incur such debt for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving schools grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of the debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the School District. As of June 30, 2008 the district was 98% bonded to capacity.

Agency Funds

The School District, as a custodian, maintains and monitors special funds on the behalf of schools and school activity groups. Agency funds maintained by the School District are to benefit a specific activity or interest and are generally raised by students for student use. These proceeds may be used for recreational, cultural, or educational activities.

While each school site is responsible for the administration of the agency funds, the custody and use of these funds are in accordance with Public Education Department Regulations and School District Policy. The Statement of Net Assets for the year ending June 30, 2008 shows the accumulated assets of all agency funds was \$234,483



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Future Trends

Local Assessments General Obligation Bonds: Local property taxes serve as the revenue source for the repayment of General Obligation Bonds. The growth of both residential and commercial assessed valuation for properties in the Ruidoso Municipal School District enables the district to address maintenance and upkeep of the facilities. The School District has undertaken an aggressive effort to maintain current facilities while working with the Public School Facilities Authority (PSFA) to address issues that could present health and/or safety concerns for students and staff.

The School District completed a comprehensive Master Facility Plan and in September, 2005 PSFA awarded \$5.5 million dollars to the school district to construct a new 6th through 8th grade school. The district was awarded an additional \$2.4 million dollars to support the construction of the new middle school in FY09. The Master Facility Plan was updated in May, 2007. PSFA awarded the district planning money to design the remodel of the White Mountain Complex to accommodate Pre-K and Kindergarten programs.

The Board of Education completed a special election on February 7, 2006 for the purpose of submitting a question of authorizing the issuance of \$26 million general obligation bonds to the voters of the district. The special election was approved by the voters. The bond proceeds are being used to build a new middle school for 6th through 8th grades.

Because of continued development in both the residential and commercial properties in the School District, assessed valuation increased 6.89% and it is expected that future assessed valuations will continue to increase. It is also expected that voter support for the Ruidoso Municipal Schools will continue to be strong and revenues from bond proceeds will continue to be an integral part of the School District capital funding plans in future years.

Facility Construction Updates: The School District has plans to commence or continue a number of Capital Outlay building projects during the 2008-2009 fiscal year. These projects are:

- Construction of the new Ruidoso Middle School was started in May, 2007 and will be complete by May, 2009.
- Phase 2 of the Ruidoso Middle School to build an athletic field and second road is planned to begin in May, 2010.
- The district was awarded an advance of \$1.3 million dollars from PSCOC to address critical drainage issues at Ruidoso High School. A complete drainage plan has been initiated and construction will be initiated and completed by the end of FY09.
- The district has hired an architect to plan and design the remodel of the White Mountain Complex for Pre-K and Kindergarten programs.
- The district has contracted with an energy consultant to reduce energy costs by implementing a comprehensive energy management program.
- The district plans to explore the feasibility of relocating Gavilan Canyon School.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Contacting the Ruidoso Municipal Schools

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Ruidoso Municipal School's financial condition and to provide accountability for the funds the School District receives. If you have questions about our report or about the operations of the Ruidoso Municipal Schools, please contact:

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Net Assets
June 30, 2008**

	<u>Governmental Activities</u>
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 12,075,954
Property Taxes Receivable	239,831
Due from Other Governments	303,068
Food Inventory	5,202
Total Current Assets	<u>12,624,055</u>
Noncurrent:	
Capital Assets, Net	<u>40,778,027</u>
Total Assets	<u><u>\$ 53,402,082</u></u>
LIABILITIES	
Current:	
Accounts Payable	\$ 2,683,908
Accrued Payroll	-
Accrued Interest	552,693
Deferred Revenue	165,170
Current Portion of Long-Term Obligations	1,650,000
Total Current Liabilities	<u>5,051,771</u>
Noncurrent:	
Noncurrent Portion of Long-Term Obligations	26,200,000
Bond Premium	12,195
Accrued Compensated Absences	98,001
Total Noncurrent Liabilities	<u>26,310,196</u>
Total Liabilities	<u>31,361,967</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	12,928,027
Restricted:	
Debt Service	2,605,135
Capital Projects	859,544
Unrestricted	<u>5,647,409</u>
Total Net Assets	<u>22,040,115</u>
Total Liabilities and Net Assets	<u><u>\$ 53,402,082</u></u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Activities
For the Year Ended June 30, 2008**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Instruction	\$ 13,357,328	\$ 134,619	\$ 2,184,187	\$ -
Student Support	2,057,051	-	82,176	779
Instruction Support	723,574	-	-	-
School Administration Support	1,246,121	-	562,131	-
Administration	442,059	-	37,210	-
Central Services	493,727	-	-	-
Operation & Maint. of Plant	1,971,741	-	12,600	104,208
Food Services	996,336	232,819	703,292	-
Community Services	39,414	-	-	-
Student Transportation	1,006,186	-	945,696	-
Bond Interest Paid	1,004,134	-	-	-
Inventory Exempt - Unallocated	1,173,276	-	-	-
Depreciation - Unallocated	874,251	-	-	-
Total Governmental Activities	\$ 25,385,198	\$ 367,438	\$ 4,527,292	\$ 104,987

General revenues:

Property taxes:

 General Purposes

 Debt Service

 Capital Projects

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous Income

Total general revenues

Change in net assets

Beginning net assets - as previously reported

Restatement

Net assets - beginning (as restated)

Net assets - ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Governmental
Activities

\$	(11,038,522)
	(1,974,096)
	(723,574)
	(683,990)
	(404,849)
	(493,727)
	(1,854,933)
	(60,225)
	(39,414)
	(60,490)
	(1,004,134)
	(1,173,276)
	(874,251)
	<hr/>
	(20,385,481)
	<hr/>

160,595
2,691,255
968,288

17,619,397
576,215
158,057

22,173,807

1,788,326

20,330,962

(79,173)

20,251,789

\$ 22,040,115

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Balance Sheet
Governmental Funds
June 30, 2008**

	General Fund	Bond Building Fund	Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 985,748	\$ 7,358,274	\$ 3,731,932
Receivables:			
Property Taxes	10,788	-	229,043
Due from Other Governments	-	-	303,068
Due from Other Funds	489,795	-	176,080
Food Inventory	-	-	5,202
Total Assets	<u>\$ 1,486,331</u>	<u>\$ 7,358,274</u>	<u>\$ 4,445,325</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 29,838	\$ 2,611,908	\$ 42,162
Accrued Payroll	-	-	-
Due to Other Funds	-	175,031	490,844
Deferred Revenue:			
Federal, State & Local Grants	-	-	165,171
Delinquent Property Taxes	8,344	-	173,721
Total Liabilities	<u>38,182</u>	<u>2,786,939</u>	<u>871,898</u>
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	2,605,135
Inventories	-	-	5,202
Unreserved, report in:			
Designated for Subs. Year's Expenditures	1,448,149	-	-
Special Revenue	-	-	103,546
Capital Projects	-	4,571,335	859,544
Total Fund Balances	<u>1,448,149</u>	<u>4,571,335</u>	<u>3,573,427</u>
Total Liabilities and Fund Balances	<u>\$ 1,486,331</u>	<u>\$ 7,358,274</u>	<u>\$ 4,445,325</u>

The accompanying notes are an integral part of these financial statements.

Total
Governmental
Funds

\$ 12,075,954

239,831

303,068

665,875

5,202

\$ 13,289,930

\$ 2,683,908

-

665,875

165,170

182,066

3,697,019

2,605,135

5,202

1,448,149

103,546

5,430,879

9,592,911

\$ 13,289,930

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Fund balances - total governmental funds	\$ 9,592,911
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	40,778,027
Other assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Property Taxes	182,066
Other liabilities are not due and payable in the current period and therefore are not reported in the funds - accrued interest payable.	(552,693)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(27,960,196)</u>
Net assets of governmental activities	<u><u>\$ 22,040,115</u></u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008**

	General Fund	Bond Building Fund	Other Governmental Funds
REVENUES			
Federal Sources	\$ 151,767	\$ -	\$ 2,963,043
State Sources	18,813,917	-	221,626
Property Taxes	152,250	-	3,639,734
District Activities	109,320	-	25,317
Investment Income	95,388	460,904	19,923
Food Services	-	-	232,819
Other Revenue	78,554	53,097	132,849
Total Revenues	<u>19,401,196</u>	<u>514,001</u>	<u>7,235,311</u>
EXPENDITURES			
Current:			
Instruction	11,265,443	-	2,025,442
Support Services:			
Students	1,943,863	-	113,190
Instruction	531,684	-	191,890
General Administration	400,955	-	39,513
School Administration	1,190,526	-	51,731
Central Services	491,812	-	1,915
Operation and Maintenance of Plant	1,955,412	-	16,330
Student Transportation	1,006,186	-	-
Other Support Services	1,094	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	956,917
Community Services	27,455	-	11,958
Capital Outlay	-	16,768,379	1,198,167
Debt Service	-	-	2,160,100
Total Expenditures	<u>18,814,430</u>	<u>16,768,379</u>	<u>6,767,153</u>
Excess (deficiency) of revenues over expenditures	586,766	(16,254,378)	468,158
Other Financing Sources (uses)			
Proceeds of Long-term Debt Issuance	-	8,500,000	-
Total Other Financing Sources (uses)	<u>-</u>	<u>8,500,000</u>	<u>-</u>
Net change in fund balances	586,766	(7,754,378)	468,158
Fund Balances--Beginning of the Year	861,383	12,325,713	3,105,269
Fund Balances--End of the Year	<u>\$ 1,448,149</u>	<u>\$ 4,571,335</u>	<u>\$ 3,573,427</u>

The accompanying notes are an integral part of these financial statements.

Total
Governmental
Funds

\$ 3,114,810
19,035,543
3,791,984
134,637
576,215
232,819
264,500
27,150,508

13,290,885

2,057,053
723,574
440,468
1,242,257
493,727
1,971,742
1,006,186
1,094

956,917
39,413
17,966,546
2,160,100
42,349,962

(15,199,454)

8,500,000
8,500,000

(6,699,454)

16,292,365

\$ 9,592,911

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Reconciliation of Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2008**

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

Net change in fund balances - total governmental funds	\$ (6,699,454)
--	----------------

Governmental funds reported capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Expenditures	16,679,502
Depreciation Expense	(874,251)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes	28,154
----------------	--------

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 assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal Payments on Bonds	1,375,000
Proceeds from Bond Issuance	(8,500,000)
Bond Interest	(219,974)
Amortization of Bond Premium	940
Increase in the Liability for Compensated Absences	(1,591)
	(1,591)

Change in net assets of governmental activities	\$ <u>1,788,326</u>
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The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Major Funds
June 30, 2008**

General Fund – to account for resources traditionally associated with government, which is not required to be accounted for in another fund. Revenues and expenditures of the operational, transportation, and instructional materials accounts are accounted for in this fund.

Operational – to account for resources traditionally associated with government, which is not required to be accounted for in another fund.

Transportation – to account for revenues received for the purpose of transporting students.

Instructional Materials – to account for revenues received for the purpose of purchasing instructional materials.

Bond Building Fund - to account for revenue received for the construction and improvements of school owned property.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 135,224	\$ 135,224	\$ 151,359	\$ 16,135
District activities	54,256	54,256	109,321	55,065
Revenue from local sources	25,548	25,548	33,690	8,142
Revenue from state sources	18,615,820	18,745,425	18,813,917	68,492
Revenue from federal sources	26,190	26,190	151,763	125,573
Investment income	38,437	38,437	64,461	26,024
Proceeds from disposal of property	-	-	350	350
Other items	-	-	44,516	44,516
Total revenues	18,895,475	19,025,080	19,369,377	344,297
EXPENDITURES				
Instruction:				
Personnel services - compensation	8,563,403	8,371,431	8,247,436	123,995
Personnel services - employee benefits	2,435,813	2,428,316	2,409,204	19,112
Purchased professional & technical services	20,190	21,225	19,959	1,266
Purchased property services	11,800	24,880	10,705	14,175
Other purchased services	210,700	223,219	188,102	35,117
Supplies	547,479	539,853	390,671	149,182
Property	8,000	8,000	-	8,000
Total instruction	11,797,385	11,616,924	11,266,077	350,847
Support services - students				
Personnel services - compensation	845,028	946,547	946,215	332
Personnel services - employee benefits	248,763	271,910	271,739	171
Purchased professional & technical services	694,067	726,965	705,618	21,347
Other purchased services	2,653	6,989	5,402	1,587
Supplies	26,600	14,700	11,089	3,611
Total students	1,817,111	1,967,111	1,940,063	27,048
Support services - instruction				
Personnel services - compensation	264,025	340,095	338,043	2,052
Personnel services - employee benefits	56,058	109,081	107,702	1,379
Purchased professional & technical services	100	-	-	-
Other purchased services	-	-	-	-
Supplies	131,894	101,668	85,939	15,729
Total instruction	452,077	550,844	531,684	19,160
Support services - general administration				
Personnel services - compensation	197,288	226,686	226,685	1
Personnel services - employee benefits	54,115	64,327	64,266	61
Purchased professional & technical services	78,000	96,560	84,358	12,202
Purchased property services	7,000	10,200	10,200	-
Other purchased services	16,000	13,268	8,895	4,373
Supplies	25,000	10,362	9,955	407
Total general administration	377,403	421,403	404,359	17,044
Support services - school administration				
Personnel services - compensation	926,069	926,069	879,276	46,793
Personnel services - employee benefits	274,019	279,004	259,331	19,673
Purchased professional & technical services	26,000	26,200	25,308	892
Purchased property services	8,000	3,016	-	3,016
Other purchased services	6,000	8,000	5,090	2,910
Supplies	40,300	38,099	21,521	16,578
Total school administration	1,280,388	1,280,388	1,190,526	89,862

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services - central services				
Personnel services - compensation	376,587	376,587	358,396	18,191
Personnel services - employee benefits	110,825	107,563	104,470	3,093
Purchased professional & technical services	3,600	1,600	1,520	80
Other purchased services	28,600	33,862	27,426	6,436
Supplies	-	-	-	-
Total central services	<u>519,612</u>	<u>519,612</u>	<u>491,812</u>	<u>27,800</u>
Support services - operations & maintenance of plant				
Personnel services - compensation	691,175	746,016	734,249	11,767
Personnel services - employee benefits	246,092	263,516	259,387	4,129
Purchased professional & technical services	528	3,024	3,024	-
Purchased property services	788,439	888,309	637,621	250,688
Other purchased services	342,919	334,505	318,592	15,913
Supplies	196,985	30,768	7,521	23,247
Total operations & maintenance of plant	<u>2,266,138</u>	<u>2,266,138</u>	<u>1,960,394</u>	<u>305,744</u>
Support services - student transportation				
Personnel services - compensation	17,624	16,095	16,095	-
Personnel services - employee benefits	10,589	10,928	10,906	22
Purchased property services	866,889	987,443	977,995	9,448
Other purchased services	-	1,190	1,190	-
Total student transportation	<u>895,102</u>	<u>1,015,656</u>	<u>1,006,186</u>	<u>9,470</u>
Support services - other support services				
Debt services & miscellaneous	317,445	317,445	-	317,445
Total other support services	<u>317,445</u>	<u>317,445</u>	<u>-</u>	<u>317,445</u>
Operation of non-instructional services - community services				
Personnel services - compensation	35,000	34,292	30,247	4,045
Personnel services - employee benefits	6,423	7,231	5,297	1,934
Purchased professional & technical services	-	55	55	-
Supplies	500	345	48	297
Total community services	<u>41,923</u>	<u>41,923</u>	<u>35,647</u>	<u>6,276</u>
Total expenditures	<u>19,764,584</u>	<u>19,997,444</u>	<u>18,826,748</u>	<u>1,170,696</u>
Excess (deficiency) of revenues over expenditures	(869,109)	(972,364)	542,629	<u>\$ 1,514,993</u>
Prior year cash balance	470,078	470,078		
End of the year cash balance	<u>\$ (399,031)</u>	<u>\$ (502,286)</u>		
RECONCILIATION TO GAAP				
Prior year taxes receivable			(8,680)	
Current year taxes receivable			10,788	
Prior year accounts payable			33,648	
Current year accounts payable			(29,838)	
Permanent transfers			(1,093)	
Current year accrued interest			30,927	
Prior year accrued payroll			9,600	
Current year deferred revenue			(8,344)	
Prior year deferred revenue			7,129	
Excess (deficiency) of revenues over expenditures			<u>\$ 586,766</u>	

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008**

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 234,483
LIABILITIES	
Deposits Held for Others	\$ 234,483

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

Ruidoso Municipal School District (the "District") is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Ruidoso and surrounding area. 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. Based on the criteria for determining the reporting entity (separate legal entity and fiscal or financial dependency on other governments), the District is considered to be an independent reporting entity and has no component units.

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

B. Government-Wide and Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund 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*.

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

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

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible 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. 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.

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 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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Funds - The District's only fiduciary fund is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

State statutes authorize the 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 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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Currently, the District does not have any investments in the State Treasurer's Investment Pool.

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 to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the District as of the preceding January 1st. The assessed valuation for the 2008 fiscal year was \$471,532,548. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB-9 Capital Improvements Fund, and the 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.

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as 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. Library books are not capitalized but are expensed during the year of purchase.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major outlays and NM Public School Facilities Authority payments for capital assets and improvements are capitalized as projects are constructed.

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	40
Building Improvements	20
Vehicles	5
Office Equipment	5
Computer Equipment & Software	5

5. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The accrued leave at June 30, 2008 was \$98,001.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds are payable as 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 debt service expenditures.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Net Assets and Fund Balance

Equity is classified as net assets in three components:

- a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

9. Indirect Costs

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

10. Salaries and Wages

The District pays all salaries and wages due to teachers on or before June 30th of each year.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a state equalization guarantee distribution which is defined as “that amount of money distributed to each district to insure that the district’s operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the district’s program cost.”

A 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 \$17,619,397 in state equalization guarantee distributions during the year ended June 30, 2008.

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 district. The District received \$945,696 in transportation distributions during the year ended June 30, 2008.

NOTE 2: 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 reappropriated

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

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 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 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 Board 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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

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, 2008 was properly amended by the Board throughout the year. New Mexico state law prohibits a governmental agency to exceed an individual line item. These amendments resulted in the following changes:

Budgeted Funds:	Excess (deficiency) of revenues Over expenditures	
	Original Budget	Final Budget
General Fund	\$ (869,109)	\$ (972,364)
Title I	(12,015,278)	(12,015,278)
Nonmajor Funds	(2,194,575)	(2,194,575)
Totals	\$(15,078,962)	\$(15,182,217)

A. Deficit Fund Equity

The only two deficit fund balance at June 30, 2008 was a deficit of \$1,049 in the Public School Capital Outlay Fund and \$6,968 in the Collaborative Forest Restoration.

NOTE 3: CASH AND TEMPORARY INVESTMENTS

At June 30, 2008 the carrying amount of the District's deposits was \$5,136,802. The total cash and temporary investment balance per the financial institutions was \$6,068,842 and consisted of demand deposits and certificates of deposit. Of this balance, \$203,158 was covered by federal depository insurance and \$4,487,236 was covered by collateral held in joint safekeeping by a third party in the District's name. The remaining \$1,378,448 is comprised of amounts in excess of those required to be collateralized under the State law and cash on hand. Because this amount is uninsured and uncollateralized, it is exposed to custodial credit risk. Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it.

The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Compass Bank	1 st National Bank	Total
Total amount of deposits	\$ 3,191,445	\$ 2,874,239	\$ 6,065,684
FDIC coverage	(100,000)	(100,000)	(200,000)
Total uninsured public funds	3,091,445	2,774,239	5,865,684
Collateral requirement	1,545,723	1,387,120	2,932,842
Pledged security	(4,850,691)	(1,395,791)	(6,246,482)
Over collateralized	\$(3,304,968)	\$ (8,671)	\$(3,313,640)

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 3: CASH AND TEMPORARY INVESTMENTS (continued)

The collateral pledged is listed at page 129. 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 Corporation, public unit deposits are funds owned by the public unit. 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 \$100,000 in aggregate and separate from the \$100,000 coverage for public demand deposits at the same institution.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United State government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month, all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2008. The State Treasurer is the regulatory oversight entity and participation in the pool is voluntary.

As of June 30, 2008, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S Treasuries	\$2,602,927	\$2,602,927			
Money Market and Cash Funds	4,977,500	4,977,500	-	-	-
Total	\$7,580,427	\$7,580,427	\$ -	\$ -	\$ -

Interest Rate Risk – The District does not currently have an investment policy to minimize interest rate risk.

Credit Risk – As previously stated, State statutes allow the District to invest funds in a wide variety of instruments. However, at June 30, 2008 the District had limited the majority of its investments to those back by the full faith and credit of the United States government. In addition, the investments in agencies of the United States were rated Aaa/AAA by Moody’s Investors Service.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 3: CASH AND TEMPORARY INVESTMENTS (continued)

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District requires all investment securities to be held in third-party safekeeping by an institution acceptable to the District. The safekeeping institution is required to issue a safekeeping receipt or book entry notice to the District listing the specific instrument, rate, amount, maturity date, instrument number, term and other pertinent information. In addition, any financial institution holding securities for the benefit of the District is required to provide insurance sufficient to cover 100% of the securities.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer. However, as previously illustrated, 100% of the District's investments are backed by the full faith and credit of the United States government. These types of investments are considered to have minimal risk associated with them.

NOTE 4: RECEIVABLES

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

	General	Bond Building	Other Governmental Funds	Total
Receivables:				
Property taxes	\$ 10,788	\$ -	\$ 229,043	\$ 239,831
Due from other Governments	\$ -	\$ -	\$ 169,052	\$ 303,068

NOTE 5: INTERFUND PAYABLES/RECEIVABLES

Interfund Receivable	Interfund Payable	Amount
Operational Fund	Title I	\$ 150,000
Operational Fund	IDEA B Entitlement	100,000
Operational Fund	Reading First	70,743
Reading First	IDEA B Competitive	3,163
Reading First	IDEA B Preschool	1,061
Reading First	Enhancing Education Through Technology	5,093
Reading First	Enhancing Education Through Technology	4,013
Reading First	Title V-A	1,493
Reading First	English Language Acquisition	4,697
Reading First	Teacher/Principal Training	34,762

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 5: INTERFUND PAYABLES/RECEIVABLES (continued)

Interfund Receivable	Interfund Payable	Amount
Reading First	Child Care Block Grant	\$ 24,975
Operational	Technology for Education Act	19,433
Operational	Center for Teaching Excellence	6,020
Operational	Reading Materials	55,980
Operational	Libraries 2006 GO Bond	8,362
Special Capital Outlay - Local	Public School Capital Outlay	1,049
SB-9 Capital Improvements	Bond Building Fund	175,031
		<u>\$ 665,875</u>

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance 06/30/07	Restatement	Restated Balance 6/30/06	Increases	Decreases	Ending Balance 06/30/08
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 1,340,817	\$ -	\$ 1,340,817	\$ -	\$ -	\$ 1,340,817
Construction in Process	3,180,137	-	3,180,137	16,331,744	(1,013,771)	18,498,110
Capital assets, being depreciated:						
Buildings and improvements	29,645,254	-	29,645,254	1,224,281	-	30,869,535
Land improvements	2,125,286	-	2,125,286	-	-	2,125,286
Equipment	2,643,358	-	2,643,358	137,248	(607,317)	2,173,289
Total at historical cost	38,934,852	-	38,934,852	17,693,273	(1,621,088)	55,007,037
Less Accumulated Depreciation:						
Buildings and improvements	(10,362,530)	-	(10,362,530)	(674,934)	-	(11,037,464)
Land improvements	(1,386,676)	-	(1,386,676)	(74,698)	-	(1,461,374)
Equipment	(2,133,697)	(79,173)	(2,212,870)	(124,619)	607,317	(1,730,172)
Total accumulated depreciation	(13,882,903)	(79,173)	(13,962,076)	(874,251)	607,317	(14,229,010)
Governmental activities capital assets, net	\$25,051,949	\$(79,173)	\$24,972,776	\$16,819,022	\$(1,013,771)	\$40,778,027

Depreciation expense was not charged to functions/programs of the District because the detail information was not available.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 7: LONG – TERM DEBT

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 District boundaries. Bonds outstanding as of June 30, 2008 are comprised of the following:

	Original Amount	Interest Rates	Balance 06/30/08
2005 Refunding Bonds	\$ 6,355,000	2.75-3%	\$ 5,200,000
2006 Series	14,500,000	5%	14,150,000
2007 Series	8,500,000	5%	8,500,000
Total General Obligation Bonds	\$29,355,000		\$27,850,000

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

Year Ending June 30,	General Obligation Bonds		Total Requirements
	Principal	Interest	
2009	\$ 1,650,000	\$ 1,137,862	\$ 2,787,862
2010	1,425,000	1,012,750	2,437,750
2011	1,425,000	966,375	2,391,375
2012	1,600,000	917,500	2,517,500
2013	1,800,000	860,750	2,660,750
2014-2018	8,600,000	3,277,050	11,877,050
2019-2023	11,350,000	1,168,075	12,518,075
Total	\$ 27,850,000	\$ 9,340,362	\$ 37,190,362

Changes in long-term liabilities – During the year ended June 30, 2008, the following changes occurred in liabilities reported in the general obligation bonds and compensated absences.

	Balance 06/30/07	Additions	Retirements	Balance 06/30/08	Due Within One Year
2005 Refunding Bonds	\$ 6,225,000	\$ -	\$ 1,025,000	\$ 5,200,000	\$ 1,000,000
2006 Series	14,500,000	-	350,000	14,150,000	100,000
2007 Series	-	8,500,000	-	8,500,000	550,000
Compensated Absences	96,410	62,153	60,562	98,001	-
	\$ 20,821,410	\$ 8,562,153	\$ 1,435,562	\$ 27,948,001	\$ 1,650,000

Compensated absences typically have been liquidated in the general fund.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks and 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 (NMPSIA) 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, 2008.

NOTE 9: 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.

NOTE 10: EMPLOYEE RETIREMENT PLAN

Plan Description – Substantially all of Ruidoso Municipal School District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502-6129.

Funding Policy – Plan members are required to contribute 7.825% of their gross salary. Ruidoso Municipal School District is required to contribute 10.9% of the gross covered salary. The contribution requirements of plan members and the Ruidoso Municipal School

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 10: EMPLOYEE RETIREMENT PLAN (Continued)

District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The Ruidoso Municipal School District's contributions to the ERA for the years ended June 30, 2008, 2007, and 2006 were: \$1,327,902, \$1,192,862, and \$1,074,501, respectively, equal to the amount of the required contribution for the year.

NOTE 11: POST – RETIREMENT HEALTH CARE BENEFITS

The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the administrator of the plan.

The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or the out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers consist of institutions of higher education school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act, or the Magistrate Retirement Act.

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 Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; and (3) former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

Contributions from participating employers and employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operations or

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 11: POST – RETIREMENT HEALTH CARE BENEFITS (continued)

participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, Albuquerque State Government Center, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, NM 87107.

For the fiscal year ended June 30, 2008, Ruidoso Municipal School District remitted \$163,512 in employer contributions and \$81,756 in employee contributions to the Retiree Health Care Authority.

NOTE 12: ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) today issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The Statement provides needed guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks. The requirements Statement 51 are effective for financial statements for periods beginning after June 15, 2009. The District believes it will have no significant effect on the financial statements for the upcoming year.

In December 2006, the Governmental Accounting Standards Board (GASB) issued Statement No. 49, *Pollution Remedial Obligations*. This statement is effective for financial statements for the periods beginning after December 15, 2007. This statement establishes accounting standards for the recognition and reporting of liabilities related to environmental clean-up efforts. The District believes it will have no significant effect on the financial statements for the upcoming year.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2008**

NOTE 12: ACCOUNTING STANDARDS (continued)

In June 2008, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Statement 53 is intended to improve how state and local governments report information about derivative instruments—financial arrangements used by governments to manage specific risks or make investments—in their financial statements. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In November 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. Reporting those investments at fair value provides more decision-useful information about their composition, current value, and recent changes in value. GASB Statement No. 52 is effective for financial statements for periods beginning after June 15, 2008. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

NOTE 13: PRIOR PERIOD RESTATEMENT

During the current year the District continued to clean up capital asset inventory. Based on the results of the inventory, beginning net capital assets is restated by (\$79,173) to reflect actual beginning net capital assets.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
General Fund
June 30, 2008**

	Operational	Instructional Materials	Transportation	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 962,824	\$ 22,924	\$ -	\$ 985,748
Receivables:				
Taxes	10,788	-	-	10,788
Due from Other Governments	-	-	-	-
Due from Other Funds	489,795	-	-	489,795
Inventory	-	-	-	-
 Total Assets	 <u>\$ 1,463,407</u>	 <u>\$ 22,924</u>	 <u>\$ -</u>	 <u>\$ 1,486,331</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 29,838	\$ -	\$ -	\$ 29,838
Accrued Payroll	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue:				
Federal, State & Local Grants	-	-	-	-
Delinquent Property Taxes	8,344	-	-	8,344
Total Liabilities	<u>38,182</u>	<u>-</u>	<u>-</u>	<u>38,182</u>
 Fund balances:				
Reserved for:				
Inventory	-	-	-	-
Retirement of Long-Term Debt	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	1,425,225	22,924	-	1,448,149
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Total Fund Balances	<u>1,425,225</u>	<u>22,924</u>	<u>-</u>	<u>1,448,149</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,463,407</u>	 <u>\$ 22,924</u>	 <u>\$ -</u>	 <u>\$ 1,486,331</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2008**

	Operational	Instructional Materials	Transportation	Total General Fund
REVENUES				
Federal Sources	\$ 151,767	\$ -	\$ -	\$ 151,767
State Sources	17,619,397	248,824	945,696	18,813,917
Property Taxes	152,250	-	-	152,250
District Activities	109,320	-	-	109,320
Investment Income	95,388	-	-	95,388
Other Revenue	77,226	1,328	-	78,554
Total Revenues	18,205,348	250,152	945,696	19,401,196
EXPENDITURES				
Current:				
Instruction	11,051,262	214,181	-	11,265,443
Support Services:				
Students	1,943,863	-	-	1,943,863
Instruction	515,382	16,302	-	531,684
General Administration	400,955	-	-	400,955
School Administration	1,190,526	-	-	1,190,526
Central Services	491,812	-	-	491,812
Operation and Maintenance of Plant	1,955,412	-	-	1,955,412
Student Transportation	60,490	-	945,696	1,006,186
Other Support Services	1,094	-	-	1,094
Operation of Non Instructional Services				
Food Services Operation	-	-	-	-
Community Services	27,455	-	-	27,455
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	17,638,251	230,483	945,696	18,814,430
Excess (Deficiency) of Revenues Over Expenditures	567,097	19,669	-	586,766
Fund Balances - Beginning of Year	858,128	3,255	-	861,383
Fund Balances - End of Year	\$ 1,425,225	\$ 22,924	\$ -	\$ 1,448,149

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Operational Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 135,224	\$ 135,224	\$ 151,359	\$ 16,135
District activities	54,256	54,256	109,321	55,065
Revenue from local sources	25,548	25,548	32,362	6,814
Revenue from state sources	17,550,905	17,550,905	17,619,397	68,492
Revenue from federal sources	26,190	26,190	151,763	125,573
Investment income	38,437	38,437	64,461	26,024
Proceeds from disposal of property	-	-	350	350
Other items	-	-	44,516	44,516
Total revenues	17,830,560	17,830,560	18,173,529	342,969
EXPENDITURES				
Instruction:				
Personnel services - compensation	8,563,403	8,371,431	8,247,436	123,995
Personnel services - employee benefits	2,435,813	2,428,316	2,409,204	19,112
Purchased professional & technical services	20,190	21,225	19,959	1,266
Purchased property services	11,800	24,880	10,705	14,175
Other purchased services	210,700	223,219	188,102	35,117
Supplies	345,500	313,335	176,490	136,845
Property	8,000	8,000	-	8,000
Total instruction	11,595,406	11,390,406	11,051,896	338,510
Support services - students				
Personnel services - compensation	845,028	946,547	946,215	332
Personnel services - employee benefits	248,763	271,910	271,739	171
Purchased professional & technical services	694,067	726,965	705,618	21,347
Other purchased services	2,653	6,989	5,402	1,587
Supplies	26,600	14,700	11,089	3,611
Total students	1,817,111	1,967,111	1,940,063	27,048
Support services - instruction				
Personnel services - compensation	264,025	340,095	338,043	2,052
Personnel services - employee benefits	56,058	109,081	107,702	1,379
Purchased professional & technical services	100	-	-	-
Other purchased services	-	-	-	-
Supplies	114,100	76,107	69,637	6,470
Total instruction	434,283	525,283	515,382	9,901
Support services - general administration				
Personnel services - compensation	197,288	226,686	226,685	1
Personnel services - employee benefits	54,115	64,327	64,266	61
Purchased professional & technical services	78,000	96,560	84,358	12,202
Purchased property services	7,000	10,200	10,200	-
Other purchased services	16,000	13,268	8,895	4,373
Supplies	25,000	10,362	9,955	407
Total general administration	377,403	421,403	404,359	17,044
Support services - school administration				
Personnel services - compensation	926,069	926,069	879,276	46,793
Personnel services - employee benefits	274,019	279,004	259,331	19,673
Purchased professional & technical services	26,000	26,200	25,308	892
Purchased property services	8,000	3,016	-	3,016
Other purchased services	6,000	8,000	5,090	2,910
Supplies	40,300	38,099	21,521	16,578
Total school administration	1,280,388	1,280,388	1,190,526	89,862

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Operational Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services - central services				
Personnel services - compensation	376,587	376,587	358,396	18,191
Personnel services - employee benefits	110,825	107,563	104,470	3,093
Purchased professional & technical services	3,600	1,600	1,520	80
Other purchased services	28,600	33,862	27,426	6,436
Supplies	-	-	-	-
Total central services	<u>519,612</u>	<u>519,612</u>	<u>491,812</u>	<u>27,800</u>
Support services - operations & maintenance of plant				
Personnel services - compensation	691,175	746,016	734,249	11,767
Personnel services - employee benefits	246,092	263,516	259,387	4,129
Purchased professional & technical services	528	3,024	3,024	-
Purchased property services	788,439	888,309	637,621	250,688
Other purchased services	342,919	334,505	318,592	15,913
Supplies	196,985	30,768	7,521	23,247
Total operations & maintenance of plant	<u>2,266,138</u>	<u>2,266,138</u>	<u>1,960,394</u>	<u>305,744</u>
Support services - student transportation				
Personnel services - compensation	-	195	195	-
Personnel services - employee benefits	-	40	18	22
Other purchased services	49,960	68,535	59,087	9,448
Supplies	-	1,190	1,190	-
Total student transportation	<u>49,960</u>	<u>69,960</u>	<u>60,490</u>	<u>9,470</u>
Support services - other support services				
Debt services & miscellaneous	317,445	317,445	-	317,445
Total other support services	<u>317,445</u>	<u>317,445</u>	<u>-</u>	<u>317,445</u>
Support services - food services				
Food services & miscellaneous	249,959	149,959	-	149,959
Total other support services	<u>249,959</u>	<u>149,959</u>	<u>-</u>	<u>149,959</u>
Operation of non-instructional services - community services				
Personnel services - compensation	35,000	34,292	30,247	4,045
Personnel services - employee benefits	6,423	7,231	5,297	1,934
Purchased professional & technical services	-	55	55	-
Supplies	500	345	48	297
Total community services	<u>41,923</u>	<u>41,923</u>	<u>35,647</u>	<u>6,276</u>
Total expenditures	<u>18,949,628</u>	<u>18,949,628</u>	<u>17,650,569</u>	<u>1,299,059</u>
Excess (deficiency) of revenues over expenditures	(1,119,068)	(1,119,068)	522,960	<u>\$ 1,642,028</u>
Prior year cash balance	470,078	470,078		
End of the year cash balance	<u>\$ (648,990)</u>	<u>\$ (648,990)</u>		
RECONCILIATION TO GAAP				
Prior year taxes receivable			(8,680)	
Current year taxes receivable			10,788	
Prior year accounts payable			33,648	
Current year accounts payable			(29,838)	
Prior year accrued payroll			9,600	
Permanent transfers			(1,093)	
Current year accrued interest			30,927	
Current year deferred revenue			(8,344)	
Prior year deferred revenue			7,129	
Excess (deficiency) of revenues over expenditures			<u>\$ 567,097</u>	

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Pupil Transportation Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 845,142	\$ 945,696	\$ 945,696	\$ -
<i>Total revenue</i>	<u>845,142</u>	<u>945,696</u>	<u>945,696</u>	<u>-</u>
EXPENDITURES				
Support services:				
Student transportation	845,142	945,696	945,696	-
<i>Total expenditures</i>	<u>845,142</u>	<u>945,696</u>	<u>945,696</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Instructional Materials
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from local sources	\$ -	\$ -	\$ 1,328	\$ 1,328
Revenue from state sources	219,773	248,824	248,824	-
<i>Total revenue</i>	<u>219,773</u>	<u>248,824</u>	<u>250,152</u>	<u>1,328</u>
EXPENDITURES				
Instruction	201,979	226,518	214,181	12,337
Support services:				
Instruction	17,794	25,561	16,302	9,259
<i>Total expenditures</i>	<u>219,773</u>	<u>252,079</u>	<u>230,483</u>	<u>21,596</u>
Excess (deficiency) of revenues over expenditures	-	(3,255)	<u>\$ 19,669</u>	<u>\$ 22,924</u>
Prior year cash balance	-	-		
End of the year cash balance	<u>\$ -</u>	<u>\$ (3,255)</u>		

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Bond Building Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 794,320	\$ 794,320
Sale of bonds	-	8,500,695	8,500,696	1
Total revenues	-	8,500,695	9,295,016	794,320
EXPENDITURES				
Capital outlay	12,015,278	20,515,973	14,253,082	6,262,891
Total expenditures	12,015,278	20,515,973	14,253,082	6,262,891
Excess (deficiency) of revenues over expenditures	(12,015,278)	(12,015,278)	(4,958,066)	<u>\$ 7,057,211</u>
Prior year cash balance	(5,285)	(5,285)		
End of the year cash balance	<u>\$ (12,020,563)</u>	<u>\$ (12,020,563)</u>		
RECONCILIATION TO GAAP				
Current year accounts payable			(2,611,908)	
Prior year accounts payable			96,610	
Prior year unrealized gain			(276,485)	
Current year unrealized loss			(4,529)	
Excess (deficiency) of revenues over expenditures			<u>\$ (7,754,378)</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2008**

Food Services – to account for revenues generated by the District as well as the federal assistance received and the related expenditures necessary to provide food services for the District. (Authority, NMSA 22-13-13)

Athletics – to account for the revenues received and the related expenditures incurred by the District related to athletic functions. (Authority, SBE Reg. 93-1)

Collaborative Forest Restoration - to account for funds for a collaborative effort with public and private stakeholders seeking to perform forest and watershed restoration activities on 93 acres of Ruidoso Municipal School District (RMSD) and USDA Forest Service lands.

Title II-A – to account for monies received to assist in the mathematics and science programs of school districts. (Authority, Title II of ESEA of 1965)

Competitive IDEA-B – to account for a federal grant restricted to the operation and maintenance of meeting the special educational need of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec. 611, as amended; PL 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, PL 105-1)

IDEA-B Preschool – to account for a federal grant restricted to the operation and maintenance of meeting the special educational needs of preschool children with disabilities. (Authority, Individuals with Disabilities Act, part B, Sec. 619, as amended; PL 94-142, 99-457, 100-630, 101-497, and 101-476)

Enhancing Education Through Technology – funds are to be used for the increase of hardware, software, and training to increase the use of technology in teaching. (Authority, NMSA, 22-15-A-9)

Title V-A – to account for monies received to improve elementary and secondary for children attending both public and private schools. This fund was created by grant provisions. (PL 103-382)

Title III – English Language Acquisition – to account for monies received to improve the education of limited English proficient children and youths by helping them learn English and meet challenging state academic content and student academic achievement standards. (Authority, Title III, Part A of the Elementary and Secondary Education Act)

Rural and Low Income Schools – to account for monies to rural schools to enhance their education programs in technology, career readiness, and summer school and after school tutoring programs. The authority for this program is under CFDA 84-3580, Title II.

Headstart – extended day/extended year childcare services for children of TANF recipients. Headstart program is for ages 3-5 years. The fund was created by the authority of the grant provisions.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2008**

GRADS Childcare – to assist States to develop and implement, or expand and enhance, a comprehensive, statewide system of community-based family resource and support services. Authorized by the Child Abuse Prevention and Treatment Act, 42 U.S.C. et Seq., as amended, Public Law 104-235.

Parents as Teachers – to account for funds used in conjunction with early childhood programs for preschool age children. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

GRADS Child/Adult Care Food Program– to account for revenues received to coordinate child health improvements. (Authority, State Grant Provision and Ruidoso Board of Education)

Title VII Indian Education Formula – the purpose of this program is to support projects, which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818, 25 U.S.C. 2001.

TANIF – extended day/extended year childcare services for children of TANF (Temporary Assistance for Needy Families) recipients. School-age program is for ages 5-9 years. The fund was created by the authority of the grant provisions.

Birth/2 Year DD:HED – to account for a state grant restricted to the operation and maintenance of delivering services to developmentally disabled children between birth and two years old. The fund was created by the authority of the State of New Mexico grant provisions.

Technology for Education Act – to account for revenues received from the State for the purpose of expanding and improving the technology program. (Authority, NMSA 22-15A-1)

Center for Teaching Excellence – to account for revenues received from the State to improve and develop testing procedures in the educational program. (Authority, SDE Regulations)

Reading First – to account for federal resources administered by the State Department of Education for a comprehensive reading approach which will incorporate research-based materials, intensive and systematic onsite professional development and an assessment-teaching-learning cycle that feeds assessment data into dynamic instructional decision-making. (P.L. 100-297)

GRADS Instructional – to account for funds from the New Mexico Graduation, Reality and Dual-Rolls Skills Systems awarded by legislative appropriation that flow through the Public Education Department to provide health classes that promote pregnancy prevention.

Medicaid – to account for earned Medicaid reimbursements to improve and expand preventive and support services by providing school-based screening and diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan. (Social Security Act Title XIX P.L. 89-97)

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2008**

Jordan Fundamentals Grant- to account for revenues received from the Jordan Fundamentals Grant Foundation for the purpose of special grants to supplement educational activities in science and technology and art.

School Improvement Framework – the objective of this program is to provide incentive for schools that have been declared 'on the rise' as a result of meeting adequate yearly progress for two consecutive years, and thereby, exiting from the school in need of improvement process.

IDEA-B Entitlement – to account for a federal grant restricted to the operation and maintenance of meeting the special educational need of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; PL 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, PL 105-17)

EETT Competitive Grant - to account for funds which provide hardware, software and training to enhance classroom use of technology.

Beginning Teacher Mentoring - the objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. (Authority for creation of this fund is NMSA 22-2-8-10)

PNM Foundation - to account for revenues received from the PNM Resources Foundation for classroom innovation projects.

Private Direct Grants - to account for revenues received from Public Service Company of New Mexico (PNM) for a Classroom Innovation Grant for Electronic Tutoring.

Breakfast in the Classroom - to account for revenues appropriated by the NM Legislature to help students develop lifelong healthy eating habits, while ensuring students are prepared for the learning process.

Title VIII - Special Education - to account for federal funds designated for special education students residing on federal lands and is restricted to expenditure by the federal government. The project is funded by the Federal Government, under Public Law 103-382.

Title VIII - Indian Education - to account for federal resources to provide assistance for Indian students' needs, support services and special projects. The project is funded by the Federal Government, under Public Law 103-382.

Hubbard Foundation - to account for revenues received from the Hubbard Foundation for special classroom projects.

A+ for Energy Grant - to account for revenues received from the A BP Energy Education Program in support of classroom projects in science

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2008**

Incentives for School Improvement - to account for revenues received for schools achieving outstanding improvements in reading and math proficiency in 2005-2006. (Authority, 22-2C-8 and 22-2C-9,1 NMSA 1978)

Reading First Materials - to account for revenues received from the state for the purpose of improving reading programs.

Libraries 2006 SB-30 Go Bond - to account for revenues received from the state to acquire library books, equipment, and library resources for public school and state-support school libraries. (Authority, Laws 2006, (SB 301)

Title I – to account for revenues received from the State for the purpose of expanding and improving the technology program. (Authority, NMSA 22-15A-1)

Public School Capital Outlay – to account for revenue received for the construction and improvements of school owned property.

Special Capital Outlay – Local – this fund provides financing from local revenues for the construction and improvements to the School District’s building and facilities.

Special Capital Outlay – State – this fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

SB-9 Capital Improvements - to account for the receipt of local proceeds from a mill levy on ad valorem/property taxes and state matching funds. These are to be expended for capital outlay projects and maintenance.

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

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2008**

	Food Services	Athletics	Collaborative Forest Restoration
ASSETS			
Cash and Cash Equivalents	\$ 69,639	\$ 9,922	\$ 2
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	-	-	-
Due from other Funds	-	-	-
Food Inventory	5,202	-	-
 Total Assets	 \$ 74,841	 \$ 9,922	 \$ 2
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 6,970
Accrued Payroll	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue:			
Federal, State & Local Grants	-	-	-
Delinquent Property Taxes	-	-	-
Total Liabilities	-	-	6,970
 Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	5,202	-	-
Unreserved:			
Designated for Subs. Year's Expen.	69,639	9,922	(6,968)
Total Fund Balances	74,841	9,922	(6,968)
 Total Liabilities and Fund Balances	 \$ 74,841	 \$ 9,922	 \$ 2

Title II-A	Competitive IDEA-B	IDEA-B Preschool	Enhancing Education Through Technology	Title V-A	Title III - English Language Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
34,762	3,163	1,061	5,093	1,493	4,697
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 34,762</u>	<u>\$ 3,163</u>	<u>\$ 1,061</u>	<u>\$ 5,093</u>	<u>\$ 1,493</u>	<u>\$ 4,697</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
34,762	3,163	1,061	5,093	1,493	4,697
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,762</u>	<u>3,163</u>	<u>1,061</u>	<u>5,093</u>	<u>1,493</u>	<u>4,697</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 34,762</u>	<u>\$ 3,163</u>	<u>\$ 1,061</u>	<u>\$ 5,093</u>	<u>\$ 1,493</u>	<u>\$ 4,697</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2008**

	Rural and Low Income Schools	Headstart	GRADS Childcare
ASSETS			
Cash and Cash Equivalents	\$ 1,088	\$ -	\$ 695
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	-	-	-
Due from other Funds	-	-	-
Food Inventory	-	-	-
	-	-	-
Total Assets	\$ 1,088	\$ -	\$ 695
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue:			
Federal, State & Local Grants	1,088	-	695
Delinquent Property Taxes	-	-	-
Total Liabilities	1,088	-	695
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	-	-	-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ 1,088	\$ -	\$ 695

Parents as Teachers	GRADS Child/Adult Care Food Program	Title VII Indian Ed Formula	TANIF	Birth/2 Year DD-HED	Technology for Education Act
\$ -	\$ 3,374	\$ -	\$ 2,897	\$ -	\$ -
-	-	-	-	-	-
24,975	-	-	-	-	19,433
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 24,975</u>	<u>\$ 3,374</u>	<u>\$ -</u>	<u>\$ 2,897</u>	<u>\$ -</u>	<u>\$ 19,433</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
24,975	-	-	-	-	19,433
-	3,374	-	2,897	-	-
-	-	-	-	-	-
<u>24,975</u>	<u>3,374</u>	<u>-</u>	<u>2,897</u>	<u>-</u>	<u>19,433</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 24,975</u>	<u>\$ 3,374</u>	<u>\$ -</u>	<u>\$ 2,897</u>	<u>\$ -</u>	<u>\$ 19,433</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2008**

	Center for Teaching Excellence	Reading First	GRADS Instructional
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 71,217	\$ -
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	6,020	-	-
Due from other Funds	-	-	-
Food Inventory	-	-	-
Total Assets	\$ 6,020	\$ 71,217	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	6,020	70,743	-
Deferred Revenue:			
Federal, State & Local Grants	-	474	-
Delinquent Property Taxes	-	-	-
Total Liabilities	6,020	71,217	-
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	-	-	-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ 6,020	\$ 71,217	\$ -

Medicaid	Jordan Fundamentals Grant	School Improvement Framework	IDEA-B Entitlement	EETT Competitive Grant
\$ -	\$ 4	\$ -	\$ 100,051	\$ -
-	-	-	-	-
-	-	-	-	4,013
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 100,051</u>	<u>\$ 4,013</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	100,000	4,013
-	-	-	51	-
-	-	-	-	-
-	-	-	100,051	4,013
-	-	-	-	-
-	-	-	-	-
-	4	-	-	-
-	4	-	-	-
<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 100,051</u>	<u>\$ 4,013</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2008**

	Beginning Teacher Mentoring	PNM Foundation	Private Direct Grants
ASSETS			
Cash and Cash Equivalents	\$ 311	\$ 4,800	\$ 26,149
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	-	-	-
Due from other Funds	-	-	-
Food Inventory	-	-	-
Total Assets	\$ 311	\$ 4,800	\$ 26,149
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue:			
Federal, State & Local Grants	311	-	-
Delinquent Property Taxes	-	-	-
Total Liabilities	311	-	-
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	-	4,800	26,149
Total Fund Balances	-	4,800	26,149
Total Liabilities and Fund Balances	\$ 311	\$ 4,800	\$ 26,149

<u>Breakfast in the Classroom</u>	<u>Title VIII-Special Education</u>	<u>Title VIII-Indian Education</u>	<u>Hubbard Foundation</u>	<u>A+ for Energy Grant</u>
\$ 1	\$ 76,083	\$ 80,196	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1</u>	<u>\$ 76,083</u>	<u>\$ 80,196</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
1	76,083	80,196	-	-
-	-	-	-	-
<u>1</u>	<u>76,083</u>	<u>80,196</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1</u>	<u>\$ 76,083</u>	<u>\$ 80,196</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2008**

	Incentive for School Improvement	Reading First Materials	Libraries 2006 SB 301 GO Bond
ASSETS			
Cash and Cash Equivalents	\$ 1	\$ -	\$ -
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	-	55,980	8,362
Due from other Funds	-	-	-
Food Inventory	-	-	-
	-	-	-
Total Assets	\$ 1	\$ 55,980	\$ 8,362
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	-	55,980	8,362
Deferred Revenue:			
Federal, State & Local Grants	1	-	-
Delinquent Property Taxes	-	-	-
Total Liabilities	1	55,980	8,362
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	-	-	-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ 1	\$ 55,980	\$ 8,362

Title I	Total Nonmajor Special Revenue Funds
\$ 15,984	\$ 462,414
-	-
134,016	303,068
-	-
-	5,202
<u>\$ 150,000</u>	<u>\$ 770,684</u>
\$ -	\$ 6,970
-	-
150,000	489,795
-	-
-	165,171
-	-
<u>150,000</u>	<u>661,936</u>
-	-
-	5,202
-	103,546
<u>-</u>	<u>108,748</u>
<u>\$ 150,000</u>	<u>\$ 770,684</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Capital Projects and Debt Service Governmental Funds
June 30, 2008**

	Public School Capital Outlay	Special Capital Outlay Local	Special Capital Outlay State
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 13,343	\$ 577
Receivables:			
Property Taxes	-	-	-
Due from other Governments	-	-	-
Due from other Funds	-	1,049	-
Food Inventory	-	-	-
	-	-	-
Total Assets	\$ -	\$ 14,392	\$ 577
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	1,049	-	-
Deferred Revenue:			
Federal, State & Local Grants	-	-	-
Delinquent Property Taxes	-	-	-
Total Liabilities	1,049	-	-
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	(1,049)	14,392	577
Total Fund Balances	(1,049)	14,392	577
Total Liabilities and Fund Balances	\$ -	\$ 14,392	\$ 577

SB-9 Capital Improvements	Total Nonmajor Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 691,483	\$ 705,403	\$ 2,564,115	\$ 3,731,932
58,570	58,570	170,473	229,043
-	-	-	303,068
175,031	176,080	-	176,080
-	-	-	5,202
<u>\$ 925,084</u>	<u>\$ 940,053</u>	<u>\$ 2,734,588</u>	<u>\$ 4,445,325</u>
\$ 35,192	\$ 35,192	\$ -	\$ 42,162
-	-	-	-
-	1,049	-	490,844
-	-	-	165,171
44,268	44,268	129,453	173,721
<u>79,460</u>	<u>80,509</u>	<u>129,453</u>	<u>871,898</u>
-	-	-	-
-	-	-	5,202
845,624	859,544	2,605,135	3,568,225
<u>845,624</u>	<u>859,544</u>	<u>2,605,135</u>	<u>3,573,427</u>
<u>\$ 925,084</u>	<u>\$ 940,053</u>	<u>\$ 2,734,588</u>	<u>\$ 4,445,325</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Governmental Funds
For the Year Ended June 30, 2008**

	Food Services	Athletics	Collaborative Forest Restoration
REVENUES			
Federal Sources	\$ 637,029	\$ -	\$ 90,758
State Sources	-	-	-
Property Taxes	-	-	-
District Activities	-	25,317	-
Investment Income	780	74	-
Food Services	232,819	-	-
Other Revenue	-	-	-
Total Revenues	870,628	25,391	90,758
EXPENDITURES			
Current:			
Instruction	-	32,769	28,376
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	890,654	-	-
Community Services	-	-	-
Capital Outlay	39,419	-	69,350
Debt Service	-	-	-
Total Expenditures	930,073	32,769	97,726
Excess (deficiency) of revenues over expenditures	(59,445)	(7,378)	(6,968)
Fund Balances--Beginning of the Year	134,286	17,300	-
Fund Balances--End of the Year	\$ 74,841	\$ 9,922	\$ (6,968)

Title II-A	Competitive IDEA-B	IDEA-B Preschool	Enhancing Education Through Technology	Title V-A	Title III - English Language Acquisition
\$ 100,586	\$ -	\$ 18,746	\$ -	\$ 3,027	\$ 14,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	252	-	-	-
<u>100,586</u>	<u>-</u>	<u>18,998</u>	<u>-</u>	<u>3,027</u>	<u>14,000</u>
100,586	-	18,998	-	-	14,000
-	-	-	-	3,027	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>100,586</u>	<u>-</u>	<u>18,998</u>	<u>-</u>	<u>3,027</u>	<u>14,000</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Governmental Funds
For the Year Ended June 30, 2008**

	Rural and Low Income Schools	Headstart	GRADS Childcare
REVENUES			
Federal Sources	\$ 75,270	\$ 349	\$ 5,000
State Sources	-	-	-
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	-	-
Total Revenues	75,270	349	5,000
EXPENDITURES			
Current:			
Instruction	63,312	349	5,000
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	-
Community Services	11,958	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	75,270	349	5,000
Excess (deficiency) of revenues over expenditures	-	-	-
Fund Balances--Beginning of the Year	-	-	-
Fund Balances--End of the Year	\$ -	\$ -	\$ -

Parents as Teachers	GRADS Child/Adult Care Food Program	Title VII Indian Ed Formula	TANIF	Birth/2 Year DD:HED	Technology for Education Act
\$ 110,000	\$ 2,676	\$ 78,177	\$ -	\$ -	\$ 37,606
-	-	-	-	141	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>110,000</u>	<u>2,676</u>	<u>78,177</u>	<u>-</u>	<u>141</u>	<u>37,606</u>
110,000	2,676	6,942	-	141	15,790
-	-	71,235	-	-	6,921
-	-	-	-	-	1,436
-	-	-	-	-	3,342
-	-	-	-	-	8,202
-	-	-	-	-	1,915
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>110,000</u>	<u>2,676</u>	<u>78,177</u>	<u>-</u>	<u>141</u>	<u>37,606</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Governmental Funds
For the Year Ended June 30, 2008**

	Center for Teaching Excellence	Reading First	GRADS Instructional
REVENUES			
Federal Sources	\$ -	\$ 782,488	\$ 4,000
State Sources	5,999	-	-
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	-	-
Total Revenues	5,999	782,488	4,000
EXPENDITURES			
Current:			
Instruction	5,999	744,187	4,000
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	38,301	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	-
Community Services	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	5,999	782,488	4,000
Excess (deficiency) of revenues over expenditures	-	-	-
Fund Balances--Beginning of the Year	-	-	-
Fund Balances--End of the Year	\$ -	\$ -	\$ -

Medicaid	Jordan Fundamentals Grant	School Improvement Framework	IDEA-B Entitlement	EETT Competitive Grant
\$ 779	\$ -	\$ -	\$ 423,029	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,500	-	-	-
779	2,500	-	423,029	-
427	2,496	-	278,733	-
352	-	-	31,655	-
-	-	-	107,413	-
-	-	-	-	-
-	-	-	5,228	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
779	2,496	-	423,029	-
-	4	-	-	-
-	-	-	-	-
\$ -	\$ 4	\$ -	\$ -	\$ -

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Governmental Funds
For the Year Ended June 30, 2008**

	Beginning Teacher Mentoring	PNM Foundation	Private Direct Grants
REVENUES			
Federal Sources	\$ -	\$ -	\$ -
State Sources	2,880	-	-
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	4,800	37,210
Total Revenues	2,880	4,800	37,210
EXPENDITURES			
Current:			
Instruction	2,880	-	4,421
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	16,330
Student Transportation	-	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	-
Community Services	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	2,880	-	20,751
Excess (deficiency) of revenues over expenditures	-	4,800	16,459
Fund Balances--Beginning of the Year	-	-	9,690
Fund Balances--End of the Year	\$ -	\$ 4,800	\$ 26,149

Breakfast in the Classroom	Title VIII-Special Education	Title VIII-Indian Education	Hubbard Foundation	A+ for Energy Grant
\$ -	\$ 15,926	\$ 20,419	\$ -	\$ -
66,263	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	246	4,000	5,000
66,263	15,926	20,665	4,000	5,000
-	15,926	20,665	4,000	5,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
66,263	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
66,263	15,926	20,665	4,000	5,000
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Governmental Funds
For the Year Ended June 30, 2008**

	Incentive for School Improvement	Reading First Materials	Libraries 2006 SB 301 GO Bond
REVENUES			
Federal Sources	\$ -	\$ -	\$ -
State Sources	13,290	55,980	8,362
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	-	-
Total Revenues	13,290	55,980	8,362
EXPENDITURES			
Current:			
Instruction	13,290	55,980	-
Support Services:			
Students	-	-	-
Instruction	-	-	8,362
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	-
Community Services	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	13,290	55,980	8,362
Excess (deficiency) of revenues over expenditures	-	-	-
Fund Balances--Beginning of the Year	-	-	-
Fund Balances--End of the Year	\$ -	\$ -	\$ -

Title I		Total Nonmajor Special Revenue Funds	
\$	543,178	\$	2,963,043
	-		152,915
	-		-
	-		25,317
	-		854
	-		232,819
	-		54,008
	<u>543,178</u>		<u>3,428,956</u>
	468,499		2,025,442
	-		113,190
	74,679		191,890
	-		3,342
	-		51,731
	-		1,915
	-		16,330
	-		-
	-		-
	-		-
	-		956,917
	-		11,958
	-		108,769
	-		-
	<u>543,178</u>		<u>3,481,484</u>
	-		(52,528)
	-		161,276
\$	<u>-</u>	\$	<u>108,748</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Capital Projects and Debt Service Governmental Funds
For the Year Ended June 30, 2008**

	Public School Capital Outlay	Special Capital Outlay-Local	Special Capital Outlay-State
REVENUES			
Federal Sources	\$ -	\$ -	\$ -
State Sources	12,600	-	5,000
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	-	-
Total Revenues	12,600	-	5,000
EXPENDITURES			
Current:			
Instruction	-	-	-
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	-
Community Services	-	-	-
Capital Outlay	12,600	-	-
Debt Service	-	-	-
Total Expenditures	12,600	-	-
Excess (deficiency) of revenues over expenditures	-	-	5,000
Fund Balances--Beginning of the Year	(1,049)	14,392	(4,423)
Fund Balances--End of the Year	\$ (1,049)	\$ 14,392	\$ 577

SB-9 Capital Improvements	Total Nonmajor Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 2,963,043
51,111	68,711	-	221,626
924,020	924,020	2,715,714	3,639,734
-	-	-	25,317
12,901	12,901	6,168	19,923
-	-	-	232,819
78,841	78,841	-	132,849
<u>1,066,873</u>	<u>1,084,473</u>	<u>2,721,882</u>	<u>7,235,311</u>
-	-	-	2,025,442
-	-	-	113,190
-	-	-	191,890
10,960	10,960	25,211	39,513
-	-	-	51,731
-	-	-	1,915
-	-	-	16,330
-	-	-	-
-	-	-	-
-	-	-	956,917
-	-	-	11,958
1,076,798	1,089,398	-	1,198,167
-	-	2,160,100	2,160,100
<u>1,087,758</u>	<u>1,100,358</u>	<u>2,185,311</u>	<u>6,767,153</u>
(20,885)	(15,885)	536,571	468,158
866,509	875,429	2,068,564	3,105,269
<u>\$ 845,624</u>	<u>\$ 859,544</u>	<u>\$ 2,605,135</u>	<u>\$ 3,573,427</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Food Services
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 688	\$ 688	\$ 780	\$ 92
Food services	219,800	219,800	232,819	13,019
Revenue from federal sources	610,000	610,000	637,029	27,029
<i>Total revenues</i>	<u>830,488</u>	<u>830,488</u>	<u>870,628</u>	<u>40,140</u>
EXPENDITURES				
Operation of non-instructional services:				
Food services	958,119	958,119	947,285	10,834
<i>Total expenditures</i>	<u>958,119</u>	<u>958,119</u>	<u>947,285</u>	<u>10,834</u>
Excess (deficiency) of revenues over expenditures	(127,631)	(127,631)	(76,657)	<u>\$ 50,974</u>
Prior year cash balance	<u>146,321</u>	<u>146,321</u>		
End of the year cash balance	<u>\$ 18,690</u>	<u>\$ 18,690</u>		
RECONCILIATION TO GAAP				
Prior year accounts payable			28,007	
Changes in inventory			<u>(10,795)</u>	
			<u>\$ (59,445)</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Athletics
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 130	\$ 130	\$ 74	\$ (56)
District activities	26,000	26,000	25,317	(683)
<i>Total revenues</i>	<u>26,130</u>	<u>26,130</u>	<u>25,391</u>	<u>(739)</u>
EXPENDITURES				
Instruction	43,372	43,372	32,769	10,603
<i>Total expenditures</i>	<u>43,372</u>	<u>43,372</u>	<u>32,769</u>	<u>10,603</u>
Excess (deficiency) of revenues over expenditures	(17,242)	(17,242)	<u>\$ (7,378)</u>	<u>\$ 9,864</u>
Prior year cash balance	<u>17,300</u>	<u>17,300</u>		
End of the year cash balance	<u>\$ 58</u>	<u>\$ 58</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Collaborative Forest Restoration
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 118,800	\$ 90,758	\$ (28,042)
<i>Total revenues</i>	-	118,800	90,758	(28,042)
EXPENDITURES				
Instruction	-	39,000	21,406	17,594
Capital outlay	-	79,800	69,350	10,450
<i>Total expenditures</i>	-	118,800	90,756	28,044
Excess (deficiency) of revenues over expenditures	-	-	\$ 2	\$ 2
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year accounts payable			(6,970)	
			\$ (6,968)	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title II-A - Teacher/Principal Training & Recruiting
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 111,948	\$ 100,586	\$ 65,824	\$ (34,762)
<i>Total revenues</i>	111,948	100,586	65,824	(34,762)
EXPENDITURES				
Instruction	111,948	100,586	100,586	-
<i>Total expenditures</i>	111,948	100,586	100,586	-
Excess (deficiency) of revenues over expenditures	-	-	(34,762)	\$ (34,762)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year due from other governments			34,762	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Competitive IDEA-B
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Preschool
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 22,463	\$ 19,000	\$ 17,939	\$ (1,061)
<i>Total revenues</i>	22,463	19,000	17,939	(1,061)
EXPENDITURES				
Instruction	22,463	19,000	19,000	-
<i>Total expenditures</i>	22,463	19,000	19,000	-
Excess (deficiency) of revenues over expenditures	-	-	(1,061)	\$ (1,061)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year due from other governments			1,061	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Enhancing Education Thru Technology-(E2T2-F)
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 5,244	\$ 5,244
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5,244</u>	<u>5,244</u>
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Central services	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ 5,244</u>	<u>\$ 5,244</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		
RECONCILIATION TO GAAP				
Current year due from other governments			5,092	
Prior year due from other governments			<u>(10,336)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title V-Part A
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 2,941	\$ 3,027	\$ 2,582	\$ (445)
<i>Total revenues</i>	2,941	3,027	2,582	(445)
EXPENDITURES				
Support services:				
School administration	2,941	-	-	-
Students	-	3,027	3,027	
<i>Total expenditures</i>	2,941	3,027	3,027	-
Excess (deficiency) of revenues over expenditures	-	-	(445)	\$ (445)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year accounts receivable			1,493	
Prior year accounts receivable			(1,048)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title III-English Language Acquisition
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 17,133	\$ 14,000	\$ 9,303	\$ (4,697)
<i>Total revenues</i>	17,133	14,000	9,303	(4,697)
 EXPENDITURES				
Instruction	17,133	14,000	14,000	-
<i>Total expenditures</i>	17,133	14,000	14,000	-
Excess (deficiency) of revenues over expenditures	-	-	(4,697)	\$ (4,697)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
 RECONCILIATION TO GAAP				
Current year accounts receivable			4,697	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Rural & Low Income Schools
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 64,245	\$ 75,270	\$ 98,864	\$ 23,594
<i>Total revenues</i>	<u>64,245</u>	<u>75,270</u>	<u>98,864</u>	<u>23,594</u>
EXPENDITURES				
Instruction	54,245	63,312	63,312	-
Operation of non-instructional services:				
Community services	10,000	11,958	11,958	-
<i>Total expenditures</i>	<u>64,245</u>	<u>75,270</u>	<u>75,270</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	23,594	<u>\$ 23,594</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		
RECONCILIATION TO GAAP				
Current year deferred revenue			(1,088)	
Prior year accounts receivable			<u>(22,506)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Headstart
For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>REVENUES</i>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenue</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>EXPENDITURES</i>				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>349</u>	<u>349</u>		
End of the year cash balance	<u>\$ 349</u>	<u>\$ 349</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
GRADS Childcare
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 5,000	\$ 5,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
EXPENDITURES				
Instruction	-	5,000	5,000	-
<i>Total expenditures</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>694</u>	<u>694</u>		
End of the year cash balance	<u>\$ 694</u>	<u>\$ 694</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Parents as Teachers
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 110,000	\$ 110,000	\$ 103,547	\$ (6,453)
<i>Total revenues</i>	110,000	110,000	103,547	(6,453)
EXPENDITURES				
Instruction	110,000	110,000	110,000	-
<i>Total expenditures</i>	110,000	110,000	110,000	-
Excess (deficiency) of revenues over expenditures	-	-	(6,453)	\$ (6,453)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year accounts receivable			24,975	
Prior year accounts receivable			(18,522)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
GRADS Child & Adult Food Program
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 3,410	\$ 4,188	\$ 778
<i>Total revenues</i>	-	3,410	4,188	778
 EXPENDITURES				
Instruction	-	3,410	2,676	734
<i>Total expenditures</i>	-	3,410	2,676	734
Excess (deficiency) of revenues over expenditures	-	-	1,512	\$ 1,512
Prior year cash balance	1,862	1,862		
End of the year cash balance	\$ 1,862	\$ 1,862		
 RECONCILIATION TO GAAP				
Current year deferred revenue			(3,374)	
Prior year deferred revenue			1,862	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title VII-Indian Ed Formula Grant
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 81,495	\$ 81,495	\$ 83,985	\$ 2,490
<i>Total revenues</i>	81,495	81,495	83,985	2,490
EXPENDITURES				
Instruction	-	7,250	6,942	308
Support services:				
Students	81,495	74,245	71,234	3,011
<i>Total expenditures</i>	81,495	81,495	78,176	3,319
Excess (deficiency) of revenues over expenditures	-	-	5,809	\$ 5,809
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Prior year accounts receivable			(5,809)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TANIF
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>2,897</u>	<u>2,897</u>		
End of the year cash balance	<u>\$ 2,897</u>	<u>\$ 2,897</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Birth/2 Year DD HED
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	\$ -	\$ -
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Technology for Education
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 31,560	\$ 37,999	\$ 54,949	\$ 16,950
<i>Total revenues</i>	<u>31,560</u>	<u>37,999</u>	<u>54,949</u>	<u>16,950</u>
EXPENDITURES				
Instruction	18,381	15,985	15,790	195
Support services:				
Students	4,097	6,921	6,921	-
Instruction	600	1,438	1,436	2
General administration	3,742	3,343	3,342	1
School administration	3,755	8,203	8,202	1
Central services	985	2,109	1,915	194
<i>Total expenditures</i>	<u>31,560</u>	<u>37,999</u>	<u>37,606</u>	<u>393</u>
Excess (deficiency) of revenues over expenditures	-	-	17,343	<u>\$ 17,343</u>
Prior year cash balance	-	-		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		
RECONCILIATION TO GAAP				
Current year accounts receivable			19,433	
Prior year accounts receivable			<u>(36,776)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Center for Teaching Excellence
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 6,000	\$ 6,000	\$ 10,958	\$ 4,958
<i>Total revenues</i>	<u>6,000</u>	<u>6,000</u>	<u>10,958</u>	<u>4,958</u>
EXPENDITURES				
Instruction	6,000	6,000	5,999	1
<i>Total expenditures</i>	<u>6,000</u>	<u>6,000</u>	<u>5,999</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ 4,959</u>	<u>\$ 4,959</u>
Prior year cash balance	-	-		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		
RECONCILIATION TO GAAP				
Current year accounts receivable			6,020	
Prior year accounts receivable			<u>(10,979)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Reading First
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 467,844	\$ 782,497	\$ 919,663	\$ 137,166
<i>Total revenue</i>	<u>467,844</u>	<u>782,497</u>	<u>919,663</u>	<u>137,166</u>
EXPENDITURES				
Instruction	404,217	740,329	740,323	6
Support services:				
General administration	10,608	-	-	-
School administration	53,019	42,168	42,165	3
<i>Total expenditures</i>	<u>467,844</u>	<u>782,497</u>	<u>782,488</u>	<u>9</u>
Excess (deficiency) of revenues over expenditures	-	-	137,175	<u>\$ 137,175</u>
Prior year cash balance	<u>13,299</u>	<u>13,299</u>		
End of the year cash balance	<u>\$ 13,299</u>	<u>\$ 13,299</u>		
RECONCILIATION TO GAAP				
Prior year accounts receivable			(136,701)	
Current year deferred revenue			(474)	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
GRADS Instructional
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 4,000	\$ 4,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
EXPENDITURES				
Instruction	-	4,000	4,000	-
<i>Total expenditures</i>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>524</u>	<u>524</u>		
End of the year cash balance	<u>\$ 524</u>	<u>\$ 524</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Medicaid
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 114,837	\$ 114,837	\$ -	\$ (114,837)
<i>Total revenues</i>	<u>114,837</u>	<u>114,837</u>	<u>-</u>	<u>(114,837)</u>
EXPENDITURES				
Instruction	59,922	59,922	427	59,495
Support services:				
Students	54,915	54,915	351	54,564
<i>Total expenditures</i>	<u>114,837</u>	<u>114,837</u>	<u>778</u>	<u>114,059</u>
Excess (deficiency) of revenues over expenditures	-	-	(778)	<u>\$ (778)</u>
Prior year cash balance	<u>778</u>	<u>778</u>		
End of the year cash balance	<u>\$ 778</u>	<u>\$ 778</u>		
RECONCILIATION TO GAAP				
Prior year deferred revenue			<u>778</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Jordan Fundamentals Grant
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue from local sources	\$ -	\$ 2,500	\$ 2,500	\$ -
<i>Total revenues</i>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
EXPENDITURES				
Instruction	-	2,500	2,496	4
<i>Total expenditures</i>	<u>-</u>	<u>2,500</u>	<u>2,496</u>	<u>4</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ 4</u>	<u>\$ 4</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
School Improvement Framework
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ 2,856	\$ 2,856
<i>Total revenues</i>	-	-	2,856	2,856
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	2,856	\$ 2,856
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Prior year accounts receivable			(2,856)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Entitlement
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 445,922	\$ 425,000	\$ 423,082	\$ (1,918)
<i>Total revenues</i>	445,922	425,000	423,082	(1,918)
EXPENDITURES				
Instruction	336,227	279,907	278,735	1,172
Support services:				
Students	32,452	32,452	31,655	797
Instruction	-	107,413	107,413	-
General administration	55,701	-	-	-
School administration	21,542	5,228	5,228	-
<i>Total expenditures</i>	445,922	425,000	423,031	1,969
Excess (deficiency) of revenues over expenditures	-	-	51	\$ 51
Prior year cash balance	916	916		
End of the year cash balance	\$ 916	\$ 916		
RECONCILIATION TO GAAP				
Current year deferred revenue			(51)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
EETT Competitive Grant
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	\$ -	\$ -
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Beginning Teacher Mentoring
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 6,503	\$ 6,503	\$ -
<i>Total revenues</i>	-	6,503	6,503	-
 EXPENDITURES				
Instruction	-	6,503	2,880	3,623
<i>Total expenditures</i>	-	6,503	2,880	3,623
 Excess (deficiency) of revenues over expenditures	-	-	3,623	\$ 3,623
 Prior year cash balance	-	-		
 End of the year cash balance	\$ -	\$ -		
 RECONCILIATION TO GAAP				
Prior year accounts receivable			(3,312)	
Current year deferred revenue			(311)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
PNM Foundation
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue from local sources	\$ -	\$ -	\$ 4,800	\$ 4,800
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,800</u>	<u>4,800</u>
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ 4,800</u>	<u>\$ 4,800</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Private Direct Grants
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue from local sources	\$ 2,900	\$ 46,683	\$ 42,210	\$ (4,473)
<i>Total revenues</i>	2,900	46,683	42,210	(4,473)
EXPENDITURES				
Instruction	2,900	4,474	4,421	53
Support services:				
Operation and maintenance of plant	-	42,209	16,330	25,879
<i>Total expenditures</i>	2,900	46,683	20,751	25,932
Excess (deficiency) of revenues over expenditures	-	-	21,459	\$ 21,459
Prior year cash balance	9,690	9,690		
End of the year cash balance	\$ 9,690	\$ 9,690		
RECONCILIATION TO GAAP				
Current year fund balance adjustment			(5,000)	
Excess (deficiency) of revenues over expenditures			\$ 16,459	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Breakfast in the Classroom
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Revenue from state sources	\$ 66,263	\$ 66,263	\$ 66,263	\$ -
<i>Total revenues</i>	<u>66,263</u>	<u>66,263</u>	<u>66,263</u>	<u>-</u>
<i>EXPENDITURES</i>				
Operation of non-instructional services				
Food services	66,263	66,263	66,263	-
<i>Total expenditures</i>	<u>66,263</u>	<u>66,263</u>	<u>66,263</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>1</u>	<u>1</u>		
End of the year cash balance	<u>\$ 1</u>	<u>\$ 1</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title VIII-Impact Aid Special Education
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 66,057	\$ 66,057
<i>Total revenue</i>	<u>-</u>	<u>-</u>	<u>66,057</u>	<u>66,057</u>
EXPENDITURES				
Instruction	25,866	25,866	15,926	9,940
<i>Total expenditures</i>	<u>25,866</u>	<u>25,866</u>	<u>15,926</u>	<u>9,940</u>
Excess (deficiency) of revenues over expenditures	(25,866)	(25,866)	50,131	<u>\$ 75,997</u>
Prior year cash balance	<u>25,952</u>	<u>25,952</u>		
End of the year cash balance	<u>\$ 86</u>	<u>\$ 86</u>		
RECONCILIATION TO GAAP				
Current year deferred revenue			(76,083)	
Prior year deferred revenue			<u>25,952</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title VIII-Impact Aid Indian Education
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 77,173	\$ 77,173
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>77,173</u>	<u>77,173</u>
EXPENDITURES				
Instruction	28,700	28,700	20,665	8,035
Support services:				
Students	3,300	3,300	-	3,300
General administration	200	200	-	200
<i>Total expenditures</i>	<u>32,200</u>	<u>32,200</u>	<u>20,665</u>	<u>11,535</u>
Excess (deficiency) of revenues over expenditures	(32,200)	(32,200)	56,508	<u>\$ 88,708</u>
Prior year cash balance	<u>23,688</u>	<u>23,688</u>		
End of the year cash balance	<u>\$ (8,512)</u>	<u>\$ (8,512)</u>		
RECONCILIATION TO GAAP				
Current year deferred revenue			(80,196)	
Prior year deferred revenue			<u>23,688</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Hubbard Foundation
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue from local sources	\$ -	\$ 4,000	\$ 4,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
EXPENDITURES				
Instruction	-	4,000	4,000	-
<i>Total expenditures</i>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
A+ For Energy
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue from local sources	\$ -	\$ 5,000	\$ 5,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
EXPENDITURES				
Instruction	-	5,000	5,000	-
<i>Total expenditures</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Incentive for School Improvement
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 13,290	\$ 13,290	\$ -
<i>Total revenues</i>	<u>-</u>	<u>13,290</u>	<u>13,290</u>	<u>-</u>
EXPENDITURES				
Instruction	-	13,290	13,290	-
<i>Total expenditures</i>	<u>-</u>	<u>13,290</u>	<u>13,290</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Reading First Materials
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 55,980	\$ -	\$ (55,980)
<i>Total revenues</i>	<u>-</u>	<u>55,980</u>	<u>-</u>	<u>(55,980)</u>
EXPENDITURES				
Instruction	-	55,980	55,980	-
<i>Total expenditures</i>	<u>-</u>	<u>55,980</u>	<u>55,980</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(55,980)	<u>\$ (55,980)</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		
RECONCILIATION TO GAAP				
Current year accounts receivable			<u>55,980</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Libraries 2006 SB 301 GO Bond
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 21,608	\$ -	\$ (21,608)
<i>Total revenues</i>	<u>-</u>	<u>21,608</u>	<u>-</u>	<u>(21,608)</u>
EXPENDITURES				
Support services:				
Instruction	-	21,608	8,362	13,246
<i>Total expenditures</i>	<u>-</u>	<u>21,608</u>	<u>8,362</u>	<u>13,246</u>
Excess (deficiency) of revenues over expenditures	-	-	(8,362)	<u><u>\$ (8,362)</u></u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>		
RECONCILIATION TO GAAP				
Current year accounts receivable			<u>8,362</u>	
Excess (deficiency) of revenues over expenditures			<u><u>\$ -</u></u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title I
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 530,084	\$ 545,087	\$ 592,595	\$ 47,508
<i>Total revenues</i>	<u>530,084</u>	<u>545,087</u>	<u>592,595</u>	<u>47,508</u>
EXPENDITURES				
Instruction	453,805	468,808	468,499	309
Support services:				
Instruction	32,666	76,279	74,679	1,600
School administration	43,613	-	-	-
<i>Total expenditures</i>	<u>530,084</u>	<u>545,087</u>	<u>543,178</u>	<u>1,909</u>
Excess (deficiency) of revenues over expenditures	-	-	49,417	<u>\$ 49,417</u>
Prior year cash balance	-	-		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		
RECONCILIATION TO GAAP				
Current year accounts receivable			134,016	
Prior year accounts receivable			<u>(183,433)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Public School Capital Outlay
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 12,600	\$ 12,600	\$ -
<i>Total revenues</i>	<u>-</u>	<u>12,600</u>	<u>12,600</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	12,600	12,600	-
<i>Total expenditures</i>	<u>-</u>	<u>12,600</u>	<u>12,600</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ -</u>	<u>\$ -</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Special Capital Outlay - Local
For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital outlay	17,392	17,392	-	17,392
<i>Total expenditures</i>	<u>17,392</u>	<u>17,392</u>	<u>-</u>	<u>17,392</u>
Excess (deficiency) of revenues over expenditures	(17,392)	(17,392)	<u>\$ -</u>	<u>\$ 17,392</u>
Prior year cash balance	<u>8,920</u>	<u>8,920</u>		
End of the year cash balance	<u>\$ (8,472)</u>	<u>\$ (8,472)</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Special Capital Outlay - State
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ 5,000	\$ 5,000
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
EXPENDITURES				
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Prior year cash balance	<u>-</u>	<u>-</u>		
End of the year cash balance	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
SB-9 Capital Improvements
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 4,000	\$ 4,000	\$ 12,901	\$ 8,901
Taxes levied	798,315	798,315	918,114	119,799
Other revenue from local sources	-	-	78,840	78,840
Revenue from state sources	51,000	102,112	51,111	(51,001)
<i>Total revenues</i>	<u>853,315</u>	<u>904,427</u>	<u>1,060,966</u>	<u>156,539</u>
EXPENDITURES				
Support services:				
General administration	7,983	11,983	10,960	1,023
Capital outlay	1,425,527	1,472,639	1,052,783	419,856
<i>Total expenditures</i>	<u>1,433,510</u>	<u>1,484,622</u>	<u>1,063,743</u>	<u>420,879</u>
Excess (deficiency) of revenues over expenditures	(580,195)	(580,195)	(2,777)	<u>\$ 577,418</u>
Prior year cash balance	<u>869,374</u>	<u>869,374</u>		
End of the year cash balance	<u>\$ 289,179</u>	<u>\$ 289,179</u>		
RECONCILIATION TO GAAP				
Current year accounts receivable			58,570	
Prior year accounts receivable			(47,718)	
Current year deferred revenue			(44,268)	
Prior year deferred revenue			39,323	
Current year accounts payable			(35,192)	
Prior year accounts payable			11,177	
Excess (deficiency) of revenues over expenditures			<u>\$ (20,885)</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes levied	\$ 2,160,100	\$ 2,160,100	\$ 2,698,945	\$ 538,845
Investment income	-	-	6,168	6,168
<i>Total revenue</i>	<u>2,160,100</u>	<u>2,160,100</u>	<u>2,705,113</u>	<u>545,013</u>
EXPENDITURES				
Support services:				
General administration	21,601	28,601	25,211	3,390
Debt services	3,532,548	3,525,548	2,160,100	1,365,448
<i>Total expenditures</i>	<u>3,554,149</u>	<u>3,554,149</u>	<u>2,185,311</u>	<u>1,368,838</u>
Excess (deficiency) of revenues over expenditures	(1,394,049)	(1,394,049)	519,802	<u>\$ 1,913,851</u>
Prior year cash balance	<u>2,044,313</u>	<u>2,044,313</u>		
End of the year cash balance	<u>\$ 650,264</u>	<u>\$ 650,264</u>		
RECONCILIATION TO GAAP				
Prior year property taxes receivable			(131,712)	
Current year property taxes receivable			170,473	
Prior year deferred revenue			107,461	
Current year deferred revenue			<u>(129,453)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ 536,571</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS				
High School	\$ 112,798	\$ 260,900	\$ 231,896	\$ 141,802
Middle Schools	30,747	34,624	39,844	25,527
Nob Hill Elementary	8,862	24,198	23,579	9,481
Sierra Vista Elementary	11,452	27,093	28,664	9,881
White Mountain Elementary	23,324	32,699	29,455	26,568
White Mountain Intermediate	9,953	18,053	15,685	12,321
Scholarships	11,338	1,173	3,608	8,903
	<hr/>	<hr/>	<hr/>	<hr/>
Pooled Cash and Investments	\$ 208,474	\$ 398,740	\$ 372,731	\$ 234,483
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES				
Deposits held for others	\$ 208,474	\$ 398,740	\$ 372,731	\$ 234,483
	<hr/>	<hr/>	<hr/>	<hr/>
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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Depository Collateral
For the Year Ended June 30, 2008**

	Compass Bank	1st National	Total
Total Cash Amount in Bank	\$ 3,191,445	\$ 2,874,239	\$ 6,065,684
Less: FDIC Insurance	100,000	100,000	200,000
Total uninsured public funds	3,091,445	2,774,239	5,865,684
50% collateral requirement	1,545,722	1,387,120	2,932,842
Pledged security	4,850,691	1,395,791	6,246,482
Over (under) collateralized	<u>\$ 3,304,969</u>	<u>\$ 8,671</u>	<u>\$ 3,313,640</u>

Compass Bank

Type	CUSIP Number	Maturity Date	FMV
FNMA POOL #25440	3137KRV5	07/01/09	\$ 26,458
FHLMC Gold Balloon #M80770	31282R2B9	09/01/09	77,404
Van Texas Independent School District	921254ek0	02/15/10	99,857
FHLMC Gold Pool #M80917	31282SAS1	05/01/11	803,890
FNMA ARM #457302	31381DAB1	11/01/15	302,903
FNMA ARM #124416	31365DDV4	10/01/17	465,242
FHLMC ARM #755036	31349GSZ3	04/01/18	327,676
FNMA ARM #70025	31362SYW9	04/01/18	33,112
FHR 2783 JN	31394X2A3	02/15/22	1,881,057
FHLMC Remic FHR 2590 TK	31393NM48	03/15/26	833,092
Total Compass Bank			<u>\$ 4,850,691</u>

The above securities are held at the Compass Bank in Birmingham, AL.

1st National Bank

Type	CUSIP Number	Maturity Date	FMV
FNMA	31408GBP1	01/01/36	\$ 772,599
Northpointe TX Wtr Ctl & Impt	66661QDZ3	09/01/19	190,532
Hurst Creek Mun Util. Dist. TX	447808HJ8	04/01/21	115,912
Hurst Creek Mun Util. Dist. TX	447806HK5	04/01/22	116,184
Harris County Texas Municipal Utility	414951FU2	08/01/22	200,564
Total 1st National Bank			<u>\$ 1,395,791</u>

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

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Cash Reconciliation
June 30, 2008**

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>
Ruidoso Municipal Schools			
Operational Account	\$ 951,970	\$ 18,173,529	\$ 17,650,568
Transportation	69,384	945,696	945,696
Instructional Materials	3,256	250,152	230,483
Food Services	146,321	870,628	947,285
Athletics	17,301	25,391	32,769
Non-Instructional	208,474	398,740	372,731
Federal Projects	67,190	2,569,805	2,288,558
Local/State	(41,476)	213,329	222,627
Bond Building	159,491	9,295,015	14,253,082
Public School Capital Outlay	(1,049)	12,600	12,600
Special Capital Outlay Local	14,392	-	-
Special Capital Outlay State	(4,424)	5,000	-
Capital Improvements SB-9	655,533	1,060,967	1,063,744
Debt Service	2,044,314	2,705,112	2,185,311
Total Ruidoso Municipal	\$ 4,290,677	\$ 36,525,964	\$ 40,205,454

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Ruidoso Municipal Schools			
Operational	Checking	Compass	\$ 1,013,479
Payroll Clearing	Checking	Compass	1,051,968
Capital Projects	Checking	Compass	79,644
Activity Fund Athletics	Checking	Compass	11,879
Student Activities	Checking	1st National	233,815
Food Service	Checking	1st National	76,308
Capital Improvements SB-9	Checking	Compass	669,155
Debt Service	Checking	1st National	2,564,115
Federal Programs	Checking	Compass	359,576
Scholarship Fund	Checking	Compass	5,745
Total Ruidoso Municipal			\$ 6,065,684
Total Bank Balances			\$ 6,065,684
Reconciling Items			1,335,674
Report Balance			\$ 4,730,010

Other	Net Cash End of Period	Adjustments to the Report	Total Cash on Report
\$ (53,238)	\$ 1,421,693	\$ 30,927	\$ 1,452,620
(69,384)	-	-	-
-	22,925	-	22,925
(25)	69,639	-	69,639
-	9,923	-	9,923
-	234,483	-	234,483
(399,748)	(51,311)	-	(51,311)
(4,859)	(55,633)	-	(55,633)
4,623,544	(175,032)	-	(175,032)
-	(1,049)	-	(1,049)
-	14,392	-	14,392
-	576	-	576
(8,394)	644,362	-	644,362
-	2,564,115	-	2,564,115
\$ 4,087,896	\$ 4,699,083	\$ 30,927	\$ 4,730,010

Short Term Investments	7,580,427
Agency Funds	(234,483)
Total Per Report	\$ 12,075,954

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Joint Powers Agreements
For the Year Ended June 30, 2008**

Ruidoso School District and Ruidoso Downs - Joint Powers Agreement

Participants:	Ruidoso Municipal School District City of Ruidoso Downs
Responsible Party:	Ruidoso Municipal School District City of Ruidoso Downs
Description:	Use of the softball field at the All American Park in Ruidoso Downs
Dates of Agreement:	Beginning 2/24/2005 Ending Automatic renewal every year
Estimated Amount of Project:	N/A
Agency Contribution:	\$1.00 per year
Fiscal Agent:	N/A
Audit Responsibility:	N/A

Ruidoso School District and Village of Ruidoso - Joint Powers Agreement

Participants:	Ruidoso Municipal School District Village of Ruidoso
Responsible Party:	Ruidoso Municipal School District Village of Ruidoso
Description:	Use of the White Mountain School Property for Recreational Purposes
	Beginning 11/1/1994 Ending Automatic renewal every year
Estimated Amount of Project:	N/A
Agency Contribution:	\$1.00 per year
Fiscal Agent:	N/A
Audit Responsibility:	N/A

COMPLIANCE SECTION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Mr. Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Education
Ruidoso Municipal School District
Ruidoso, NM

We have audited the financial statements of the governmental activities, each major fund, budgetary comparisons and the aggregate remaining fund information of Ruidoso Municipal School District (the "District") as of and for the year ended June 30, 2008, and have issued our report thereon dated November 13, 2008. We have also audited the financial statements of each of the District's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008. 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 of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Ruidoso Municipal Schools' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ruidoso Municipal Schools' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Ruidoso Municipal School's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2008-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Ruidoso Municipal School's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ruidoso Municipal Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2008-1.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for information and use of the audit committee, management, the New Mexico State Legislature and its committees, federal awarding agencies and pass-through entities and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Miller & Associates, CPA, P.C.

Miller & Associates, CPA, P.C.
November 13, 2008

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Education
Ruidoso Municipal School District
Ruidoso, NM

Compliance

We have audited the compliance of Ruidoso Municipal Schools, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Ruidoso Municipal School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ruidoso Municipal School's management. Our responsibility is to express an opinion on Ruidoso Municipal School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ruidoso Municipal School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ruidoso Municipal School's compliance with those requirements.

In our opinion, Ruidoso Municipal Schools complied, in all material respects, with the requirements referred to above that are applicable in each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those

requirements, which are required to be reported in accordance with OMB A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2008-1.

Internal Control over Compliance

The management of Ruidoso Municipal Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ruidoso Municipal Schools' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Ruidoso Municipal School's internal control over compliance.

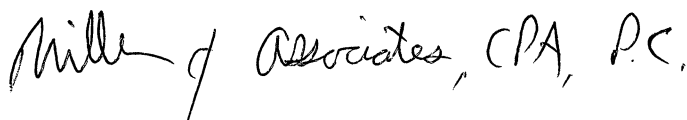
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Ruidoso Municipal School's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2008-2.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Institutes internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this selection and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the New Mexico State Legislature and its committees, federal awarding agencies and pass-through entities and the State Auditor and is not intended to be and should not be used by anyone other than those specified parties.



Miller & Associates, CPA, P.C.
November 13, 2008

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal CFDA Number	Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Pass-Through Program From:			
New Mexico Department of Education			
USDA National School Lunch Program	10.555	21000	\$ 637,029
Child & Adult Food Program	10.558	25171	2,676
Pass-Through from NM Dept of Finance & Adm.			
Forest Reserve	10.665	25130	90,758
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>45,139</u>
Total U.S. Department of Agriculture			<u>775,602</u>
Special Education - Cluster			
U.S. Department of Education			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	423,030
IDEA-B Preschool	84.173	24109	<u>19,000</u>
Total U.S. Department of Education- Special Education (IDEA-B) Cluster			<u>442,030</u>
Direct Programs:			
Impact Aid - Special Education	84.041	25145	15,926
Impact Aid - Indian Education	84.041	25147	20,665
Medicaid	93.7780	25153	779
Indian Education Formula	84.060	25184	<u>78,176</u>
Subtotal Direct Programs			<u>115,546</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008**

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal CFDA Number	Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Pass-Through Programs From:			
New Mexico Department of Education:			
Title I Basic Education Grant	84.010	24101	543,178
Title V	84.298	24150	3,027
English Language Acquisition	84.365	24153	14,000
Teacher Principal Training & Recruiting	84.367	24154	100,586
Rural and Low Income Schools	84.358	24160	75,270
Reading First		24167	782,488
Total U.S. Department of Education			<u>1,518,549</u>
U.S. Department of Health and Human Services			
Pass-Through Program From:			
New Mexico Department of Health			
GRADS Child Care	93.590	25149	5,000
GRADS Instructional	93.558	25162	4,000
TABF/Parents As Teachers	93.037	25157	110,000
Total U.S. Department of Health and Human Services			<u>119,000</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,970,727</u></u>

Note:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ruidoso Municipal School District and is presented on the budgetary basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in, or used in the presentation of the governmental fund financial statements may not be consistent with amounts used in the Schedule of Expenditures of Federal Awards.

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2008 was \$45,139, and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs
June 30, 2008**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the fund financial statements and on the government wide financial statements.
2. One control deficiency on compliance over financial reporting was disclosed during the audit of the financial statements.
3. One significant deficiency was identified during the audit of internal control over major federal award programs.
4. One significant deficiency was identified during the audit of compliance over major federal award programs.
5. The auditor's report on compliance for major federal award programs for Ruidoso Municipal School District expresses an unqualified opinion on all federal programs.
6. The program tested as major was: USDA National School Lunch Program, CFDA No. 10.555 and Title I Grants to Local Educational Agencies, CFDA No. 84.010
7. The threshold for distinguishing Type A and B programs was \$300,000.
8. Ruidoso Municipal Schools was determined to be a low-risk auditee.
9. There were no audit findings that were required to be reported in accordance with OMB Circular A-133, Section 510(a).

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2008-1 ELIGIBILITY - COMPLIANCE REQUIRMENT

Condition

During our audit of the National School Lunch Program, CFDA No. 10.555, in accordance with OMB A-133, we found 3 Free and Reduced Price School Meals/Milk Family Applications of the 40 applications selected for testing were approved for the incorrect category (i.e. free, reduced, or paid).

Question Costs

None

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs
June 30, 2008**

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

Criteria

According to the OMB A-133 Compliance Supplement, a child's eligibility for free or reduced price meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnishes such information as family income and size. SFAs determine eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Children from households with incomes at or below 130 percent of the Federal poverty level are eligible to receive meals or milk free under the School Nutrition Programs. Children from households with incomes above 130 percent but at or below 185 percent of the Federal poverty level are eligible to receive reduced price meals.

Cause

Management does not have the proper internal controls in place to ensure that Free and Reduced Price School Meals/Milk Family Applications are properly approved for the correct category due to the lack of resources in place. (i.e. free, reduced, or paid).

Effect

Failure to properly approve applications resulted in certain students being approved for the incorrect category, restricting benefits to two students and giving benefits to one student who would otherwise be ineligible for benefits.

Recommendation

We recommend that the District implement controls and segregation of duties to ensure that Free and Reduced Price School Meals/Milk Family Applications are being properly confirmed by an individual other than the approving individual.

Agency Response

New Free and Reduced Software was purchased and implemented for the 2008-2009 school year. The software will provide greater efficiency and accuracy in checking and processing free and reduced applications. In addition, we will ensure that each application is thoroughly reviewed and plan to require additional personnel to assist the Food Service Department in processing free and reduced applications during August and September of each year.

2008-2 REPORTING – FAILURE TO SUBMIT REPORT TIMELY

Condition

During our audit of the National School Lunch Program, CFDA No. 10.555, in accordance with OMB A-133, we noted that the District failed to submit two Basic Claims Reports in a timely manner (i.e. the 10th of the month).

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs
June 30, 2008**

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

Question Costs

None

Criteria

According to the State of New Mexico Public Education Department, Basic Claims Reports are required to be submitted on the 10th of every month.

Cause

Management does not have the personnel in place to ensure that proper internal controls are in place to ensure that the reports are submitted in a timely fashion.

Effect

Failure to submit reports in a timely fashion resulted in non-compliance with federal guidelines

Recommendation

We recommend that the District implement the proper internal controls and segregation of duties to ensure the timely submission of reports.

Agency Response

Procedures have been implemented to ensure timely submission of the USDA reimbursement claims.

D. FINDINGS - PRIOR YEAR AUDIT

2007-1: Over Spending of Certain Budget Line Items – Resolved and not repeated

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Exit Conference
June 30, 2008**

The contents of this report were discussed at an exit conference held November 13, 2008. Ryan Miller, Shareholder and Ron Miller, Shareholder represented Miller & Associates, CPA, P.C. and Lisa Brillante, Accounts payable tech, Bea Etta Harris, Superintendent, Angie Lane, Food services, Stephani Lewicki, Financial Specialist, Patsy Page, Accounts payable tech, Yvonne Perez, Director of Finance, and Frank Sayner, Vice-President of the Board of Education represented Ruidoso Municipal Schools.

FINANCIAL STATEMENT PRESENTATION

The financial statements were prepared from the original books and records of Ruidoso Municipal Schools as of June 30, 2008 by Miller & Associates, Certified Public Accountants, a Professional Corporation.