

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Financial Statements
With Independent Auditor's Report Thereon
June 30, 2009**

INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

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June 30, 2009**

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Official Roster
June 30, 2009**

BOARD OF EDUCATION

Susan Lutterman
Frank Sayner
Rhonda Vincent
Rafael Salas
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, 2009, 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, 2009, 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, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the General Fund, Title I Grant Fund, Reading First Grant Fund, Bond Building Fund, Capital Improvements SB-9 Fund and Debt Service 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, 2009, and the respective

changes in financial position, thereof and the respective budgetary comparison statements for each nonmajor special revenue fund and each capital projects 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 October 30, 2009, 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.
October 30, 2009

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2009**

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, 2009. 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, 2009**

Significant Financial Highlights for the Year Ending June 30, 2009

- The School District's bond rating was maintained at Aaa rating from Moody's Investor Services on the issuance of General Obligation Bonds during the latest rating from Moody's issued September, 2008.
- Capital Outlay expenses decreased from \$17,966,546 in the year ending June 30, 2008 to \$11,239 in the year ending June 30, 2009. The decrease in capital outlay expense is attributable to the final construction costs of a new middle school which is scheduled to be complete by August, 2009.
- Accumulated depreciation as of June 30, 2009 of \$15,017,576 was recorded. This includes current year depreciation of \$901,442.
- The overall adjusted Fund Balance decreased from \$9,592,911 for the year ending June 30, 2008 to \$7,239,423 for the year ending June 30, 2009. 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 \$27,150,508 in the year ending June 30, 2008 to \$31,302,120 in the year ending June 30, 2009. This is an increase of \$4,151,612 reflecting an overall revenue increase of 15.29%. The increase in revenue was due to the sale of General Obligation Bonds to support capital outlay initiatives in the district and payments from the Public School Capital Outlay Council to support the new middle school project.
- Total expenditures decreased from \$42,349,962 for the year ending June 30, 2008 to \$36,655,608 for the year ending June 30, 2009. This is a decrease of \$5,694,354 reflecting an overall expenditure decrease of 13.45%. The decrease in expenditures was due to the decrease of capital outlay expenditures for the final phase of construction for 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, 2009 the School District has total net assets of \$30,322,148, compared



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2009**

to \$22,040,115 on June 30, 2008. Of the total net assets \$5,378,580 are “restricted” for debt service and capital projects and \$1,448,431 are “unrestricted.” In addition, the School District had \$7,016,999 of cash and cash equivalents, and accounts payable/current liabilities of \$2,648,163.

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, 2009. As of June 30, 2009 the School District had net assets of \$30,322,148 as compared to adjusted net assets of \$22,040,115 as of June 30, 2008.

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 \$30,173,195. Total expenditures for the School District were \$36,655,608. The total ending fund balance was \$7,239,423, a decrease of \$2,353,488 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.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2009**

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 %
2002/03	\$21,818,793	3.4%	\$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%
2007/08	\$27,150,508	6.66%	42,349,962	61%
2008/09	\$31,302,120	15.29%	\$36,655,608	(13.45)%

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

The Budget

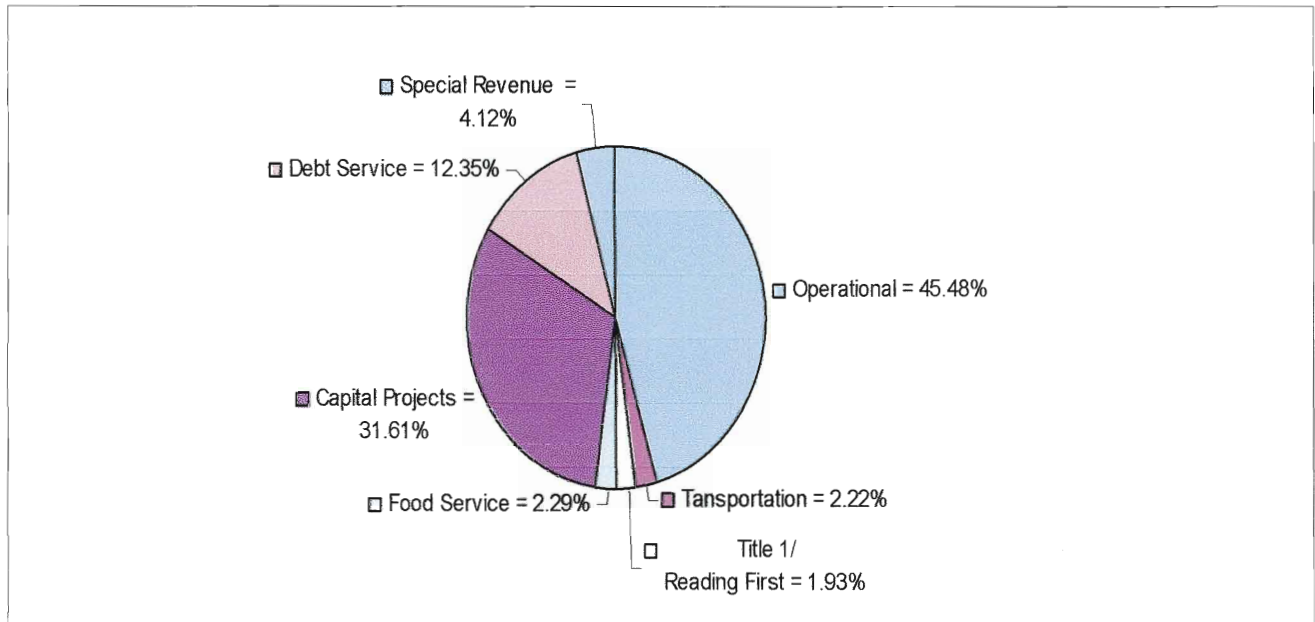
School District budgets reflect the same growth as seen in the revenue and expenditures of the School District. The State of New Mexico school budget process is defined under New Mexico State Statutes (Section 22) and the New Mexico Administrative Code (Section 6). To enhance the process of developing 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 including the Operational Fund, Transportation Fund, and Instructional Materials Fund, Debt Service Fund, the 2 Mill Levy (SB-9) Fund, and Bond Building Fund, Title 1 Fund and Reading First Fund. In addition, twenty-nine (29) non-major Special Revenue Funds and three (3) non-major Capital Projects funds are also reported for their budgetary performance. The following graphs and tables show the fiscal relationship of the major funds and the combined non-major funds.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2009**



The Operational Fund represents 45.48% 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.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2009. 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.



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2009**

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

FUND TYPE	FINAL BUDGET	ACTUAL	VARIANCE
General Fund	\$20,641,818	\$19,394,319	\$1,241,957
Title I	\$573,753	\$502,669	\$71,084
Reading First	\$276,264	\$274,811	\$1,453
Bond Building	\$11,216,988	\$8,612,159	\$2,604,829
Capital Improvements SB-9	\$1,828,781	\$1,276,635	\$552,146
Debt Service	\$5,347,389	\$2,851,438	\$2,495,951

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.

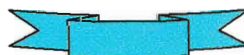
The Operational Fund

The Operational Fund serves as the School District's General Fund. Because the Operational Fund revenues represent \$18,467,618 of the total \$31,302,120 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.

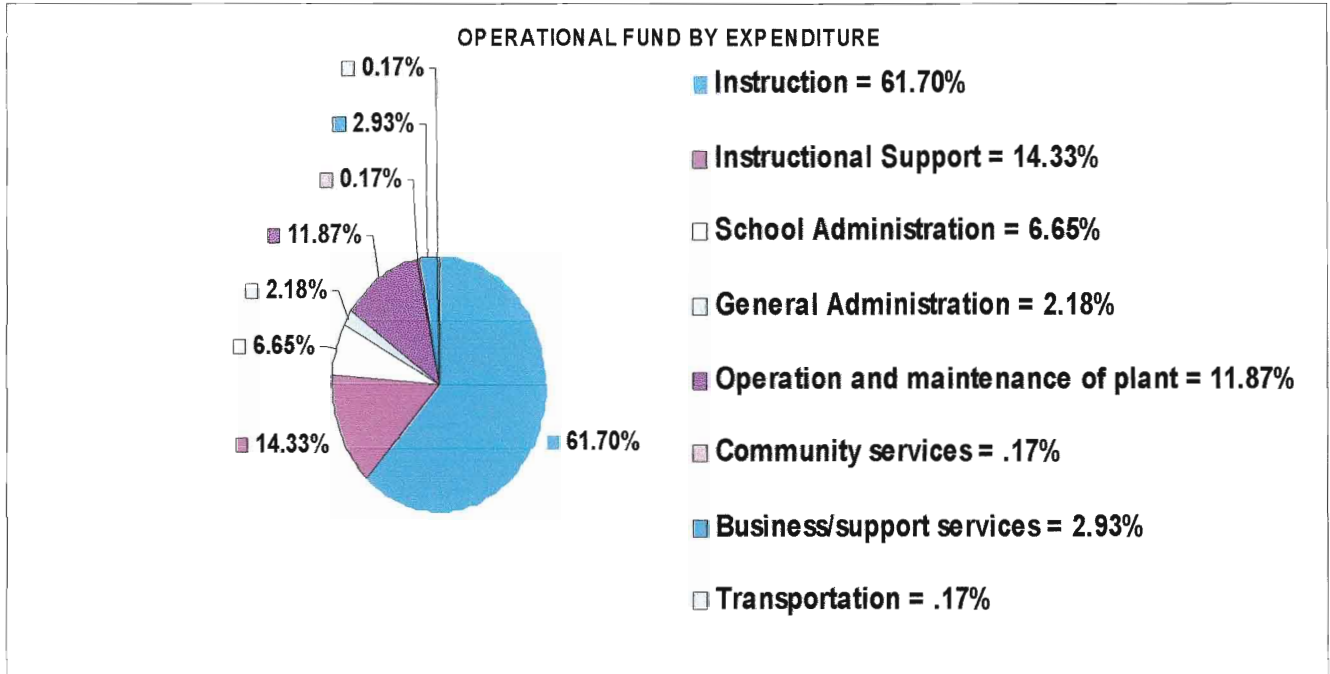
Because the Operational Fund is the main fund where expenditures are significantly related to the educational process, \$18,187,586 was expended in the year ending June 30, 2009. The most significant inter-fund expense was for the function noted as "Direct Instruction" and "Direct Student Services". This expenditure was \$13,818,947 or 76.03% 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 86.35% 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, 2009**



The following discussion of the Operational Fund budget will relate functional expenditures for the year ending June 30, 2009, exclusive of Capital Outlay expenditures, for the Operational Fund. Direct Instruction represents 61.70% 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 20.98% 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 5.11% of the total Operational Fund. Maintenance and Operational account for 11.87% 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, 2009**

Capital Assets

This statement includes an adjusted accumulated depreciation of the School District's capital assets in the amount of \$15,017,576. 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, FY08, and FY09 the District sold \$26 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 98% complete at the end of June, 2009.

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, 2009 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, 2009 shows the accumulated assets of all agency funds was \$247,785



**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2009**

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 is in the process of updating their Master Facility Plan which will be completed by the end of FY10. 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.

Because of continued development in both the residential and commercial properties in the School District, assessed valuation increased 14% 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 next two fiscal years. These projects are:

- Complete Phase 2 of the Ruidoso Middle School which includes an athletic field, second road and landscaping.
- Build a new Science Wing at Ruidoso High School.
- The district was awarded an advance of \$1.3 million dollars from PSCOC to address critical drainage issues at Ruidoso High School. Construction is in progress and should be completed by December, 2009.
- Corrective Storm Drainage is planned for the White Mountain Complex.
- 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, 2009**

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, 2009**

	<u>Governmental Activities</u>
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 7,016,999
Property Taxes Receivable	296,556
Due from Other Governments	414,866
Food Inventory	5,202
Total Current Assets	<u>7,733,623</u>
Noncurrent:	
Capital Assets, Net	<u>52,695,137</u>
Total Assets	<u><u>\$ 60,428,760</u></u>
LIABILITIES	
Current:	
Accounts Payable	\$ 76,882
Accrued Payroll	-
Accrued Interest	477,356
Deferred Revenue	238,925
Current Portion of Long-Term Obligations	1,855,000
Total Current Liabilities	<u>2,648,163</u>
Noncurrent:	
Noncurrent Portion of Long-Term Obligations	27,345,000
Bond Premium	11,255
Accrued Compensated Absences	102,194
Total Noncurrent Liabilities	<u>27,458,449</u>
Total Liabilities	<u>30,106,612</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	23,495,137
Restricted:	
Debt Service	2,723,315
Capital Projects	2,655,265
Unrestricted	1,448,431
Total Net Assets	<u>30,322,148</u>
Total Liabilities and Net Assets	<u><u>\$ 60,428,760</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, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Instruction	\$ 13,077,277	\$ 150,874	\$ 2,217,986	\$ 3,917,204
Student Support	2,250,264	-	89,099	-
Instruction Support	825,931	-	69,994	-
School Administration Support	1,214,931	-	532,904	-
Administration	455,914	-	-	-
Central Services	537,729	-	-	-
Operation & Maint. of Plant	611,852	-	19,399	51,865
Food Services	984,806	228,488	826,990	-
Community Services	44,830	-	-	-
Student Transportation	1,015,465	-	957,387	-
Bond Interest Paid	1,095,960	-	-	-
Inventory Exempt - Unallocated	-	-	-	-
Depreciation - Unallocated	901,442	-	-	-
Total Governmental Activities	<u>\$ 23,016,401</u>	<u>\$ 379,362</u>	<u>\$ 4,713,759</u>	<u>\$ 3,969,069</u>

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
- Net assets - beginning
- 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

\$	(6,791,213)
	(2,161,165)
	(755,937)
	(682,027)
	(455,914)
	(537,729)
	(540,588)
	70,672
	(44,830)
	(58,078)
	(1,095,960)
	-
	(901,442)
	<u>(13,954,211)</u>

180,992
2,907,933
1,050,164

17,362,095
422,257
312,803

22,236,244

8,282,033

22,040,115

\$ 30,322,148

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Balance Sheet
Governmental Funds
June 30, 2009**

	General Fund	Title I	Reading First
ASSETS			
Cash and Cash Equivalents	\$ 1,143,922	\$ 112,160	\$ 56,300
Receivables:			
Property Taxes	13,721	-	-
Due from Other Governments	-	37,840	93,700
Due from Other Funds	600,718	-	-
Food Inventory	-	-	-
Total Assets	<u>\$ 1,758,361</u>	<u>150,000</u>	<u>150,000</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 37,408	-	-
Accrued Payroll	-	-	-
Due to Other Funds	-	150,000	150,000
Deferred Revenue:			
Federal, State & Local Grants	-	-	-
Delinquent Property Taxes	8,306	-	-
Total Liabilities	<u>45,714</u>	<u>150,000</u>	<u>150,000</u>
 Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved, report in:			
Designated for Subs. Year's Expenditures	1,712,647	-	-
Special Revenue	-	-	-
Capital Projects	-	-	-
Total Fund Balances	<u>1,712,647</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,758,361</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>

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

Bond Building	Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 1,726,635	\$ 932,435	\$ 2,639,127	\$ 406,420	\$ 7,016,999
-	71,874	210,961	-	296,556
-	-	-	283,326	414,866
20,422	-	-	-	621,140
-	-	-	5,202	5,202
<u>1,747,057</u>	<u>1,004,309</u>	<u>2,850,088</u>	<u>694,948</u>	<u>\$ 8,354,763</u>
7,545	31,513	-	416	\$ 76,882
-	-	-	-	-
-	-	-	321,140	621,140
-	-	-	238,925	238,925
-	43,314	126,773	-	178,393
<u>7,545</u>	<u>74,827</u>	<u>126,773</u>	<u>560,481</u>	<u>1,115,340</u>
-	-	2,723,315	-	2,723,315
-	-	-	5,202	5,202
-	-	-	-	1,712,647
-	-	-	142,994	142,994
1,739,512	929,482	-	(13,729)	2,655,265
<u>1,739,512</u>	<u>929,482</u>	<u>2,723,315</u>	<u>134,467</u>	<u>7,239,423</u>
<u>\$ 1,747,057</u>	<u>\$ 1,004,309</u>	<u>\$ 2,850,088</u>	<u>\$ 694,948</u>	<u>\$ 8,354,763</u>

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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, 2009**

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

Fund balances - total governmental funds	\$ 7,239,423
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	52,695,137
Other assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Property Taxes	178,393
Other liabilities are not due and payable in the current period and therefore are not reported in the funds - accrued interest payable.	(477,356)
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>(29,313,449)</u>
Net assets of governmental activities	<u><u>\$ 30,322,148</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, 2009**

	General Fund	Title I	Reading First
REVENUES			
Federal Sources	\$ 559,601	\$ 502,669	\$ 274,811
State Sources	18,559,479	-	-
Property Taxes	172,686	-	-
District Activities	120,686	-	-
Investment Income	235,476	-	-
Food Services	-	-	-
Other Revenue	18,460	-	-
Total Revenues	19,666,388	502,669	274,811
EXPENDITURES			
Current:			
Instruction	11,458,133	430,960	268,747
Support Services:			
Students	2,015,736	-	-
Instruction	605,828	71,709	-
General Administration	398,829	-	6,064
School Administration	1,209,086	-	-
Central Services	532,602	-	-
Operation and Maintenance of Plant	2,165,265	-	-
Student Transportation	984,788	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	-
Community Services	31,623	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	19,401,890	502,669	274,811
Excess (deficiency) of revenues over expenditures	264,498	-	-
Other Financing Sources (uses)			
Proceeds of Long-term Debt Issuance	-	-	-
Total Other Financing Sources (uses)	-	-	-
Net change in fund balances	264,498	-	-
Fund Balances--Beginning of the Year	1,448,149	-	-
Fund Balances--End of the Year	\$ 1,712,647	\$ -	\$ -

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

Bond Building	Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,952,498	\$ 3,289,579
3,338,202	51,865	-	791,307	22,740,853
-	1,006,851	2,963,226	-	4,142,763
-	-	-	30,188	150,874
175,974	3,752	6,392	663	422,257
-	-	-	228,488	228,488
-	294,346	-	14,500	327,306
<u>3,514,176</u>	<u>1,356,814</u>	<u>2,969,618</u>	<u>3,017,644</u>	<u>31,302,120</u>
-	-	-	919,449	13,077,289
-	-	-	214,091	2,229,827
-	-	-	168,832	846,369
-	9,926	29,201	7,701	451,721
-	-	-	5,843	1,214,929
-	-	-	5,127	537,729
-	-	-	25,879	2,191,144
-	-	-	30,679	1,015,467
-	-	-	-	-
-	-	-	984,806	984,806
-	-	-	13,207	44,830
9,345,999	1,263,030	-	630,231	11,239,260
-	-	2,822,237	-	2,822,237
<u>9,345,999</u>	<u>1,272,956</u>	<u>2,851,438</u>	<u>3,005,845</u>	<u>36,655,608</u>
(5,831,823)	83,858	118,180	11,799	(5,353,488)
<u>3,000,000</u>	-	-	-	<u>3,000,000</u>
<u>3,000,000</u>	-	-	-	<u>3,000,000</u>
(2,831,823)	83,858	118,180	11,799	(2,353,488)
<u>4,571,335</u>	<u>845,624</u>	<u>2,605,135</u>	<u>122,668</u>	<u>9,592,911</u>
<u>\$ 1,739,512</u>	<u>\$ 929,482</u>	<u>\$ 2,723,315</u>	<u>\$ 134,467</u>	<u>\$ 7,239,423</u>

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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, 2009**

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

Net change in fund balances - total governmental funds \$ (2,353,488)

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	12,818,552
Depreciation Expense	(901,442)

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

Property Taxes	(3,673)
----------------	---------

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	1,650,000
Proceeds from Bond Issuance	(3,000,000)
Bond Interest	75,337
Amortization of Bond Premium	940
Increase in the Liability for Compensated Absences	<u>(4,193)</u>

Change in net assets of governmental activities	<u><u>\$ 8,282,033</u></u>
-------------------------------------------------	----------------------------

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

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Major Funds
June 30, 2009**

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.

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

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

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)

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)

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

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.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

**Combined Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 156,179	\$ 156,179	\$ 169,715	\$ 13,536
District activities	91,208	91,208	120,686	29,478
Revenue from local sources	14,851	14,851	2,327	(12,524)
Revenue from state sources	18,985,741	19,022,817	18,559,477	(463,340)
Revenue from federal sources	102,274	102,274	559,602	457,328
Investment income	-	-	41,587	41,587
Proceeds from disposal of property	-	-	1,961	1,961
Other items	39,300	39,300	14,169	(25,131)
<i>Total revenues</i>	<u>19,389,553</u>	<u>19,426,629</u>	<u>19,469,524</u>	<u>42,895</u>
EXPENDITURES				
Instruction:				
Personnel services - compensation	8,529,603	8,536,004	8,262,946	273,058
Personnel services - employee benefits	2,631,471	2,652,641	2,552,333	100,308
Purchased professional & technical services	93,632	87,061	34,674	52,387
Purchased property services	33,590	17,890	10,328	7,562
Other purchased services	258,429	254,429	201,662	52,767
Supplies	438,311	419,782	389,442	30,340
Property	-	7,600	6,506	1,094
Total instruction	<u>11,985,036</u>	<u>11,975,407</u>	<u>11,457,891</u>	<u>517,516</u>
Support services - students				
Personnel services - compensation	969,219	1,063,919	1,046,070	17,849
Personnel services - employee benefits	296,586	319,986	316,091	3,895
Purchased professional & technical services	771,368	710,328	640,253	70,075
Purchased property services	33,300	8,300	3,300	-
Other purchased services	21,775	4,475	2,798	1,677
Supplies	31,017	17,257	11,026	6,231
Total students	<u>2,123,265</u>	<u>2,124,265</u>	<u>2,019,538</u>	<u>99,727</u>
Support services - instruction				
Personnel services - compensation	379,357	387,233	386,443	790
Personnel services - employee benefits	125,919	126,043	122,687	3,356
Purchased professional & technical services	-	4,000	2,294	1,706
Other purchased services	-	2,413	1,628	785
Supplies	106,028	98,851	92,777	6,074
Total instruction	<u>611,304</u>	<u>618,540</u>	<u>605,829</u>	<u>12,711</u>
Support services - general administration				
Personnel services - compensation	196,647	197,047	195,871	1,176
Personnel services - employee benefits	62,481	62,481	58,449	4,032
Purchased professional & technical services	140,216	171,552	122,787	48,765
Purchased property services	20,200	2,200	850	1,350
Other purchased services	48,374	23,774	4,572	19,202
Supplies	20,271	21,471	13,196	8,275
Total general administration	<u>488,189</u>	<u>478,525</u>	<u>395,725</u>	<u>82,800</u>
Support services - school administration				
Personnel services - compensation	872,664	905,844	891,523	14,321
Personnel services - employee benefits	279,581	288,381	278,903	9,478
Purchased professional & technical services	43,929	14,049	10,436	3,613
Purchased property services	1,507	-	-	-
Other purchased services	4,091	91	-	91
Supplies	24,017	28,024	27,482	-
Property	-	1,000	741	259
Total school administration	<u>1,225,789</u>	<u>1,237,389</u>	<u>1,209,085</u>	<u>27,762</u>

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 Cash Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Support services - central services				
Personnel services - compensation	364,401	379,301	377,841	1,460
Personnel services - employee benefits	119,028	121,028	119,275	1,753
Purchased professional & technical services	12,362	12,362	10,934	1,428
Other purchased services	6,695	2,695	1,505	1,190
Supplies	20,600	23,600	23,048	552
Total central services	<u>523,086</u>	<u>538,986</u>	<u>532,603</u>	<u>6,383</u>
Support services - operations & maintenance of plant				
Personnel services - compensation	759,176	780,076	763,396	16,680
Personnel services - employee benefits	285,745	286,795	278,054	8,741
Purchased professional & technical services	613	3,613	990	2,623
Purchased property services	825,911	811,161	716,965	94,196
Other purchased services	347,104	388,104	388,956	(852)
Supplies	12,514	10,514	8,879	1,635
Total operations & maintenance of plant	<u>2,231,063</u>	<u>2,280,263</u>	<u>2,157,240</u>	<u>123,023</u>
Support services - student transportation				
Personnel services - compensation	16,052	16,252	9,899	6,353
Personnel services - employee benefits	11,307	11,507	7,741	3,766
Purchased property services	992,724	996,594	965,825	30,769
Other purchased services	2,033	2,033	1,320	713
Total student transportation	<u>1,022,116</u>	<u>1,026,386</u>	<u>984,785</u>	<u>41,601</u>
Support services - other support services				
Debt services & miscellaneous	319,167	319,167	-	319,167
Total other support services	<u>319,167</u>	<u>319,167</u>	<u>-</u>	<u>319,167</u>
Operation of non-instructional services - community services				
Personnel services - compensation	34,732	34,732	26,595	8,137
Personnel services - employee benefits	7,512	7,512	4,486	3,026
Purchased professional & technical services	146	646	542	104
Total community services	<u>42,390</u>	<u>42,890</u>	<u>31,623</u>	<u>11,267</u>
<i>Total expenditures</i>	<u>20,571,405</u>	<u>20,641,818</u>	<u>19,394,319</u>	<u>1,241,957</u>
Excess (deficiency) of revenues over expenditures	(1,181,852)	(1,215,189)	75,205	<u>\$ 1,284,852</u>
Prior year cash balance	<u>985,748</u>	<u>985,748</u>		
End of the year cash balance	<u>\$ (196,104)</u>	<u>\$ (229,441)</u>		
RECONCILIATION TO GAAP				
Prior year taxes receivable			(10,788)	
Current year taxes receivable			13,721	
Prior year accounts payable			29,838	
Current year accounts payable			(37,408)	
Prior year accrued interest			(30,924)	
Current year accrued interest			224,816	
Current year deferred revenue			(8,306)	
Prior year deferred revenue			8,344	
Excess (deficiency) of revenues over expenditures			<u>\$ 264,498</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Title I
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 573,753	\$ 573,753	\$ 598,845	\$ 25,092
<i>Total revenues</i>	573,753	573,753	598,845	25,092
EXPENDITURES				
Instruction	500,006	500,006	430,962	69,044
Support services:				
Instruction	73,747	73,747	71,707	2,040
<i>Total expenditures</i>	573,753	573,753	502,669	71,084
Excess (deficiency) of revenues over expenditures	-	-	96,176	\$ 96,176
Prior year cash balance	15,984	15,984		
End of the year cash balance	\$ 15,984	\$ 15,984		
RECONCILIATION TO GAAP				
Current year accounts receivable			37,840	
Prior year accounts receivable			(134,016)	
Excess (deficiency) of revenues over expenditures			\$ -	

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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Reading First
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 276,264	\$ 276,264	\$ 180,637	\$ (95,627)
<i>Total revenue</i>	276,264	276,264	180,637	(95,627)
EXPENDITURES				
Instruction	270,200	270,200	268,747	1,453
Support services:				
General administration	6,064	6,064	6,064	-
<i>Total expenditures</i>	276,264	276,264	274,811	1,453
Excess (deficiency) of revenues over expenditures	-	-	(94,174)	\$ (94,174)
Prior year cash balance	71,217	71,217		
End of the year cash balance	\$ 71,217	\$ 71,217		
RECONCILIATION TO GAAP				
Prior year due from other governments			-	
Current year due from other governments			93,700	
Current year deferred revenue			474	
Excess (deficiency) of revenues over expenditures			\$ -	

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, 2009**

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	<u>247,785</u>
LIABILITIES	
Deposits Held for Others	<u>247,785</u>

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, 2009**

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, 2009**

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.

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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due 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 2009 fiscal year was \$503,907,978. 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.

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

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assets	Years
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, 2009 was \$102,194.

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, 2009**

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.

E. 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.

F. Salaries and Wages

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

G. 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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 \$17,362,095 in state equalization guarantee distributions during the year ended June 30, 2009.

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 \$957,387 in transportation distributions during the year ended June 30, 2009.

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, 2009**

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 at the function level. (i.e., budgeted expenditures within the function 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, 2009**

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, 2009 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:

	Excess (deficiency) of revenues Over expenditures	
Budgeted Funds:	Original Budget	Final Budget
General Fund	\$ (1,181,852)	\$ (1,215,189)
Title I	-	-
Reading First	-	-
Bond Building	(11,216,988)	(8,216,988)
Capital Improvements SB-9	(782,681)	(782,681)
Debt Service Fund	(2,557,258)	(2,557,258)
Nonmajor Funds	(265,179)	(265,179)
Totals	\$ (16,003,958)	\$ (13,037,295)

B. Deficit Fund Equity

The only deficit fund balances at June 30, 2009 was a deficit of \$6,968 in the Collaborative Forest Restoration Fund and \$20,422 in the Special Capital Outlay State Fund.

NOTE 3: CASH AND TEMPORARY INVESTMENTS

At June 30, 2009 the carrying amount of the District's deposits was \$7,066,418. The total cash and temporary investment balance per the financial institutions was \$8,635,455 and consisted of demand deposits and certificates of deposit. Of this balance, \$502,822 was covered by federal depository insurance and \$7,001,700 was covered by collateral held in joint safekeeping by a third party in the District's name. The remaining \$1,130,933 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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 3: CASH AND TEMPORARY INVESTMENTS (continued)

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	\$ 5,612,441	\$ 3,023,014	\$ 8,635,455
FDIC coverage	(252,822)	(250,000)	(502,822)
Total uninsured public funds	5,359,619	2,773,014	8,132,633
Collateral requirement	2,679,810	1,386,507	4,066,317
Pledged security	(7,646,090)	(1,642,081)	(9,288,171)
Over collateralized	\$(4,966,280)	\$ (255,574)	\$(5,221,854)

The collateral pledged is listed at page 125. 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 \$250,000 in aggregate and separate from the \$250,000 coverage for public demand deposits at the same institution. Under the Temporary Liquidity Guarantee Program effective October 14, 2008 and running through December 31, 2009 all interest bearing and debt servicing accounts will be insured up to \$250,000 and all non-interest bearing accounts will have 100% of deposits insured.

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, 2009. The State Treasurer is the regulatory oversight entity and participation in the pool is voluntary.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 3: CASH AND TEMPORARY INVESTMENTS (continued)

As of June 30, 2009, 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
Money Market and Cash Funds	225,446	225,446	-	-	-
Total	\$ 225,446	\$ 225,446	\$ -	\$ -	\$ -

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, 2009 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.

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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

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	Title I	Reading First	Bond Building	Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total
Receivables:								
Property taxes	\$13,721	\$ -	\$ -	\$ -	\$ 71,874	\$ 210,961	\$ -	\$296,556
Due from other Governments	\$ -	\$37,840	\$93,700	\$ -	\$ -	\$ -	\$ 283,326	\$414,866

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	IDEA-B Discretionary	16,440
Operational Fund	IDEA-B Competitive	3,163
Operational Fund	IDEA-B Preschool	6,363
Operational Fund	Title I 1003G Grant	19,585
Operational Fund	Enhancing Education Through Technology	5,092
Operational Fund	EETT Competitive	4,013
Operational Fund	Title V - Part A	148
Operational Fund	English Language Acquisition	9,970
Operational Fund	Teacher/Principal Training & Recruiting	32,125
Operational Fund	Safe and Drug Free Schools	59
Operational Fund	Collaborative Forest Restoration	26,711
Operational Fund	Child Care Block Grant	24,101
Operational Fund	School Improvement Framework	46,599
Operational Fund	Library 2006 GO Bonds	6,328
Operational Fund	Center for Teaching Excellence	21
Operational Fund	Reading First	150,000
Bond Building	Special Capital Outlay State	20,422
		\$ 621,140

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance 06/30/08	Increases	Decreases	Ending Balance 06/30/09
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,340,817	\$ -	\$ -	\$ 1,340,817
Construction in Process	18,498,110	12,010,939	(137,199)	30,371,850
Capital assets, being depreciated:				
Buildings and improvements	30,869,534	281,115	-	31,150,649
Land improvements	2,125,287	467,352	-	2,592,639
Equipment	2,173,289	196,345	(112,876)	2,256,758
Total at historical cost	<u>55,007,037</u>	<u>12,955,751</u>	<u>(250,075)</u>	<u>67,712,713</u>
Less Accumulated Depreciation:				
Buildings and improvements	(11,037,464)	(706,120)	-	(11,743,584)
Land improvements	(1,461,374)	(78,592)	-	(1,539,966)
Equipment	(1,730,172)	(116,730)	112,876	(1,734,026)
Total accumulated depreciation	<u>(14,229,010)</u>	<u>(901,442)</u>	<u>112,876</u>	<u>(15,017,576)</u>
Governmental activities capital assets, net	<u>\$40,778,027</u>	<u>\$12,054,309</u>	<u>\$ (137,199)</u>	<u>\$ 52,695,137</u>

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, 2009**

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, 2009 are comprised of the following:

	Original Amount	Interest Rates	Balance 06/30/09
2005 Refunding Bonds	\$ 6,355,000	2.75-3%	\$ 4,200,000
2006 Series	14,500,000	5%	14,050,000
2007 Series	8,500,000	5%	7,950,000
2008 Series	3,000,000	4%	3,000,000
Total General Obligation Bonds	<u>\$32,355,000</u>		<u>\$29,200,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2009, including interest payments are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total Requirements
2010	\$ 1,855,000	\$ 1,127,631	\$ 2,982,631
2011	1,545,000	1,069,913	2,614,913
2012	1,700,000	1,016,500	2,716,500
2013	1,900,000	955,625	2,855,625
2014	1,900,000	882,938	2,782,938
2015-2019	10,000,000	3,223,444	13,223,444
2020-2024	10,300,000	867,838	11,167,838
Total	<u>\$ 29,200,000</u>	<u>\$ 9,143,889</u>	<u>\$ 38,343,889</u>

Changes in long-term liabilities – During the year ended June 30, 2009, the following changes occurred in liabilities reported in the general obligation bonds and compensated absences.

	Balance 06/30/08	Additions	Retirements	Balance 06/30/09	Due Within One Year
2005 Refunding Bonds	\$ 5,200,000	\$ -	\$ 1,000,000	\$ 4,200,000	\$ 1,100,000
2006 Series	14,150,000	-	100,000	14,050,000	100,000
2007 Series	8,500,000	-	550,000	7,950,000	225,000
2008 Series	-	3,000,000	-	3,000,000	430,000
Compensated Absences	98,001	48,688	44,495	102,194	-
	<u>\$ 27,948,001</u>	<u>\$ 3,048,688</u>	<u>\$ 1,694,495</u>	<u>\$ 29,302,194</u>	<u>\$ 1,855,000</u>

Compensated absences typically have been liquidated in the general fund.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

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, 2009.

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 7.9% of their gross salary. Ruidoso Municipal School District is required to contribute 11.65% 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, 2009**

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, 2009, 2008, and 2007 were: \$1,410,278, \$1,327,902, and \$1,192,862, 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 0.65 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, 2009**

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, 2009, Ruidoso Municipal School District remitted \$163,803 in employer contributions and \$81,900 in employee contributions to the Retiree Health Care Authority.

NOTE 12: ACCOUNTING STANDARDS

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.

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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2009**

NOTE 12: ACCOUNTING STANDARDS (continued)

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.

In June 2008, the Governmental Accounting Standards Board (GASB) issued Statement No. 52, *Derivative Instruments*. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009. Earlier application is encouraged. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, can also expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
General Fund
June 30, 2009**

	Operational	Instructional Materials	Transportation	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 1,136,532	\$ 3,555	\$ 3,835	\$ 1,143,922
Receivables:				
Taxes	13,721	-	-	13,721
Due from Other Governments	-	-	-	-
Due from Other Funds	600,718	-	-	600,718
Inventory	-	-	-	-
 Total Assets	 <u>\$ 1,750,971</u>	 <u>\$ 3,555</u>	 <u>\$ 3,835</u>	 <u>\$ 1,758,361</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	37,408	-	-	\$ 37,408
Accrued Payroll	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue:				
Federal, State & Local Grants	-	-	-	-
Delinquent Property Taxes	8,306	-	-	8,306
Total Liabilities	<u>45,714</u>	<u>-</u>	<u>-</u>	<u>45,714</u>
Fund balances:				
Reserved for:				
Inventory	-	-	-	-
Retirement of Long-Term Debt	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	1,705,257	3,555	3,835	1,712,647
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Total Fund Balances	<u>1,705,257</u>	<u>3,555</u>	<u>3,835</u>	<u>1,712,647</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,750,971</u>	 <u>\$ 3,555</u>	 <u>\$ 3,835</u>	 <u>\$ 1,758,361</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, 2009**

	Operational	Instructional Materials	Transportation	Total General Fund
REVENUES				
Federal Sources	\$ 559,601	\$ -	\$ -	\$ 559,601
State Sources	17,362,095	239,995	957,389	18,559,479
Property Taxes	172,686	-	-	172,686
District Activities	120,686	-	-	120,686
Investment Income	235,476	-	-	235,476
Other Revenue	17,074	1,386	-	18,460
Total Revenues	<u>18,467,618</u>	<u>241,381</u>	<u>957,389</u>	<u>19,666,388</u>
EXPENDITURES				
Current:				
Instruction	11,217,819	240,314	-	11,458,133
Support Services:				
Students	2,015,736	-	-	2,015,736
Instruction	585,392	20,436	-	605,828
General Administration	398,829	-	-	398,829
School Administration	1,209,086	-	-	1,209,086
Central Services	532,602	-	-	532,602
Operation and Maintenance of Plant	2,165,265	-	-	2,165,265
Student Transportation	31,234	-	953,554	984,788
Other Support Services	-	-	-	-
Operation of Non Instructional Services				
Food Services Operation	-	-	-	-
Community Services	31,623	-	-	31,623
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	<u>18,187,586</u>	<u>260,750</u>	<u>953,554</u>	<u>19,401,890</u>
Excess (Deficiency) of Revenues Over Expenditures	280,032	(19,369)	3,835	264,498
Fund Balances - Beginning of Year	<u>1,425,225</u>	<u>22,924</u>	<u>-</u>	<u>1,448,149</u>
Fund Balances - End of Year	<u>\$ 1,705,257</u>	<u>\$ 3,555</u>	<u>\$ 3,835</u>	<u>\$ 1,712,647</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Operational Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 156,179	\$ 156,179	\$ 169,715	\$ 13,536
District activities	91,208	91,208	120,686	29,478
Revenue from local sources	14,851	14,851	941	(13,910)
Revenue from state sources	17,829,529	17,829,529	17,362,095	(467,434)
Revenue from federal sources	102,274	102,274	559,602	457,328
Investment income	-	-	41,587	41,587
Proceeds from disposal of property	-	-	1,961	1,961
Other items	39,300	39,300	14,169	(25,131)
<i>Total revenues</i>	<u>18,233,341</u>	<u>18,233,341</u>	<u>18,270,756</u>	<u>37,415</u>
EXPENDITURES				
Instruction:				
Personnel services - compensation	8,529,603	8,536,004	8,262,946	273,058
Personnel services - employee benefits	2,631,471	2,652,641	2,552,333	100,308
Purchased professional & technical services	93,632	87,061	34,674	52,387
Purchased property services	33,590	17,890	10,328	7,562
Other purchased services	258,429	254,429	201,662	52,767
Supplies	244,095	178,695	149,128	29,567
Property	-	7,600	6,506	1,094
Total instruction	<u>11,790,820</u>	<u>11,734,320</u>	<u>11,217,577</u>	<u>516,743</u>
Support services - students				
Personnel services - compensation	969,219	1,063,919	1,046,070	17,849
Personnel services - employee benefits	296,586	319,986	316,091	3,895
Purchased professional & technical services	771,368	710,328	640,253	70,075
Purchased property services	33,300	8,300	3,300	5,000
Other purchased services	21,775	4,475	2,798	1,677
Supplies	31,017	17,257	11,026	6,231
Total students	<u>2,123,265</u>	<u>2,124,265</u>	<u>2,019,538</u>	<u>104,727</u>
Support services - instruction				
Personnel services - compensation	379,357	387,233	386,443	790
Personnel services - employee benefits	125,919	126,043	122,687	3,356
Purchased professional & technical services	-	4,000	2,294	1,706
Other purchased services	-	2,413	1,628	785
Supplies	93,719	77,283	72,341	4,942
Total instruction	<u>598,995</u>	<u>596,972</u>	<u>585,393</u>	<u>11,579</u>
Support services - general administration				
Personnel services - compensation	196,647	197,047	195,871	1,176
Personnel services - employee benefits	62,481	62,481	58,449	4,032
Purchased professional & technical services	140,216	171,552	122,787	48,765
Purchased property services	20,200	2,200	850	1,350
Other purchased services	48,374	23,774	4,572	19,202
Supplies	20,271	21,471	13,196	8,275
Total general administration	<u>488,189</u>	<u>478,525</u>	<u>395,725</u>	<u>82,800</u>
Support services - school administration				
Personnel services - compensation	872,664	905,844	891,523	14,321
Personnel services - employee benefits	279,581	288,381	278,903	9,478
Purchased professional & technical services	43,929	14,049	10,436	3,613
Purchased property services	1,507	-	-	-
Other purchased services	4,091	91	-	91
Supplies	24,017	28,024	27,482	542
Property	-	1,000	741	259
Total school administration	<u>1,225,789</u>	<u>1,237,389</u>	<u>1,209,085</u>	<u>28,304</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Operational Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services - central services				
Personnel services - compensation	364,401	379,301	377,841	1,460
Personnel services - employee benefits	119,028	121,028	119,275	1,753
Purchased professional & technical services	12,362	12,362	10,934	1,428
Other purchased services	6,695	2,695	1,505	1,190
Supplies	20,600	23,600	23,048	552
Total central services	<u>523,086</u>	<u>538,986</u>	<u>532,603</u>	<u>6,383</u>
Support services - operations & maintenance of plant				
Personnel services - compensation	759,176	780,076	763,396	16,680
Personnel services - employee benefits	285,745	286,795	278,054	8,741
Purchased professional & technical services	613	3,613	990	2,623
Purchased property services	825,911	811,161	716,965	94,196
Other purchased services	347,104	388,104	388,956	(852)
Supplies	12,514	10,514	8,879	1,635
Total operations & maintenance of plant	<u>2,231,063</u>	<u>2,280,263</u>	<u>2,157,240</u>	<u>123,023</u>
Support services - student transportation				
Personnel services - compensation	16,052	16,252	9,899	6,353
Personnel services - employee benefits	11,307	11,507	7,741	3,766
Other purchased services	43,037	43,037	12,273	30,764
Supplies	2,033	2,033	1,320	713
Total student transportation	<u>72,429</u>	<u>72,829</u>	<u>31,233</u>	<u>40,883</u>
Support services - other support services				
Debt services & miscellaneous	319,167	319,167	-	319,167
Total other support services	<u>319,167</u>	<u>319,167</u>	<u>-</u>	<u>319,167</u>
Operation of non-instructional services - community services				
Personnel services - compensation	34,732	34,732	26,595	8,137
Personnel services - employee benefits	7,512	7,512	4,486	3,026
Purchased professional & technical services	146	646	542	104
Total community services	<u>42,390</u>	<u>42,890</u>	<u>31,623</u>	<u>11,267</u>
Total expenditures	<u>19,415,193</u>	<u>19,425,606</u>	<u>18,180,017</u>	<u>1,244,876</u>
Excess (deficiency) of revenues over expenditures	(1,181,852)	(1,192,265)	90,739	<u>\$ 1,282,291</u>
Prior year cash balance	962,824	962,824		
End of the year cash balance	<u>\$ (219,028)</u>	<u>\$ (229,441)</u>		
RECONCILIATION TO GAAP				
Prior year taxes receivable			(10,788)	
Current year taxes receivable			13,721	
Prior year accounts payable			29,838	
Current year accounts payable			(37,408)	
Prior year accrued interest			(30,924)	
Current year accrued interest			224,816	
Current year deferred revenue			(8,306)	
Prior year deferred revenue			8,344	
Excess (deficiency) of revenues over expenditures			<u>\$ 280,032</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Instructional Materials
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Revenue from local sources	\$ -	\$ -	\$ 1,386	\$ 1,386
Revenue from state sources	206,525	239,731	239,995	264
<i>Total revenue</i>	<u>206,525</u>	<u>239,731</u>	<u>241,381</u>	<u>1,650</u>
<i>EXPENDITURES</i>				
Instruction	194,216	241,087	240,314	773
Support services:				
Instruction	12,309	21,568	20,436	1,132
<i>Total expenditures</i>	<u>206,525</u>	<u>262,655</u>	<u>260,750</u>	<u>1,905</u>
Excess (deficiency) of revenues over expenditures	-	(22,924)	<u>\$ (19,369)</u>	<u>\$ 3,555</u>
Prior year cash balance	<u>22,924</u>	<u>22,924</u>		
End of the year cash balance	<u>\$ 22,924</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Pupil Transportation Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 949,687	\$ 953,557	\$ 957,387	\$ 3,830
<i>Total revenue</i>	<u>949,687</u>	<u>953,557</u>	<u>957,387</u>	<u>3,830</u>
EXPENDITURES				
Support services:				
Student transportation	949,687	953,557	953,552	5
<i>Total expenditures</i>	<u>949,687</u>	<u>953,557</u>	<u>953,552</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ 3,835</u>	<u>\$ 3,825</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Bond Building Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 171,445	\$ 171,445
Sale of bonds	-	3,000,000	3,000,000	-
Total revenues	-	3,000,000	3,171,445	171,445
EXPENDITURES				
Capital outlay	11,216,988	11,216,988	8,612,159	2,604,829
Total expenditures	11,216,988	11,216,988	8,612,159	2,604,829
Excess (deficiency) of revenues over expenditures	(11,216,988)	(8,216,988)	(5,440,714)	\$ 2,776,274
Prior year cash balance	7,358,274	7,358,274		
End of the year cash balance	\$ (3,858,714)	\$ (858,714)		
RECONCILIATION TO GAAP				
Current year accounts payable			(7,545)	
Prior year accounts payable			2,611,907	
Prior year unrealized loss			4,529	
Excess (deficiency) of revenues over expenditures			\$ (2,831,823)	

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 Cash Balance
Budget (Non-GAAP Basis) and Actual
SB-9 Capital Improvements
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 14,835	\$ 14,835	\$ 3,752	\$ (11,083)
Taxes levied	943,085	943,085	992,593	49,508
Other revenue from local sources	36,315	36,315	294,346	258,031
Revenue from state sources	51,111	51,865	51,865	-
<i>Total revenues</i>	<u>1,045,346</u>	<u>1,046,100</u>	<u>1,342,556</u>	<u>296,456</u>
EXPENDITURES				
Support services:				
General administration	9,431	10,431	9,926	505
Capital outlay	1,818,596	1,818,350	1,266,709	551,641
<i>Total expenditures</i>	<u>1,828,027</u>	<u>1,828,781</u>	<u>1,276,635</u>	<u>552,146</u>
Excess (deficiency) of revenues over expenditures	(782,681)	(782,681)	65,921	<u>\$ 848,602</u>
Prior year cash balance	<u>691,483</u>	<u>691,483</u>		
End of the year cash balance	<u>\$ (91,198)</u>	<u>\$ (91,198)</u>		
RECONCILIATION TO GAAP				
Current year accounts receivable			71,874	
Prior year accounts receivable			(58,570)	
Current year deferred revenue			(43,314)	
Prior year deferred revenue			44,268	
Current year accounts payable			(31,513)	
Prior year accounts payable			<u>35,192</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ 83,858</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes levied	\$ 2,784,931	\$ 2,784,931	\$ 2,920,058	\$ 135,127
Investment income	5,200	5,200	6,392	1,192
<i>Total revenue</i>	2,790,131	2,790,131	2,926,450	136,319
EXPENDITURES				
Support services:				
General administration	27,849	31,349	29,201	2,148
Debt services	5,319,540	5,316,040	2,822,237	2,493,803
<i>Total expenditures</i>	5,347,389	5,347,389	2,851,438	2,495,951
Excess (deficiency) of revenues over expenditures	(2,557,258)	(2,557,258)	75,012	\$ 2,632,270
Prior year cash balance	2,564,115	2,564,115		
End of the year cash balance	\$ 6,857	\$ 6,857		
RECONCILIATION TO GAAP				
Prior year property taxes receivable			(170,473)	
Current year property taxes receivable			210,961	
Prior year deferred revenue			129,453	
Current year deferred revenue			(126,773)	
Excess (deficiency) of revenues over expenditures			\$ 118,180	

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

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2009**

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)

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)

IDEA-B Discretionary – 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)

IDEA-B Competitive – 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)

Title I 1003G – to account for revenues received from the State for the purpose of expanding and improving the technology program. (Authority, NMSA 22-15A-1)

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)

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

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)

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2009**

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)

Title IV - Safe and Drug Free Schools – to account for monies received to support programs that prevent violence in and around schools and by strengthening programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State and community efforts and resources. (Authority, Title IV, ESEA, Safe and Drug Free Schools and Communities 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.

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 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.

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.

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)

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 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.

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)

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2009**

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.

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.

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

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

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.

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)

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)

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)

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.

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

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.

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)

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Non Major Funds
June 30, 2009**

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)

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

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.

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2009**

	Food Services	Athletics	IDEA-B Entitlement
ASSETS			
Cash and Cash Equivalents	\$ 140,966	\$ 1,577	\$ 17,808
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	-	-	82,192
Due from other Funds	-	-	-
Food Inventory	5,202	-	-
 Total Assets	 \$ 146,168	 \$ 1,577	 \$ 100,000
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	-	-	100,000
Deferred Revenue:			
Federal, State & Local Grants	-	-	-
Delinquent Property Taxes	-	-	-
Total Liabilities	-	-	100,000
 Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	5,202	-	-
Unreserved:			
Designated for Subs. Year's Expen.	140,966	1,577	-
Total Fund Balances	146,168	1,577	-
 Total Liabilities and Fund Balances	 \$ 146,168	 \$ 1,577	 \$ 100,000

IDEA-B Discretionary	IDEA-B Competitive	IDEA-B Preschool	Title I 1003G	Enhancing Education Through Technology	EETT Competitive Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
16,440	3,163	6,363	19,585	5,092	4,013
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,440</u>	<u>\$ 3,163</u>	<u>\$ 6,363</u>	<u>\$ 19,585</u>	<u>\$ 5,092</u>	<u>\$ 4,013</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
16,440	3,163	6,363	19,585	5,092	4,013
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,440</u>	<u>3,163</u>	<u>6,363</u>	<u>19,585</u>	<u>5,092</u>	<u>4,013</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,440</u>	<u>\$ 3,163</u>	<u>\$ 6,363</u>	<u>\$ 19,585</u>	<u>\$ 5,092</u>	<u>\$ 4,013</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2009**

	Title V-A	Title III - English Language Acquisition	Title II-A Teacher/ Principal Training & Recruiting
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	148	9,970	32,541
Due from other Funds	-	-	-
Food Inventory	-	-	-
	<u>148</u>	<u>9,970</u>	<u>32,541</u>
Total Assets	<u>\$ 148</u>	<u>\$ 9,970</u>	<u>\$ 32,541</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 416
Accrued Payroll	-	-	-
Due to Other Funds	148	9,970	32,125
Deferred Revenue:			
Federal, State & Local Grants	-	-	-
Delinquent Property Taxes	-	-	-
Total Liabilities	<u>148</u>	<u>9,970</u>	<u>32,541</u>
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 148</u>	<u>\$ 9,970</u>	<u>\$ 32,541</u>

<u>Title IV - Drug Free Schools</u>	<u>Rural and Low Income Schools</u>	<u>Collaborative Forest Restoration</u>	<u>Title VIII - Special Education</u>	<u>Title VIII - Indian Education</u>	<u>GRADS Childcare</u>
\$ -	\$ 2,405	\$ -	\$ 101,034	\$ 103,919	\$ 695
-	-	-	-	-	-
59	-	26,711	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 59</u>	<u>\$ 2,405</u>	<u>\$ 26,711</u>	<u>\$ 101,034</u>	<u>\$ 103,919</u>	<u>\$ 695</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
59	-	26,711	-	-	-
-	2,405	-	101,034	103,919	695
-	-	-	-	-	-
<u>59</u>	<u>2,405</u>	<u>26,711</u>	<u>101,034</u>	<u>103,919</u>	<u>695</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 59</u>	<u>\$ 2,405</u>	<u>\$ 26,711</u>	<u>\$ 101,034</u>	<u>\$ 103,919</u>	<u>\$ 695</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2009**

	Medicaid	Parents as Teachers	GRADS Instructional
ASSETS			
Cash and Cash Equivalents	\$ 15,000	\$ -	\$ 3
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	-	24,101	-
Due from other Funds	-	-	-
Food Inventory	-	-	-
	<u>\$ 15,000</u>	<u>\$ 24,101</u>	<u>\$ 3</u>
Total Assets	\$ 15,000	\$ 24,101	\$ 3
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	-	24,101	-
Deferred Revenue:			
Federal, State & Local Grants	15,000	-	3
Delinquent Property Taxes	-	-	-
Total Liabilities	15,000	24,101	3
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	-	-	-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ 15,000	\$ 24,101	\$ 3

GRADS Child/Adult Care Food Program	Title VII - Indian Ed Formula Grant	Jordan Fundamentals Grant	PNM Foundation	A+ for Energy
\$ 3,361	\$ -	\$ 5	\$ 176	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,361</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 176</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
3,361	-	-	-	-
-	-	-	-	-
<u>3,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	5	176	-
-	-	5	176	-
<u>\$ 3,361</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 176</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue Governmental Funds
June 30, 2009**

	TANIF	Technology for Education	Incentives for School Improvement
ASSETS			
Cash and Cash Equivalents	\$ 2,897	\$ 9,299	\$ 1
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	-	-	-
Due from other Funds	-	-	-
Food Inventory	-	-	-
Total Assets	\$ 2,897	\$ 9,299	\$ 1
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue:			
Federal, State & Local Grants	2,897	9,299	1
Delinquent Property Taxes	-	-	-
Total Liabilities	2,897	9,299	1
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	-
Unreserved:			
Designated for Subs. Year's Expen.	-	-	-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ 2,897	\$ 9,299	\$ 1

Beginning Teacher Mentoring	Breakfast in the Classroom	Reading First Materials	School Improvement Framework	Libraries 2006 SB 301 GO Bonds
\$ 310	\$ 1	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	46,599	6,328
-	-	-	-	-
-	-	-	-	-
<u>\$ 310</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 46,599</u>	<u>\$ 6,328</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	46,599	6,328
310	1	-	-	-
-	-	-	-	-
<u>310</u>	<u>1</u>	<u>-</u>	<u>46,599</u>	<u>6,328</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 310</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 46,599</u>	<u>\$ 6,328</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Balance Sheet
Non-major Special Revenue and Capital Projects Governmental Funds
June 30, 2009**

	Cener for Teacher Excellence	Private Direct Grants	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 270	\$ 399,727
Receivables:			
Delinquent Property Taxes	-	-	-
Due from other Governments	21	-	283,326
Due from other Funds	-	-	-
Food Inventory	-	-	5,202
Total Assets	\$ 21	\$ 270	\$ 688,255
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 416
Accrued Payroll	-	-	-
Due to Other Funds	21	-	300,718
Deferred Revenue:			
Federal, State & Local Grants	-	-	238,925
Delinquent Property Taxes	-	-	-
Total Liabilities	21	-	540,059
Fund Balances:			
Reserved:			
Retirement of Long-Term Debt	-	-	-
Inventories	-	-	5,202
Unreserved:			
Designated for Subs. Year's Expen.	-	270	142,994
Total Fund Balances	-	270	148,196
Total Liabilities and Fund Balances	\$ 21	\$ 270	\$ 688,255

Public School Capital Outlay	Special Capital Outlay Local	Special Capital Outlay State	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 500	\$ 6,193	\$ -	\$ 6,693	\$ 406,420
-	-	-	-	-
-	-	-	-	283,326
-	-	-	-	-
-	-	-	-	5,202
<u>\$ 500</u>	<u>\$ 6,193</u>	<u>\$ -</u>	<u>\$ 6,693</u>	<u>694,948</u>
\$ -	\$ -	\$ -	\$ -	\$ 416
-	-	-	-	-
-	-	20,422	20,422	321,140
-	-	-	-	238,925
-	-	-	-	-
-	-	20,422	20,422	560,481
-	-	-	-	-
-	-	-	-	5,202
500	6,193	(20,422)	(13,729)	129,265
500	6,193	(20,422)	(13,729)	134,467
<u>\$ 500</u>	<u>\$ 6,193</u>	<u>\$ -</u>	<u>\$ 6,693</u>	<u>\$ 694,948</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, 2009**

	Food Services	Athletics	IDEA-B Entitlement
REVENUES			
Federal Sources	\$ 757,482	\$ -	\$ 516,619
State Sources	-	-	-
Property Taxes	-	-	-
District Activities	-	30,188	-
Investment Income	655	8	-
Food Services	228,488	-	-
Other Revenue	-	-	-
Total Revenues	986,625	30,196	516,619
EXPENDITURES			
Current:			
Instruction	-	38,541	271,797
Support Services:			
Students	-	-	116,380
Instruction	-	-	123,711
General Administration	-	-	4,731
School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	915,298	-	-
Community Services	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	915,298	38,541	516,619
Excess (deficiency) of revenues over expenditures	71,327	(8,345)	-
Fund Balances--Beginning of the Year	74,841	9,922	-
Fund Balances--End of the Year	\$ 146,168	\$ 1,577	\$ -

IDEA-B Discretionary	IDEA-B Competitive	IDEA-B Preschool	Title I 1003G	Enhancing Education Through Technology	EETT Competitive Grant
\$ 16,440	\$ -	\$ 22,480	\$ 99,532	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,440	-	22,480	99,532	-	-
600	-	21,219	99,532	-	-
826	-	1,261	-	-	-
15,014	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,440	-	22,480	99,532	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2009**

	Title V-A	Title III - English Language Acquisition	Title II-A Teacher/ Principal Training & Recruiting
REVENUES			
Federal Sources	\$ -	\$ 15,210	\$ 123,427
State Sources	-	-	-
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>-</u>	<u>15,210</u>	<u>123,427</u>
EXPENDITURES			
Current:			
Instruction	-	15,210	114,614
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	2,970
School Administration	-	-	5,843
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	<u>-</u>	<u>15,210</u>	<u>123,427</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund Balances--Beginning of the Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances--End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title IV - Drug Free Schools	Rural and Low Income Schools	Collaborative Forest Restoration	Title III - Special Education	Title VIII - Indian Education	GRADS Childcare
\$ 19,758	\$ 55,365	\$ 26,711	\$ 30,234	\$ 63,187	\$ 5,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,758	55,365	26,711	30,234	63,187	5,000
2,533	42,158	15,561	15,234	33,321	5,000
8,743	-	-	-	5,782	-
8,482	-	-	-	8,405	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,000	15,679	-
-	-	-	-	-	-
-	-	-	-	-	-
-	13,207	-	-	-	-
-	-	4,182	-	-	-
-	-	-	-	-	-
19,758	55,365	19,743	30,234	63,187	5,000
-	-	6,968	-	-	-
-	-	(6,968)	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2009**

	Medicaid	Parents as Teachers	GRADS Instructional
REVENUES			
Federal Sources	\$ -	\$ 108,780	\$ 8,000
State Sources	-	-	-
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	-	-
Total Revenues	-	108,780	8,000
EXPENDITURES			
Current:			
Instruction	-	108,780	8,000
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	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	-	108,780	8,000
Excess (deficiency) of revenues over expenditures	-	-	-
Fund Balances--Beginning of the Year	-	-	-
Fund Balances--End of the Year	\$ -	\$ -	\$ -

GRADS Child/Adult Care Food Program	Title VII - Indian Ed Formula Grant	Jordan Fundamentals Grant	PNM Foundation	A+ for Energy
\$ 3,174	\$ 81,099	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	5,000	-	5,000
<u>3,174</u>	<u>81,099</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
3,174	-	4,999	4,624	5,000
-	81,099	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,174</u>	<u>81,099</u>	<u>4,999</u>	<u>4,624</u>	<u>5,000</u>
-	-	1	(4,624)	-
-	-	4	4,800	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 176</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, 2009**

	TANIF	Technology for Education	Incentives for School Improvement
REVENUES			
Federal Sources	\$ -	\$ -	\$ -
State Sources	-	30,159	-
Property Taxes	-	-	-
District Activities	-	-	-
Investment Income	-	-	-
Food Services	-	-	-
Other Revenue	-	-	-
Total Revenues	-	30,159	-
EXPENDITURES			
Current:			
Instruction	-	25,032	-
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	5,127	-
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	-	30,159	-
Excess (deficiency) of revenues over expenditures	-	-	-
Fund Balances--Beginning of the Year	-	-	-
Fund Balances--End of the Year	\$ -	\$ -	\$ -

Beginning Teacher Mentoring	Breakfast in the Classroom	Reading First Materials	School Improvement Framework	Libraries 2006 SB 301 GO Bonds
\$ -	\$ -	\$ -	\$ -	\$ -
8,026	69,508	-	69,994	13,220
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,026	69,508	-	69,994	13,220
8,026	-	-	69,994	-
-	-	-	-	-
-	-	-	-	13,220
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	69,508	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,026	69,508	-	69,994	13,220
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds and Capital Projects Governmental Funds
For the Year Ended June 30, 2009**

	Center for Teacher Excellence	Private Direct Grants	Total Nonmajor Special Revenue Funds
REVENUES			
Federal Sources	\$ -	\$ -	\$ 1,952,498
State Sources	2,000	-	192,907
Property Taxes	-	-	-
District Activities	-	-	30,188
Investment Income	-	-	663
Food Services	-	-	228,488
Other Revenue	-	4,500	14,500
Total Revenues	2,000	4,500	2,419,244
EXPENDITURES			
Current:			
Instruction	2,000	4,500	919,449
Support Services:			-
Students	-	-	214,091
Instruction	-	-	168,832
General Administration	-	-	7,701
School Administration	-	-	5,843
Central Services	-	-	5,127
Operation and Maintenance of Plant	-	25,879	25,879
Student Transportation	-	-	30,679
Other Support Services	-	-	-
Operation of Non Instructional Services:			
Food Services Operation	-	-	984,806
Community Services	-	-	13,207
Capital Outlay	-	-	4,182
Debt Service	-	-	-
Total Expenditures	2,000	30,379	2,379,796
Excess (deficiency) of revenues over expenditures	-	(25,879)	39,448
Fund Balances--Beginning of the Year	-	26,149	108,748
Fund Balances--End of the Year	\$ -	\$ 270	\$ 148,196

Public School Capital Outlay	Special Capital Outlay-Local	Special Capital Outlay-State	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,952,498
19,399	-	579,001	598,400	791,307
-	-	-	-	-
-	-	-	-	30,188
-	-	-	-	663
-	-	-	-	228,488
-	-	-	-	14,500
<u>19,399</u>	<u>-</u>	<u>579,001</u>	<u>598,400</u>	<u>3,017,644</u>
-	-	-	-	919,449
-	-	-	-	214,091
-	-	-	-	168,832
-	-	-	-	7,701
-	-	-	-	5,843
-	-	-	-	5,127
-	-	-	-	25,879
-	-	-	-	30,679
-	-	-	-	-
-	-	-	-	984,806
-	-	-	-	13,207
17,850	8,199	600,000	626,049	630,231
-	-	-	-	-
<u>17,850</u>	<u>8,199</u>	<u>600,000</u>	<u>626,049</u>	<u>3,005,845</u>
1,549	(8,199)	(20,999)	(27,649)	11,799
(1,049)	14,392	577	13,920	122,668
<u>\$ 500</u>	<u>\$ 6,193</u>	<u>\$ (20,422)</u>	<u>\$ (13,729)</u>	<u>\$ 134,467</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Food Services
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Investment income	\$ 805	\$ 805	\$ 655	\$ (150)
Food services	257,049	257,049	228,488	(28,561)
Revenue from federal sources	627,855	627,855	757,482	129,627
<i>Total revenues</i>	<u>885,709</u>	<u>885,709</u>	<u>986,625</u>	<u>100,916</u>
<i>EXPENDITURES</i>				
Operation of non-instructional services:				
Food services	991,638	991,638	915,298	76,340
<i>Total expenditures</i>	<u>991,638</u>	<u>991,638</u>	<u>915,298</u>	<u>76,340</u>
Excess (deficiency) of revenues over expenditures	(105,929)	(105,929)	<u>\$ 71,327</u>	<u>\$ 177,256</u>
Prior year cash balance	<u>69,639</u>	<u>69,639</u>		
End of the year cash balance	<u>\$ (36,290)</u>	<u>\$ (36,290)</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Athletics
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Investment income	\$ 73	\$ 73	\$ 8	\$ (65)
District activities	25,224	30,196	30,188	(8)
<i>Total revenues</i>	<u>25,297</u>	<u>30,269</u>	<u>30,196</u>	<u>(73)</u>
<i>EXPENDITURES</i>				
Instruction	35,292	40,264	38,541	1,723
<i>Total expenditures</i>	<u>35,292</u>	<u>40,264</u>	<u>38,541</u>	<u>1,723</u>
Excess (deficiency) of revenues over expenditures	(9,995)	(9,995)	<u>\$ (8,345)</u>	<u>\$ 1,650</u>
Prior year cash balance	<u>9,922</u>	<u>9,922</u>		
End of the year cash balance	<u>\$ (73)</u>	<u>\$ (73)</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Entitlement
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 546,346	\$ 542,190	\$ 434,375	\$ (107,815)
<i>Total revenues</i>	546,346	542,190	434,375	(107,815)
EXPENDITURES				
Instruction	295,835	273,745	271,796	1,949
Support services:				
Students	32,606	138,315	116,379	21,936
Instruction	108,209	125,399	123,712	1,687
General administration	109,696	4,731	4,731	-
<i>Total expenditures</i>	546,346	542,190	516,618	25,572
Excess (deficiency) of revenues over expenditures	-	-	(82,243)	\$ (82,243)
Prior year cash balance	100,051	100,051		
End of the year cash balance	\$ 100,051	\$ 100,051		
RECONCILIATION TO GAAP				
Prior year deferred revenue			51	
Current year receivables			82,192	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Discretionary
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 16,441	\$ -	\$ 16,441
<i>Total revenues</i>	<u>-</u>	<u>16,441</u>	<u>-</u>	<u>16,441</u>
EXPENDITURES				
Instruction	-	600	600	-
Support services:				
Students	-	827	826	1
Instruction	-	15,014	15,014	-
<i>Total expenditures</i>	<u>-</u>	<u>16,441</u>	<u>16,440</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	-	-	(16,440)	<u>\$ 16,440</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			<u>16,440</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Competitive
For the Year Ended June 30, 2009**

	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>
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			3,163	
Prior year due from other governments			<u>(3,163)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Preschool
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 28,038	\$ 29,099	\$ 17,178	\$ (11,921)
<i>Total revenues</i>	28,038	29,099	17,178	(11,921)
EXPENDITURES				
Instruction	22,033	25,294	21,219	4,075
Support services:				
Students	4,183	3,244	1,261	1,983
General administration	1,822	561	-	561
<i>Total expenditures</i>	28,038	29,099	22,480	6,619
Excess (deficiency) of revenues over expenditures	-	-	(5,302)	\$ (18,540)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year due from other governments			6,363	
Prior 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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Title I 1003G
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 100,000	\$ 79,947	\$ (20,053)
<i>Total revenues</i>	-	100,000	79,947	(20,053)
EXPENDITURES				
Instruction	-	100,000	99,532	468
<i>Total expenditures</i>	-	100,000	99,532	468
Excess (deficiency) of revenues over expenditures	-	-	(19,585)	\$ (20,521)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year due from other governments			19,585	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Enhancing Education Thru Technology-(E2T2-F)
For the Year Ended June 30, 2009**

	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>
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>(5,092)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
EETT Competitive Grant
For the Year Ended June 30, 2009**

	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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Title V-Part A
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 1,345	\$ 1,345
<i>Total revenues</i>	-	-	1,345	1,345
EXPENDITURES				
Support services:				
School administration	-	-	-	-
Students	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,345	\$ 1,345
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year accounts receivable			148	
Prior year accounts receivable			(1,493)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Title III-English Language Acquisition
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 15,271	\$ 15,271	\$ 9,937	\$ (5,334)
<i>Total revenues</i>	15,271	15,271	9,937	(5,334)
EXPENDITURES				
Instruction	15,271	15,271	15,210	61
<i>Total expenditures</i>	15,271	15,271	15,210	61
Excess (deficiency) of revenues over expenditures	-	-	(5,273)	\$ (5,273)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year accounts receivable			9,970	
Prior 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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Title II-A - Teacher/Principal Training & Recruiting
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 123,821	\$ 127,350	\$ 126,064	\$ (1,286)
<i>Total revenues</i>	<u>123,821</u>	<u>127,350</u>	<u>126,064</u>	<u>(1,286)</u>
EXPENDITURES				
Instruction	117,630	116,635	114,614	2,021
Support services:				
General administration	6,191	3,467	2,970	497
School administration	-	7,248	5,843	1,405
<i>Total expenditures</i>	<u>123,821</u>	<u>127,350</u>	<u>123,427</u>	<u>3,923</u>
Excess (deficiency) of revenues over expenditures	-	-	2,637	<u>\$ 2,637</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			32,541	
Prior year due from other governments			(34,762)	
Current year accounts payable			<u>(416)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Title IV-A Safe & Drug Free Schools
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 19,763	\$ 19,698	\$ (65)
<i>Total revenues</i>	<u>-</u>	<u>19,763</u>	<u>19,698</u>	<u>(65)</u>
EXPENDITURES				
Instruction	-	2,538	2,533	5
Support services:				
Students	-	8,743	8,743	-
Instruction	-	8,482	8,481	1
<i>Total expenditures</i>	<u>-</u>	<u>19,763</u>	<u>19,757</u>	<u>6</u>
Excess (deficiency) of revenues over expenditures	-	-	(59)	<u>\$ (59)</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			<u>59</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Rural & Low Income Schools
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 80,324	\$ 80,324	\$ 56,682	\$ (23,642)
<i>Total revenues</i>	80,324	80,324	56,682	(23,642)
EXPENDITURES				
Instruction	65,852	65,852	42,158	23,694
Operation of non-instructional services:				
Community services	14,472	14,472	13,207	1,265
<i>Total expenditures</i>	80,324	80,324	55,365	24,959
Excess (deficiency) of revenues over expenditures	-	-	1,317	\$ 1,317
Prior year cash balance	1,088	1,088		
End of the year cash balance	\$ 1,088	\$ 1,088		
RECONCILIATION TO GAAP				
Current year deferred revenue			(2,405)	
Prior year deferred revenue			1,088	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Collaborative Forest Restoration
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 120,008	\$ 120,008	\$ -	\$ (120,008)
<i>Total revenues</i>	120,008	120,008	-	(120,008)
EXPENDITURES				
Instruction	48,500	48,500	22,531	25,969
Capital outlay	71,508	71,508	4,180	67,328
<i>Total expenditures</i>	120,008	120,008	26,711	93,297
Excess (deficiency) of revenues over expenditures	-	-	(26,711)	\$ (26,711)
Prior year cash balance	2	2		
End of the year cash balance	\$ 2	\$ 2		
RECONCILIATION TO GAAP				
Current year accounts receivable			26,711	
Prior year accounts payable			6,970	
			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Title VIII-Impact Aid Special Education
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 55,185	\$ 55,185
<i>Total revenue</i>	<u>-</u>	<u>-</u>	<u>55,185</u>	<u>55,185</u>
EXPENDITURES				
Instruction	62,944	47,544	15,234	32,310
Support services:				
Student transportation	-	15,400	15,000	400
<i>Total expenditures</i>	<u>62,944</u>	<u>62,944</u>	<u>30,234</u>	<u>32,710</u>
Excess (deficiency) of revenues over expenditures	(62,944)	(62,944)	24,951	<u>\$ 87,895</u>
Prior year cash balance	<u>76,083</u>	<u>76,083</u>		
End of the year cash balance	<u>\$ 13,139</u>	<u>\$ 13,139</u>		
RECONCILIATION TO GAAP				
Current year deferred revenue			(101,034)	
Prior year deferred revenue			<u>76,083</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Title VIII-Impact Aid Indian Education
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 86,909	\$ 86,909	\$ -
<i>Total revenues</i>	<u>-</u>	<u>86,909</u>	<u>86,909</u>	<u>-</u>
EXPENDITURES				
Instruction	53,619	78,008	33,322	44,686
Support services:				
Students	3,300	19,416	5,780	13,636
Instruction	10,000	15,834	8,405	7,429
Student transportation	-	40,570	15,679	24,891
<i>Total expenditures</i>	<u>66,919</u>	<u>153,828</u>	<u>63,186</u>	<u>90,642</u>
Excess (deficiency) of revenues over expenditures	(66,919)	(66,919)	23,723	<u>\$ 90,642</u>
Prior year cash balance	<u>80,196</u>	<u>80,196</u>		
End of the year cash balance	<u>\$ 13,277</u>	<u>\$ 13,277</u>		
RECONCILIATION TO GAAP				
Current year deferred revenue			(103,919)	
Prior year deferred revenue			<u>80,196</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
GRADS Childcare
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Revenue from federal sources	\$ -	\$ 5,000	\$ 5,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<i>EXPENDITURES</i>				
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>695</u>	<u>695</u>		
End of the year cash balance	<u>\$ 695</u>	<u>\$ 695</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Medicaid
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 15,000	\$ 15,000
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	15,000	<u>\$ 15,000</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			<u>(15,000)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Parents as Teachers
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 108,785	\$ 108,785	\$ 109,652	\$ 867
<i>Total revenues</i>	108,785	108,785	109,652	867
EXPENDITURES				
Instruction	108,785	108,785	108,778	7
<i>Total expenditures</i>	108,785	108,785	108,778	7
Excess (deficiency) of revenues over expenditures	-	-	874	\$ 874
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year accounts receivable			24,101	
Prior year accounts receivable			(24,975)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
GRADS Instructional
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 8,000	\$ 8,003	\$ (3)
<i>Total revenues</i>	<u>-</u>	<u>8,000</u>	<u>8,003</u>	<u>(3)</u>
EXPENDITURES				
Instruction	-	8,000	8,000	-
<i>Total expenditures</i>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	3	<u><u>\$ (3)</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 deferred revenue			<u>(3)</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
GRADS Child & Adult Food Program
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 4,634	\$ 3,161	\$ (1,473)
<i>Total revenues</i>	-	4,634	3,161	(1,473)
EXPENDITURES				
Instruction	-	4,634	3,174	1,460
<i>Total expenditures</i>	-	4,634	3,174	1,460
Excess (deficiency) of revenues over expenditures	-	-	(13)	\$ (13)
Prior year cash balance	3,374	3,374		
End of the year cash balance	\$ 3,374	\$ 3,374		
RECONCILIATION TO GAAP				
Current year deferred revenue			(3,361)	
Prior year deferred revenue			3,374	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Title VII-Indian Ed Formula Grant
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Revenue from federal sources	\$ 81,099	\$ 81,099	\$ 81,099	\$ -
<i>Total revenues</i>	<u>81,099</u>	<u>81,099</u>	<u>81,099</u>	<u>-</u>
<i>EXPENDITURES</i>				
Support services:				
Students	81,099	81,099	81,099	-
<i>Total expenditures</i>	<u>81,099</u>	<u>81,099</u>	<u>81,099</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Jordan Fundamentals Grant
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Other revenue from local sources	\$ -	\$ 5,000	\$ 5,000	\$ -
<i>Total revenues</i>	-	5,000	5,000	-
<i>EXPENDITURES</i>				
Instruction	-	5,000	4,999	1
<i>Total expenditures</i>	-	5,000	4,999	1
Excess (deficiency) of revenues over expenditures	-	-	\$ 1	\$ 1
Prior year cash balance	4	4		
End of the year cash balance	\$ 4	\$ 4		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
PNM Foundation
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Other revenue from local sources	\$ -	\$ 4,800	\$ -	\$ (4,800)
<i>Total revenues</i>	<u>-</u>	<u>4,800</u>	<u>-</u>	<u>(4,800)</u>
<i>EXPENDITURES</i>				
Support services:				
Instruction	-	4,800	4,624	176
<i>Total expenditures</i>	<u>-</u>	<u>4,800</u>	<u>4,624</u>	<u>176</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ (4,624)</u>	<u>\$ (4,624)</u>
Prior year cash balance	<u>4,800</u>	<u>4,800</u>		
End of the year cash balance	<u>\$ 4,800</u>	<u>\$ 4,800</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
A+ For Energy
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
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>
<i>EXPENDITURES</i>				
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 Cash Balance
Budget (Non-GAAP Basis) and Actual
TANF PED (School-Aged Child Care)
For the Year Ended June 30, 2009**

	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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Technology for Education
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 37,080	\$ 41,463	\$ 58,890	\$ 17,427
<i>Total revenues</i>	37,080	41,463	58,890	17,427
EXPENDITURES				
Instruction	20,324	24,543	24,432	111
Support services:				
Students	6,756	6,756	-	6,756
Instruction	5,000	4,600	600	4,000
Central services	5,000	5,564	5,126	438
<i>Total expenditures</i>	37,080	41,463	30,158	11,305
Excess (deficiency) of revenues over expenditures	-	-	28,732	\$ 28,732
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Current year deferred revenue			(9,299)	
Prior year accounts receivable			(19,433)	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Incentive for School Improvement
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</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>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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Beginning Teacher Mentoring
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 8,025	\$ 8,025	\$ -
<i>Total revenues</i>	<u>-</u>	<u>8,025</u>	<u>8,025</u>	<u>-</u>
EXPENDITURES				
Instruction	-	8,025	8,025	-
<i>Total expenditures</i>	<u>-</u>	<u>8,025</u>	<u>8,025</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Prior year cash balance	<u>311</u>	<u>311</u>		
End of the year cash balance	<u>\$ 311</u>	<u>\$ 311</u>		
RECONCILIATION TO GAAP				
Prior year accounts receivable			311	
Current year deferred revenue			<u>(311)</u>	
Excess (deficiency) of revenues over expenditures			<u>\$ -</u>	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Breakfast in the Classroom
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 69,508	\$ 69,508	\$ -
<i>Total revenues</i>	<u>-</u>	<u>69,508</u>	<u>69,508</u>	<u>-</u>
EXPENDITURES				
Operation of non-instructional services				
Food services	-	69,508	69,508	-
<i>Total expenditures</i>	<u>-</u>	<u>69,508</u>	<u>69,508</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Reading First Materials
For the Year Ended June 30, 2009**

	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>-</u>	<u>55,980</u>	<u>55,980</u>
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</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				
Prior 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 Cash Balance
Budget (Non-GAAP Basis) and Actual
School Improvement Framework
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 70,000	\$ 23,395	\$ (46,605)
<i>Total revenues</i>	<u>-</u>	<u>70,000</u>	<u>23,395</u>	<u>(46,605)</u>
EXPENDITURES				
Support services:				
Instruction	-	70,000	69,994	6
<i>Total expenditures</i>	<u>-</u>	<u>70,000</u>	<u>69,994</u>	<u>6</u>
Excess (deficiency) of revenues over expenditures	-	-	(46,599)	<u><u>\$ (46,599)</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>46,599</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Libraries SB 301 GO Bonds
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 13,220	\$ 13,220	\$ 15,254	\$ (2,034)
<i>Total revenues</i>	13,220	13,220	15,254	(2,034)
EXPENDITURES				
Support services:				
Instruction	13,220	13,220	13,220	-
<i>Total expenditures</i>	13,220	13,220	13,220	-
Excess (deficiency) of revenues over expenditures	-	-	2,034	\$ (2,034)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Prior year accounts receivable			(8,362)	
Current year accounts receivable			6,328	
Excess (deficiency) of revenues over expenditures			\$ -	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Center for Teaching Excellence
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 2,000	\$ 2,000	\$ 7,999	\$ 5,999
<i>Total revenues</i>	<u>2,000</u>	<u>2,000</u>	<u>7,999</u>	<u>5,999</u>
EXPENDITURES				
Instruction	2,000	2,000	2,000	-
<i>Total expenditures</i>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	5,999	<u><u>\$ 5,999</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			21	
Prior year accounts receivable			<u>(6,020)</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 Cash Balance
Budget (Non-GAAP Basis) and Actual
Private Direct Grants
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue from local sources	\$ 3,000	\$ 30,379	\$ 4,500	\$ (25,879)
<i>Total revenues</i>	<u>3,000</u>	<u>30,379</u>	<u>4,500</u>	<u>(25,879)</u>
EXPENDITURES				
Instruction	3,000	4,500	4,500	-
Support services:				
Operation and maintenance of plant	-	25,879	25,879	-
<i>Total expenditures</i>	<u>3,000</u>	<u>30,379</u>	<u>30,379</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>\$ (25,879)</u>	<u>\$ (25,879)</u>
Prior year cash balance	<u>26,149</u>	<u>26,149</u>		
End of the year cash balance	<u>\$ 26,149</u>	<u>\$ 26,149</u>		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Public School Capital Outlay
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 17,850	\$ 18,350	\$ (500)
<i>Total revenues</i>	-	17,850	18,350	(500)
EXPENDITURES				
Capital outlay	-	17,850	17,850	-
<i>Total expenditures</i>	-	17,850	17,850	-
Excess (deficiency) of revenues over expenditures	-	-	500	\$ (500)
Prior year cash balance	-	-		
End of the year cash balance	\$ -	\$ -		
RECONCILIATION TO GAAP				
Prior year due from other funds			1,049	
Excess (deficiency) of revenues over expenditures			\$ 1,549	

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Special Capital Outlay - Local
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Investment income	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<i>EXPENDITURES</i>				
Capital outlay	14,392	14,392	8,199	6,193
<i>Total expenditures</i>	14,392	14,392	8,199	6,193
Excess (deficiency) of revenues over expenditures	(14,392)	(14,392)	\$ (8,199)	\$ 6,193
Prior year cash balance	13,342	13,342		
End of the year cash balance	\$ (1,050)	\$ (1,050)		

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Statement of Revenues, Expenditures and Changes in Cash Balance
Budget (Non-GAAP Basis) and Actual
Special Capital Outlay - State
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 600,000	\$ 600,000	\$ 579,001	\$ (20,999)
<i>Total revenues</i>	<u>600,000</u>	<u>600,000</u>	<u>579,001</u>	<u>(20,999)</u>
EXPENDITURES				
Capital outlay	605,000	605,000	600,000	5,000
<i>Total expenditures</i>	<u>605,000</u>	<u>605,000</u>	<u>600,000</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	(5,000)	(5,000)	<u>\$ (20,999)</u>	<u>\$ (15,999)</u>
Prior year cash balance	<u>577</u>	<u>577</u>		
End of the year cash balance	<u>\$ (4,423)</u>	<u>\$ (4,423)</u>		

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**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
ASSETS				
High School	\$ 141,802	322,901	330,747	\$ 133,956
Middle Schools	25,527	30,936	27,369	29,094
Nob Hill Elementary	9,481	22,999	27,937	4,543
Sierra Vista Elementary	9,881	40,877	41,426	9,332
White Mountain Elementary	26,568	45,145	37,870	33,843
White Mountain Intermediate	12,321	18,826	21,213	9,934
Scholarships	8,903	22,163	3,983	27,083
	<u>234,483</u>	<u>503,847</u>	<u>490,545</u>	<u>247,785</u>
Pooled Cash and Investments	<u>\$ 234,483</u>	<u>\$ 503,847</u>	<u>\$ 490,545</u>	<u>\$ 247,785</u>
LIABILITIES				
Deposits held for others	<u>\$ 234,483</u>	<u>\$ 503,847</u>	<u>\$ 490,545</u>	<u>\$ 247,785</u>
	<u>\$ 234,483</u>	<u>\$ 503,847</u>	<u>\$ 490,545</u>	<u>\$ 247,785</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Depository Collateral
For the Year Ended June 30, 2009**

	Compass Bank	1st National	Total
Total Cash Amount in Bank	\$ 5,612,441	\$ 3,023,014	\$ 8,635,455
Less: FDIC Insurance	252,822	250,000	502,822
Total uninsured public funds	5,359,619	2,773,014	8,132,633
50% collateral requirement	2,679,810	1,386,507	4,066,317
Pledged security	7,646,090	1,642,081	9,288,171
Over (under) collateralized	<u>\$ 4,966,280</u>	<u>\$ 255,573</u>	<u>\$ 5,221,854</u>

Compass Bank

Type	CUSIP Number	Maturity Date	FMV
FNMA #889339	31410KBG8	11/23/28	\$ 320,398
FNMA #889339	31410KBG8	11/23/28	205,119
FHLMC ARM #780996	31349SC92	02/24/74	1,280,532
FHLMC ARM #780996	31349SC92	02/24/74	263,424
FNMA #888324	31407RLD4	10/12/46	5,286,351
FNMA #907865	31411GTW2	07/05/82	290,266
Total Compass Bank			<u>\$ 7,646,090</u>

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

1st National Bank

Type	CUSIP Number	Maturity Date	FMV
FNMA Pool #596701	31387W3J4	03/01/32	\$ 316,873
FNMA Pool #850646	31408GBP1	01/01/36	700,899
Northpointe TX Wtr Ctl & Impt	66661QDZ3	09/01/19	191,018
Hurst Creek Mun Util. Dist. TX	447808HJ8	04/01/21	115,363
Hurst Creek Mun Util. Dist. TX	447806HK5	04/01/22	116,354
Harris County Texas Municipal Utility	414951FU2	08/01/22	201,574
Total 1st National Bank			<u>\$ 1,642,081</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, 2009**

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>
Ruidoso Municipal Schools			
Operational Account	\$ 1,452,620	\$ 18,270,755	\$ 18,210,941
Transportation	-	957,387	953,552
Instructional Materials	22,925	241,381	260,751
Food Services	69,639	986,625	915,297
Athletics	9,923	30,196	38,541
Non-Instructional	234,483	503,847	490,545
Federal Projects	(51,311)	1,888,717	1,972,495
Local/State	(55,633)	253,551	237,907
Bond Building	7,187,772	3,171,445	8,612,159
Public School Capital Outlay	(1,049)	18,350	16,801
Special Capital Outlay Local	14,392	-	8,199
Special Capital Outlay State	576	579,002	600,000
Capital Improvements SB-9	644,362	1,342,556	1,276,635
Debt Service	2,564,115	2,926,449	2,851,437
Total Ruidoso Municipal	\$ 12,092,814	\$ 31,170,261	\$ 36,445,260

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Ruidoso Municipal Schools			
Operational	Checking	Compass	\$ 1,158,950
Payroll Clearing	Checking	Compass	1,329,194
Capital Projects	Checking	Compass	2,071,020
Activity Fund Athletics	Checking	Compass	1,840
Student Activities	Checking	1st National	222,712
Food Service	Checking	1st National	161,174
Capital Improvements SB-9	Checking	Compass	688,922
Debt Service	Checking	1st National	2,639,127
Federal Programs	Checking	Compass	335,433
Scholarship Fund	Checking	Compass	27,082
Total Ruidoso Municipal			\$ 8,635,454
Total Bank Balances			\$ 8,635,454
Reconciling Items			1,596,116
Report Balance			\$ 7,039,338

Other	Net Cash End of Period	Adjustments to the Report	Total Cash on Report
\$ (400,000)	\$ 1,112,434	\$ 224,816	\$ 1,337,250
-	3,835	-	3,835
-	3,555	-	3,555
-	140,967	-	140,967
-	1,578	-	1,578
-	247,785	-	247,785
400,000	264,911	-	264,911
-	(39,989)	-	(39,989)
-	1,747,058	-	1,747,058
-	500	-	500
-	6,193	-	6,193
-	(20,422)	-	(20,422)
(3,293)	706,990	-	706,990
-	2,639,127	-	2,639,127
<u>\$ (3,293)</u>	<u>\$ 6,814,522</u>	<u>\$ 224,816</u>	<u>\$ 7,039,338</u>

Short Term Investments	225,446
Agency Funds	(247,785)
Total Per Report	<u>\$ 7,016,999</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Joint Powers Agreements
For the Year Ended June 30, 2009**

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
Dates of Agreement:	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

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Joint Powers Agreements
For the Year Ended June 30, 2009**

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:	To provide two School Resource Officers for Regular School Days
Dates of Agreement:	Beginning 8/1/2008 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

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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, 2009, and have issued our report thereon dated October 30, 2009. 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, 2009. 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.

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.

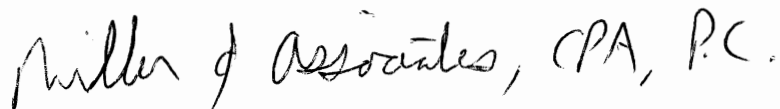
A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Ruidoso Municipal School's internal control.

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 or material weaknesses. We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses, as defined above.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in cursive script that reads "Miller & Associates, CPA, P.C.".

Miller & Associates, CPA, P.C.
October 30, 2009

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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, 2009. 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, 2009.

Internal Control over Compliance

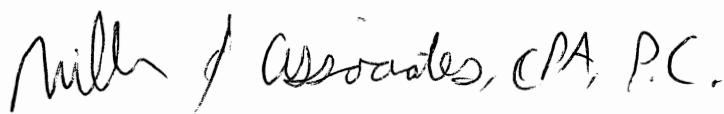
The management of Ruidoso Municipal Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ruidoso Municipal Schools' 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.

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.

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.
October 30, 2009

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

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	\$ 915,297
Child & Adult Food Program	10.558	25171	3,174
Pass-Through from NM Dept of Finance & Adm.			
Forest Reserve	10.665	25130	26,713
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	41,883
Total U.S. Department of Agriculture			<u>987,067</u>
Special Education - Cluster			
U.S. Department of Education			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	533,058
IDEA-B Preschool	84.173	24109	22,480
Total U.S. Department of Education- Special Education (IDEA-B) Cluster			<u>555,538</u>
Direct Programs:			
Impact Aid - Special Education	84.041	25145	30,234
Impact Aid - Indian Education	84.041	25147	63,186
Medicaid	93.778	25153	-
Indian Education Formula	84.060	25184	81,099
Subtotal Direct Programs			<u>174,519</u>

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

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	602,202
Title IV Drug Free Schools	84.186	24157	19,757
Title V	84.298	24150	-
English Language Acquisition	84.365	24153	15,210
Teacher Principal Training & Recruiting	84.367	24154	123,427
Rural and Low Income Schools	84.358	24160	55,365
Reading First	84.357	24167	274,811
Total U.S. Department of Education			<u>1,090,772</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	8,000
TABF/Parents As Teachers	93.037	25157	108,778
Total U.S. Department of Health and Human Services			<u>121,778</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,929,674</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, 2009 was \$41,883, 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, 2009**

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. No control deficiencies on compliance over financial reporting were disclosed during the audit of the financial statements.
3. No significant deficiencies were identified during the audit of internal control over major federal award programs.
4. No significant deficiencies were 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
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

None

D. FINDINGS - PRIOR YEAR AUDIT

2008-1: Eligibility - Compliance Requirement – Resolved and not repeated

2008-2: Reporting - Failure to Submit Report Timely - Resolved and not repeated

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**Exit Conference
June 30, 2009**

The contents of this report were discussed at an exit conference held October 30, 2009. Ryan Miller, Shareholder represented Miller & Associates, CPA, P.C. and Bea Etta Harris, Superintendent; Rafael R. Salas, Board of Education Member; Susan Lutterman, Board of Education President; Lisa Brillante, Accounts Payable Tech; Stephani Lewicki, Financial Specialist; Yvonne Perez, Director of Finance; and Patty White, Associate Superintendent 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, 2009 by Miller & Associates, Certified Public Accountants, a Professional Corporation.

