



Annual Financial Report

For the Year Ended June 30, 2010



STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

INTRODUCTORY SECTION

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Ruidoso Municipal School District
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STATE OF NEW MEXICO
Ruidoso Municipal School District
Official Roster
June 30, 2010

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Susan Lutterman		President
Frank Sayner		Vice President
Rhonda Vincent		Secretary
Marc Beatty		Member
Kerry Gladden Eastep		Member
	<u>Administrative Officials</u>	
Bea Etta Harris, Ed.D.		Superintendent
Patty White		Associate Superintendent
Yvonne Perez		Director of Finance

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FINANCIAL SECTION

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Accounting & Consulting Group, LLP
Certified Public Accountants

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and the SEG federal stimulus fund, and the aggregate remaining fund information of Ruidoso Municipal School District (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the capital projects funds, debt service funds, and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of Ruidoso Municipal School 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. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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 School District, as of June 30, 2010, and the respective changes in financial position thereof and the budgetary comparison for the general fund and the SEG federal stimulus 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 the District as of June 30, 2010, and the respective changes in financial position thereof, and the budgetary comparisons for the capital projects funds, debt service funds, and the remaining nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2010 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* on pages 15 through 21 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 financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule 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 State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as supporting Schedules I through IV in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and each of the nonmajor governmental funds financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and the nonmajor governmental funds financial statements, taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
November 12, 2010

STATE OF NEW MEXICO
Ruidoso Municipal School District
Management's Discussion and Analysis
June 30, 2010

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, 2010. 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.

Significant Financial Highlights for the Year Ending June 30, 2010

- The School District's bond rating was upgraded to an "A1" on outstanding rated debt from Moody's Investor Services. The most recent rating for new issues was in September 2008 in which the district was rated at an "Aaa"
- Capital Outlay expenses decreased from \$11,239,260 in the year ending June 30, 2009 to \$4,243,592 in the year ending June 30, 2010. The decrease in capital outlay expense is attributable to the completion of a new middle school which was substantially completed August, 2009.
- Accumulated depreciation as of June 30, 2010 of \$15,934,121 was recorded. This includes current year depreciation of \$916,545.
- The overall adjusted Fund Balance increased from \$7,014,607 for the year ending June 30, 2009 to \$7,435,419 for the year ending June 30, 2010. The most significant reason for the increase in overall fund balance was due primarily to the sale of bonds to support technology initiatives in the district.



STATE OF NEW MEXICO
Ruidoso Municipal School District
Management's Discussion and Analysis
June 30, 2010

- Total revenues decreased from \$31,302,120 in the year ending June 30, 2009 to \$30,070,047 in the year ending June 30, 2010. This is a decrease of \$1,232,073 reflecting an overall revenue decrease of 3.9%. The decrease in revenue was due to the decrease of PSFA participation of the middle school construction project revenue for the current year over the prior year as the project approached completion.
- Total expenditures decreased from \$36,655,608 for the year ending June 30, 2009 to \$30,299,235 for the year ending June 30, 2010. This is a decrease of \$6,353,373 reflecting an overall expenditure decrease of 17.34%. The decrease in expenditures was primarily due to the decrease of capital outlay expenditures from both PSFA and the district 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, 2010 the School District has total net assets of \$35,164,876, compared to \$30,322,148 on June 30, 2009. Of the total net assets \$2,342,741 are "restricted" for debt service and \$2,593,522 for capital projects and \$2,201,429 are "unrestricted." In addition, the School District had \$4,739,623 of cash and cash equivalents, and accounts payable/current liabilities of \$3,873,140.

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, 2010. As of June 30, 2010 the School District had net assets of \$35,164,876 as compared to adjusted net assets of \$30,322,148 as of June 30, 2009.

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 \$30,070,047. Total expenditures for the School District were \$30,299,235. The total ending fund balance was \$7,435,419, an increase of \$420,812 from the prior year. The increase in fund balance was due to contributions from PSFA for the new middle school and the sale of bonds to support educational technology revenue.

Multi-Year District Revenues and Expenditures

A multi-year view of overall School District revenues and expenditures indicates significant changes in both areas. The decrease of both revenues and expenditures are due to the decrease in capital outlay funding resources and uses. Although the district's fund balance increased this was due to capital outlay funds sources and uses. Legislative initiatives to decrease overall state funding to public schools has impacted the ability of Ruidoso Schools to allocate funding for teacher pay increases. Educational and extra-curricular programs for students have been maintained through the influx of federal stimulus dollars into the district.



STATE OF NEW MEXICO
Ruidoso Municipal School District
Management's Discussion and Analysis
June 30, 2010

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 %
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%	\$36,662,576	(13.42)%
2009/2010	\$30,070,047	(3.9)%	\$30,299,235	(17.24)%

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

The Budget

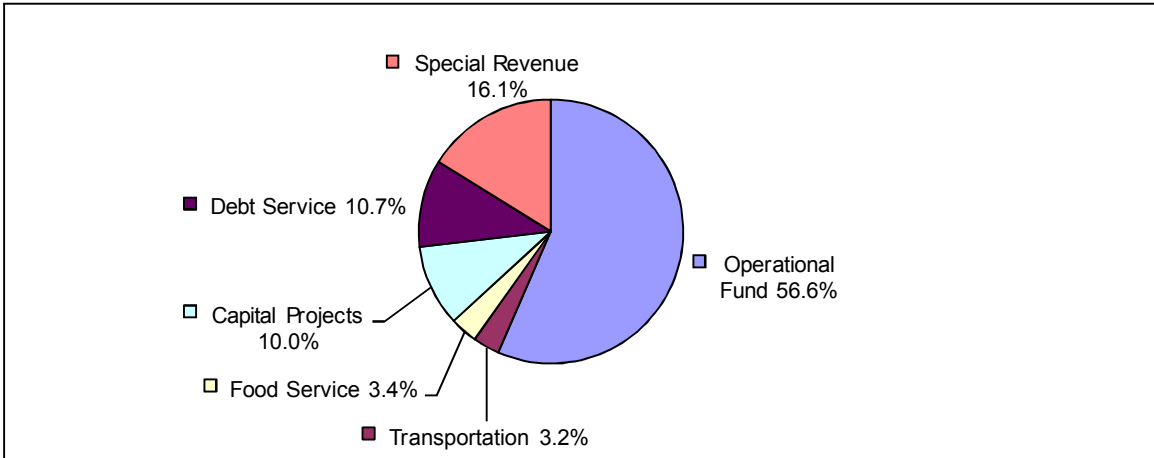
School District budgets reflect the same decreases as seen in the revenue and expenditures of the School District. The State of New Mexico school budget process is defined under New Mexico State Statutes (Section 22) and the New Mexico Administrative Code (Section 6). To enhance the process of developing 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 which consists of the Operational Fund, Transportation Fund, and Instructional Materials Fund, SEG-Federal Stimulus Fund, Bond Building Fund, the 2 Mill Levy (SB-9) Fund, and the Debt Service Fund. In addition, thirty-five (35) 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 School District
Management's Discussion and Analysis
June 30, 2010

The Operational Fund represents 56.6% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Instructional, Instructional Support and Schools 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, 2010. Detail budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the combined Special Revenue Funds and Capital Projects Funds.

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

FUND TYPE	FINAL BUDGET	ACTUAL	VARIANCE
Operational	17,554,051	\$15,824,853	\$1,729,198
Transportation	\$912,020	\$912,020	\$-0-
Food Service	\$1,091,740	\$948,607	\$143,133
Instructional Materials	\$87,842	\$86,021	\$1,821
Debt Service	\$5,996,387	\$3,022,007	\$2,974,380
Bond Building	\$2,085,373	\$1,056,948	\$1,028,425

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.



STATE OF NEW MEXICO
Ruidoso Municipal School District
Management's Discussion and Analysis
June 30, 2010

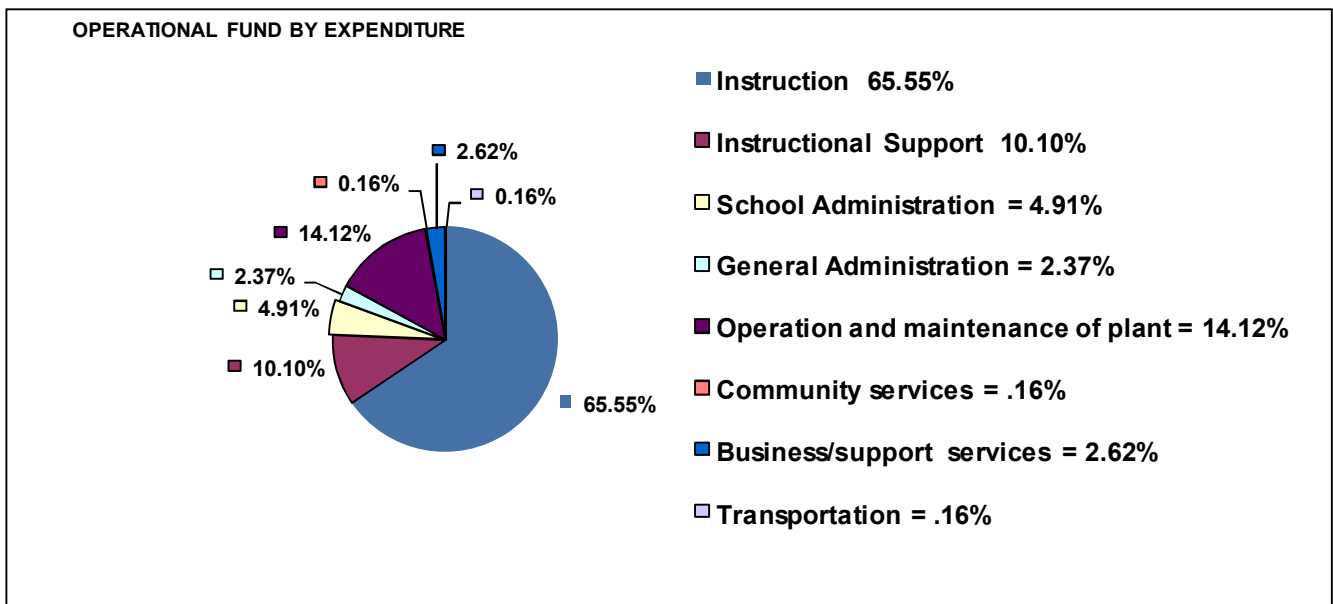
The Operational Fund

The Operational Fund serves as the School District's General Fund. Because the Operational Fund revenues represent \$16,211,910 of the total \$30,070,047 of district revenues (inclusive of bond proceeds and instructional materials), 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, \$16,211,910 was expended in the year ending June 30, 2010. The most significant inter-fund expense was for the function noted as "Direct Instruction" and "Direct Student Services". This expenditure was \$13,095,397 or 82.84% 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 84.01% of all Operational Fund expenditures are for employee salaries, payroll taxes and benefits.



The following discussion of the Operational Fund budget will relate functional expenditures for the year ending June 30, 2010, exclusive of Capital Outlay expenditures, for the Operational Fund. Direct Instruction represents 65.55% 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 15.01% 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 4.99% of the total Operational Fund. Maintenance and Operational account for 14.12% 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,



STATE OF NEW MEXICO
Ruidoso Municipal School District
Management's Discussion and Analysis
June 30, 2010

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.

Capital Assets

This statement includes an adjusted accumulated depreciation of the School District's capital assets in the amount of \$15,934,121. 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 a total \$26 million of bonds for the purpose of constructing a new middle school. Construction of the new school began in May, 2007 and was the project was substantially completed in August, 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, 2010 the district was bonded to 81.09% of 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, 2010 shows the accumulated assets of all agency funds was \$251,991.

Future Trends

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

The School District completed updating their Master Facility Plan in September, 2010 which was approved by PSFA in November, 2010.

Because of continued development in both the residential and commercial properties in the School District, assessed valuation increased by 1.95% and it is expected that future assessed valuations will increase at a conservative rate. 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.



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Management's Discussion and Analysis
June 30, 2010

Facility Construction Updates: The School District has plans to commence or continue a number of Capital Outlay building projects during the next five years pending approval by the voters for the issuance of general obligation bonds to support the districts Facility Master Plan. These highest priority projects include:

- Repayment of an advance of \$1.3 million from PSCOC to address critical drainage issues at Ruidoso High School. Construction was completed August, 2010.
- District Technology
- Complete Phase 2 of the Ruidoso Middle School which includes an athletic field, second road and landscaping.
- Planning and Design of space to accommodate K-5 grades at Sierra Vista Primary and White Mountain School.
- Sierra Vista Primary roof replacement
- Horton Complex roof replacement
- High School Science Wing renovation
- Retaining wall repair at Horton Stadium
- A 50KW Solar Grant was awarded to Ruidoso Middle School. The project will be completed by December 31, 2010.

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:

Bea Etta Harris, Ed.D.
Superintendent
200 Horton Circle
Ruidoso, New Mexico 88345
harrisb@ruidososchools.org

Yvonne Perez
Director of Finance
200 Horton Circle
Ruidoso, New Mexico 88345
perezy@ruidososchools.org



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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Ruidoso Municipal School District
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 2,979,904
Receivables:	
Property taxes receivable	361,394
Due from other governments	827,175
Inventory	<u>9,143</u>
Total current assets	<u>4,177,616</u>
Noncurrent assets	
Restricted cash and cash equivalents	4,707,448
Capital assets	71,956,305
Less: accumulated depreciation	<u>(15,934,121)</u>
Total noncurrent assets	<u>60,729,632</u>
Total assets	<u><u>\$ 64,907,248</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 132,198
Accrued compensated absences	51,713
Accrued payroll	1,033,495
Accrued interest	460,734
Deferred revenue	-
Current portion of long-term debt	<u>2,195,000</u>
Total current liabilities	<u>3,873,140</u>
Noncurrent liabilities	
Accrued compensated absences	52,787
Bond underwriter premiums (net of amortization of \$16,001)	16,445
Bonds payable	<u>25,800,000</u>
Total noncurrent liabilities	<u>25,869,232</u>
Total liabilities	<u>29,742,372</u>
Net Assets	
Invested in capital assets, net of related debt	28,027,184
Restricted for:	
Debt service	3,003,380
Capital projects	1,946,877
Unrestricted	<u>2,187,435</u>
Total net assets	<u>35,164,876</u>
Total liabilities and net assets	<u><u>64,907,248</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Statement of Activities
For the Year Ending June 30, 2010

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Education				
Instruction	\$ 12,590,416	\$ 104,724	\$ 6,003,539	\$ 2,543,663
Support services	4,585,304	-	-	-
Central services	544,496	-	-	-
Operation and maintenance of plant	3,366,252	-	-	-
Student transportation	957,068	-	912,020	-
Food services operations	1,009,529	215,626	100	-
Community services operations	39,356	-	-	-
Interest on long-term debt	1,117,148	-	-	-
Depreciation - unallocated	904,315	-	-	-
	25,113,884	320,350	6,915,659	2,543,663
Total governmental activities	25,113,884	320,350	6,915,659	2,543,663
Total Primary Government	\$ 25,113,884	\$ 320,350	\$ 6,915,659	\$ 2,543,663
General Revenues:				
Taxes				
Property taxes, levied for operating programs				
Property taxes, levied for debt services				
Property taxes, levied for capital projects				
State equalization guarantee				
Interest and investment earnings				
Miscellaneous revenues				
Subtotal, general revenues				
Changes in net assets				
Net assets, beginning				
Restatement (Note 14)				
Net assets, as restated				
Net assets, ending				

The accompanying notes are an integral part of these financial statements

**Net (Expense)
Revenue and
Changes in Net
Assets**

**Government
Activities**

\$	(3,938,490)
	(4,585,304)
	(544,496)
	(3,366,252)
	(45,048)
	(793,803)
	(39,356)
	(1,117,148)
	(904,315)
	<u>(15,334,212)</u>
	<u>(15,334,212)</u>
	198,626
	3,320,224
	1,148,988
	15,412,930
	10,461
	<u>310,527</u>
	<u>20,401,756</u>
	<u>5,067,544</u>
	30,322,148
	<u>(224,816)</u>
	<u>30,097,332</u>
\$	<u><u>35,164,876</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	SEG - Federal Stimulus	Bond Building
<i>Assets</i>			
Cash and cash equivalents	\$ 1,820,890	\$ 302,660	\$ 803,242
Property taxes receivable	16,207	-	-
Due from other governments	-	82,564	-
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	906,174	-	13,994
<i>Total assets</i>	<u>\$ 2,743,271</u>	<u>\$ 385,224</u>	<u>\$ 817,236</u>
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 21,308	\$ -	\$ 26,660
Accrued compensated absences	-	-	-
Accrued payroll	817,406	85,224	-
Deferred revenue (property taxes)	12,755	-	-
Due to other funds	-	300,000	-
<i>Total liabilities</i>	<u>851,469</u>	<u>385,224</u>	<u>26,660</u>
<i>Fund balances</i>			
Reserved for			
Inventory	-	-	-
Unreserved, reported in			
General fund	1,891,802	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	790,576
Debt service funds	-	-	-
<i>Total fund balances</i>	<u>1,891,802</u>	<u>-</u>	<u>790,576</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,743,271</u>	<u>\$ 385,224</u>	<u>\$ 817,236</u>

The accompanying notes are an integral part of these financial statements

Capital Improvements SB-9 Fund	Debt Service Fund	Other Governmental Funds	Total
\$ 949,707	\$ 2,297,176	\$ 1,513,675	\$ 7,687,350
86,086	217,915	41,186	361,394
-	-	744,610	827,174
-	-	-	-
-	-	9,143	9,143
-	-	1,092	921,260
<u>\$ 1,035,793</u>	<u>\$ 2,515,091</u>	<u>\$ 2,309,706</u>	<u>\$ 9,806,321</u>
\$ 46,397	\$ -	\$ 37,833	\$ 132,198
-	-	-	-
-	-	130,868	1,033,498
67,742	172,350	31,099	283,946
-	-	621,260	921,260
<u>114,139</u>	<u>172,350</u>	<u>821,060</u>	<u>2,370,902</u>
-	-	9,143	9,143
-	-	-	1,891,802
-	-	584,217	584,217
921,654	-	234,647	1,946,877
-	2,342,741	660,639	3,003,380
<u>921,654</u>	<u>2,342,741</u>	<u>1,488,646</u>	<u>7,435,419</u>
<u>\$ 1,035,793</u>	<u>\$ 2,515,091</u>	<u>\$ 2,309,706</u>	<u>\$ 9,806,321</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2010

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

Fund balances - total governmental funds	\$	7,435,419
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		56,022,184
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		283,952
Bond issuance costs, including original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds		(16,445)
Accrued Interest is not due and payable with current financial resources therefore are not reported in the funds		(460,734)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds		(27,995,000)
Compensated absences		(104,500)
		(28,099,500)
Total net assets	\$	35,164,876

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ending June 30, 2010

	General Fund	SEG - Federal Stimulus Fund	Bond Building Fund
<i>Revenues</i>			
Taxes - property	\$ 185,871	\$ -	\$ -
Federal flowthrough	11,366	-	-
Federal direct	477,261	-	-
Local grants	100	1,539,434	-
State flowthrough	15,499,610	-	-
State direct	912,020	-	2,508,671
Combined local/state	-	-	-
Charges for services	83,754	-	-
Interest	1,451	-	735
Miscellaneous	39,331	-	126,393
<i>Total revenues</i>	<u>17,210,764</u>	<u>1,539,434</u>	<u>2,635,799</u>
<i>Expenditures</i>			
<i>Current</i>			
Instruction	10,434,990	241,518	-
Support services	2,748,427	1,152,481	-
Central services	414,661	126,321	-
Operation and maintenance of plant	2,221,848	-	1,252
Student transportation	937,954	19,114	-
Food services operations	-	-	-
Community services operations	25,042	-	-
Capital outlay	23,871	-	3,583,483
<i>Debt service</i>			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>16,806,793</u>	<u>1,539,434</u>	<u>3,584,735</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>403,971</u>	<u>-</u>	<u>(948,936)</u>
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>403,971</u>	<u>-</u>	<u>(948,936)</u>
<i>Fund balances - beginning</i>	1,712,647	-	1,739,512
<i>Restatement (Note 14)</i>	<u>(224,816)</u>	<u>-</u>	<u>-</u>
<i>Fund balances, as restated</i>	<u>1,487,831</u>	<u>-</u>	<u>1,739,512</u>
<i>Fund balances - ending</i>	<u>\$ 1,891,802</u>	<u>\$ -</u>	<u>\$ 790,576</u>

The accompanying notes are an integral part of these financial statements

Capital Improvements SB-9 Fund	Debt Service Fund	Other Governmental Funds	Total
\$ 1,081,246	\$ 2,621,756	\$ 673,411	\$ 4,562,284
-	-	2,813,155	2,824,521
-	-	807,609	1,284,870
-	-	98,753	1,638,287
93,978	-	64,999	15,658,587
-	-	37,469	3,458,160
-	-	2,000	2,000
-	-	236,596	320,350
333	6,905	1,037	10,461
144,519	-	284	310,527
<u>1,320,076</u>	<u>2,628,661</u>	<u>4,735,313</u>	<u>30,070,047</u>
-	-	1,896,692	12,573,200
10,915	26,604	645,216	4,583,643
-	-	3,514	544,496
782,441	-	355,520	3,361,061
-	-	-	957,068
-	-	1,008,049	1,008,049
-	-	14,314	39,356
534,548	-	101,690	4,243,592
-	1,855,000	-	1,855,000
-	1,127,631	6,139	1,133,770
<u>1,327,904</u>	<u>3,009,235</u>	<u>4,031,134</u>	<u>30,299,235</u>
<u>(7,828)</u>	<u>(380,574)</u>	<u>704,179</u>	<u>(229,188)</u>
-	-	650,000	650,000
-	-	650,000	650,000
<u>(7,828)</u>	<u>(380,574)</u>	<u>1,354,179</u>	<u>420,812</u>
929,482	2,723,315	134,467	7,239,423
-	-	-	(224,816)
<u>929,482</u>	<u>2,723,315</u>	<u>134,467</u>	<u>7,014,607</u>
<u>\$ 921,654</u>	<u>\$ 2,342,741</u>	<u>\$ 1,488,646</u>	<u>\$ 7,435,419</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2010

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

Net change in fund balances - total governmental funds	\$	420,812
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital assets reported as capital outlay expenditures		4,243,591
Depreciation expense		(916,545)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:</p>		
Change in deferred revenue related to property taxes receivable		105,560
<p>The issuance of long-term debt (e.g. bonds, notes, leases) 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, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>		
Bond proceeds		(650,000)
Decrease in accrued interest		16,622
Amortization of bond premium		(5,190)
Increase in compensated absences		(2,306)
Principal payments on bonds		<u>1,855,000</u>
Change in net assets of governmental activities	\$	<u>5,067,544</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
General Fund

Exhibit C-1

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ending June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ 173,007	\$ 173,007	\$ 187,834	\$ 14,827
Federal flowthrough	-	-	11,366	11,366
Federal direct	480,972	480,972	477,261	(3,711)
Local grants	730	730	100	(630)
State flowthrough	16,194,974	15,505,576	15,499,610	(5,966)
State direct	931,129	912,020	912,020	-
Combined local/state	-	-	-	-
Charges for services	69,325	69,325	83,754	14,429
Investment income	2,784	2,784	1,451	(1,333)
Miscellaneous	6,042	6,042	39,331	33,289
<i>Total revenues</i>	<u>17,858,963</u>	<u>17,150,456</u>	<u>17,212,727</u>	<u>62,271</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	11,409,069	10,702,563	10,434,979	267,584
Support services	3,728,163	3,673,039	2,751,680	921,359
Central services	621,995	621,995	414,661	207,334
Operation and maintenance of plant	2,493,380	2,539,380	2,234,695	304,685
Student transportation	981,129	954,252	937,954	16,298
Food services operations	-	-	-	-
Community services operations	28,684	38,684	25,042	13,642
Facilities acquisition and construction	-	24,000	23,871	129
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>19,262,420</u>	<u>18,553,913</u>	<u>16,822,882</u>	<u>1,731,031</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,403,457)</u>	<u>(1,403,457)</u>	<u>389,845</u>	<u>1,793,302</u>
<i>Other financing sources (uses)</i>				
Designated cash	1,403,457	1,403,457	-	1,403,457
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,403,457</u>	<u>1,403,457</u>	<u>-</u>	<u>1,403,457</u>
<i>Net change in fund balances</i>	-	-	389,845	389,845
<i>Fund balances - beginning of year</i>	-	-	1,519,824	1,519,824
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,909,669</u>	<u>\$ 1,909,669</u>
Net change in fund balances (Non-GAAP budgetary basis)				\$ 389,845
Adjustments to revenues for taxes				(1,963)
Adjustments to expenditures for instructional, support, and operational expenditures				16,089
Net change in fund balances (GAAP Basis)				<u>\$ 403,971</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
SEG - Federal Stimulus
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	1,187,167	1,539,434	1,456,870	(82,564)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,187,167</u>	<u>1,539,434</u>	<u>1,456,870</u>	<u>(82,564)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	148,557	241,518	241,518	-
Support services	902,940	1,152,481	1,152,481	-
Central services	58,113	126,321	126,321	-
Operation and maintenance of plant	-	-	-	-
Student transportation	43,014	19,114	19,114	-
Food services operations	-	-	-	-
Community services operations	34,543	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,187,167</u>	<u>1,539,434</u>	<u>1,539,434</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(82,564)</u>	<u>(82,564)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(82,564)	(82,564)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82,564)</u>	<u>\$ (82,564)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (82,564)
Adjustments to revenue for federal flowthrough grants				82,564
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2010

Exhibit E-1

<i>Assets</i>	
Cash	<u>\$ 251,991</u>
<i>Total assets</i>	<u><u>\$ 251,991</u></u>
<i>Liabilities</i>	
Due to student organizations	<u>\$ 251,991</u>
<i>Total liabilities</i>	<u><u>\$ 251,991</u></u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies

Ruidoso Municipal School 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 of the Village of Ruidoso. 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.

This 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 the District's management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

A. Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based on the criteria in the preceding paragraphs the District is considered to be an independent reporting entity and has no component units.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund 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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, 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 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 property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period, and the government considers grant revenues to be available if they are collected within one year. 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.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, franchise taxes, licenses, 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. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by district school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

The *SEG-Federal Stimulus Fund* is used due to revenue shortfalls and the subsequent passage of the American Recovery and Reinvestment Act (ARRA), \$164,700,000 in federal stabilization dollars is appropriated as part of the state equalization guarantee (SEG) for FY10. Stabilization dollars must be distributed and accounted for separately in order to provide the assurances required by the U.S. Department of Education and the ARRA. This fund is to account for the appropriated amount awarded to the District. American Recovery and Reinvestment Act of 2009.

The *Bond Building Capital Projects Fund* is used to account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purpose of making additions to any furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the Schools.

The *Capital Improvements SB-9 Capital Projects Fund* is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

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

Additionally, the District reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity

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 District to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government 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. As of June 30, 2010 the District does not have any investments.

Restricted Assets: The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Lincoln County. The funds are collected by the County Treasurer and are remitted to the District the following month.

Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2010 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2010.

Certain Special Revenue funds are administered on a reimbursement method of funding, were the funds incurred the cost and submitted the necessary request for reimbursement.

Inventory: The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

U.S.D.A. commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2010.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-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 one year. 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. Information Technology Equipment including software is being capitalized and included in equipment in accordance with NMAC 2.20.1.9 C (5). The District was a phase II government for purposes of implementing GASB 34 however, the District does not have any infrastructure assets to report.

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. Library books are not capitalized because they are considered to have a useful life of less than one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Vehicles and equipment	5

Deferred Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be off-set by a corresponding liability for deferred revenue. The District has recorded \$283,947 in deferred revenue related to property taxes considered “unavailable.”

Compensated Absences: All District employees on a 12 month contract earn annual leave at a rate of 10 days per year. Twelve month district employees, upon receipt of a second consecutive 12 month contract earn 15 days a year. Employees shall not accumulate more than 15 days of annual leave. Upon termination, employees are paid for their accrued annual leave, up to a maximum of 15 days.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Qualified employees are entitled to accumulate sick leave. There is no limit to the amount of sick leave which an employee may accumulate; however, upon termination, sick leave is not paid out to the employee.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

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 payable are reported net of the applicable bond premium or discount. 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 the 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.

Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance 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.

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in Capital Assets, Net of Related Debt:
Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets:
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets restricted for “special revenue” and “capital projects” are described on pages 66-73.
- 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.”

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Reclassifications: Certain amounts included in the financial statements have been reclassified to conform to the current year presentation.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Revenues

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Public Education Department. The District received \$15,412,930 in state equalization guarantee distributions during the year ended June 30, 2010.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$4,562,284 in tax revenues in the governmental fund financial statements during the year ended June 30, 2010. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Public Education Department. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$912,020 in transportation distributions during the year ended June 30, 2010.

Instructional Materials: The Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2010 totaled \$86,680.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (continued)

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$93,978 in state SB-9 matching for the year ended June 30, 2010.

Public School Capital Outlay: The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2010, the District did not receive state flow-through in capital outlay funds.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the local School Board and the New Mexico Public Education Department.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis. Budgeted expenditures exclude encumbrances and the budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, when the budget is approved those funds are legally restricted and shown as reserved fund balance.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

Actual expenditures may not exceed the budget at the function level. 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 Education Department.

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 local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the New Mexico Public Education.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board who fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. 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 New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the original budget and the final budget.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits the District from exceeding budgetary control at the function level.

The appropriated budget for the year ended June 30, 2010, was properly amended by the District's Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (1,403,457)	\$ (1,403,457)
SEG – Federal Stimulus	(0)	(0)
Bond Building	(2,085,373)	(2,085,373)
Capital Improvements SB-9 Fund	(672,371)	(672,371)
Debt Service Fund	(2,337,242)	(2,337,242)
Nonmajor Funds	(342,340)	(999,232)

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual budgetary comparison.

NOTE 3. Deposits and Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2010.

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. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 3. Deposits and Investments (continued)

According to the Federal Deposit Insurance Corporation (FDIC), 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 unit demand deposits at the same institution. However, on October 14, 2008, the FDIC announced a new Transaction Account Guarantee Program that provides depositors' with unlimited coverage for noninterest-bearing transaction accounts. With regards to this Transaction Account Guarantee Program, noninterest-bearing checking accounts include Demand Deposit Accounts (DDA's) and any other transaction accounts that have unlimited withdrawals and that cannot earn interest. Also included in this program, are low-interest NOW accounts that cannot earn more than 0.5% interest. This program was scheduled to end December 31, 2009, however, the FDIC recognized that this program was vital to the recovery of the financial sector and, as a result, this program was extended to June 30, 2010.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2010, \$3,161,449 of the District's bank balance of \$8,452,413 was subject to custodial credit risk. \$3,161,451 was uninsured and uncollateralized by securities held by the pledging institutions' trust department of agency in other than the District's name and \$0 was uninsured and uncollateralized.

	Compass Bank	1st National Bank	Total
Amount of deposits	\$ 5,040,962	\$ 3,411,451	\$ 8,452,413
Transaction Deposit Accounts Covered by the "Transaction Account Guarantee Program" FDIC coverage	(5,040,962)	-	(5,040,962)
	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
Total uninsured public funds	<u>\$ -</u>	<u>\$ 3,161,451</u>	<u>\$ 3,161,451</u>
Collateral requirement (50% of uninsured funds)	\$ -	\$ 1,580,726	\$ 1,580,726
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>7,332,589</u>	<u>1,387,304</u>	<u>8,719,893</u>
Over (under) collateralized	<u>\$ 7,332,589</u>	<u>\$ (193,422)</u>	<u>\$ 7,139,168</u>

The collateral pledged is listed on Schedule II on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, District or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 3. Deposits and Investments (continued)

The District utilizes pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2010. Funds 24000 through 25000 are federal funds and 26000 through 31700 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2010:

Fund #	Special Revenue Funds:		
24106	Title I	\$	11,789
24108	IDEA-B Competitive		3,163
24109	IDEA-B Preschool		11,605
24120	IDEA-B "Risk Pool"		5,819
24124	Title I 1003G		467
24133	Enhancing Education Through Technology		5,092
24149	EETT E2T2-C		4,013
24150	Title V-A		148
24153	English Language Acquisition		7,151
24154	Teacher/Principal Training and Recruiting		48,986
24157	Safe and Drug Free Schools		59
24160	Rural and Low Income Schools		26,699
24201	Title I IASA - ARRA		75,519
24206	IDEA-B Entitlement - ARRA		75,132
24209	IDEA-B Preschool - ARRA		2,059
25130	Forest Restoration		23,122
25157	Child Care Block Grant CYFD		2,441
27105	2008 GO Bond Student Library Fund		21,196
27163	Schools in Need of Improvement		17,727
27170	Go Bond Library		12,556
27549	Senate Bill 471		436
28156	Center for Teacher Excellence		21
31200	Public School Capital Outlay - 20%		13,994
			<hr/>
	Total	\$	369,194
			<hr/> <hr/>

Reconciliation to the Statements of Net Assets

The carrying amount of deposits and investments shown above are included in the District's statement of net assets as follows:

Cash and cash equivalents per Exhibit A-1	\$ 2,979,904
Restricted cash and cash equivalents per Exhibit A-1	4,707,448
Agency funds cash per Exhibit E-1	251,991
	<hr/>
Total cash and cash equivalents	7,939,343
	<hr/>
Plus: outstanding checks	1,546,565
Less: deposits in transit	1,033,495
	<hr/>
Bank balance of deposits	\$ 8,452,413
	<hr/> <hr/>

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 4. Accounts Receivable

Accounts receivable as of June 30, 2010, are as follows:

	General	SEG Federal Stimulus	Capital Improvements SB-9	Debt Service Fund	Other Governmental Funds	Total
Property taxes	\$ 16,207	\$ -	\$ 86,086	\$ 217,915	\$ 41,186	\$ 361,394
Due from other governments						
Federal sources	-	82,564	-	-	673,381	755,945
State sources	-	-	-	-	71,230	71,230
	<u>\$ 16,207</u>	<u>\$ 82,564</u>	<u>\$ 86,086</u>	<u>\$ 217,915</u>	<u>\$ 785,797</u>	<u>\$ 1,188,569</u>

The above receivables are deemed 100% collectible.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 5. Interfund Receivables and Payables

The District and the Component Unit record temporary interfund receivables and payables to enable the funds to operate until grant monies are received. The composition of interfund balances during the year ended June 30, 2010 is as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Major Funds:		
General Fund	\$ 906,174	\$ -
SEG - Federal Stimulus	-	300,000
Bond Building	13,994	-
Non-major Funds:		
Title I IASA	-	150,000
Entitlement IDEA-B	-	111,789
Competitive IDEA-B	-	3,163
Preschool IDEA-B	-	11,605
Risk Pool IDEA-B	-	5,819
Title I 1003G	-	467
Enhancing Education Through Technology	-	5,092
EETT Competitive	-	4,013
Title V (Part A)	-	148
English Language Acquisition	-	7,151
Teacher/Principal Training & Recruiting	-	48,986
Safe & Drug Free Schools & Communities	-	59
Rural and Low Income Schools	-	26,699
Title I IASA - Federal Stimulus	-	75,519
Entitlement IDEA-B - Federal Stimulus	-	75,132
Preschool IDEA-B - Federal Stimulus	-	2,059
Collaborative Forest Restoration	-	23,122
Impact Aid Indian Education	-	1,092
Parents as Teachers	-	2,441
GRADS Child/Adult Care Food Program	-	974
2008 GO Bond Student Libraries	-	21,196
Schools in Need of Improvement	-	17,727
Libraries 2006 SB-30 Go Bond	1,092	12,556
School Library Materials	-	436
Center for Teaching Excellence	-	21
Public School Capital Outlay	-	13,994
	<u> </u>	<u> </u>
Totals	<u>\$ 921,260</u>	<u>\$ 921,260</u>

All interfund balances are to be repaid within one year.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010 follows.
Land and construction in progress are not subject to depreciation.

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,340,817	\$ -	\$ -	\$ 1,340,817
Construction in progress	30,371,850	3,823,080	-	34,194,930
Total capital assets not being depreciated	31,712,667	3,823,080	-	35,535,747
Capital assets being depreciated:				
Buildings and improvements	31,150,649	200,727	-	31,351,376
Land improvements	2,592,639	116,075	-	2,708,714
Equipment	2,256,758	103,710	-	2,360,468
Total capital assets being depreciated	36,000,046	420,512	-	36,420,558
Less accumulated depreciation:				
Buildings and improvements	11,743,584	717,562	-	12,461,146
Land improvements	1,539,966	102,472	-	1,642,438
Equipment	1,734,026	96,511	-	1,830,537
Total accumulated depreciation	15,017,576	916,545	-	15,934,121
Total capital assets, net of depreciation	\$ 52,695,137	\$ 3,327,047	\$ -	\$ 56,022,184

Depreciation expense for the year ended June 30, 2010 was charged to governmental activities as follows:

Instruction	\$ 9,089
Support services	1,661
Food service operations	1,480
Unallocated	<u>904,315</u>
	<u>\$ 916,545</u>

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 7. Long-term Debt

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was \$57,105,000. During the year, general obligation bonds in the amount of \$7,280,000 were issued for erecting, remodeling, making additions to and furnishing schools buildings and purchasing and improving school grounds. In addition, these were used for refunding the District's outstanding General Obligation Bonds, Series October 1, 1999 and Series 2000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2010 are for governmental activities.

Bonds outstanding during the year are comprised of the following:

	Series 3/15/2005	Series 3/16/2006	Series 11/13/2007	Series 10/21/2008	Series 9/15/2009
Original Issue	\$ 6,355,000	\$ 14,500,000	\$ 8,500,000	\$ 3,000,000	\$ 650,000
Maturity Date	8/1/2012	8/1/2022	8/1/2022	8/1/2022	8/1/2010
Principal	August 1	August 1	August 1	August 1	August 1
Interest Rate	2.75-3.00%	5.00%	5.00%	4.00%	2.50%
Interest	February 1 August 1	February 1 August 1	February 1 August 1	February 1 August 1	February 1 August 1

The following is a summary of the long-term debt and the activity for the year ended June 30, 2010:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Due Within One Year
2005 Refunding Bonds	\$ 4,200,000	\$ -	\$ 1,100,000	\$ 3,100,000	\$ 1,100,000
2006 Series	14,050,000	-	100,000	13,950,000	100,000
2007 Series	7,950,000	-	225,000	7,725,000	225,000
2008 Series	3,000,000	-	430,000	2,570,000	120,000
2009 Series	-	650,000	-	650,000	650,000
Compensated Absences	102,194	65,328	51,713	115,809	51,713
Total Long-Term Debt	\$ 29,302,194	\$ 715,328	\$ 1,906,713	\$ 28,110,809	\$ 2,246,713

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	\$ 2,195,000	\$ 1,078,037	\$ 3,273,037
2012	1,700,000	1,016,500	2,716,500
2013	1,900,000	955,625	2,855,625
2014	1,900,000	882,937	2,782,937
2015	1,700,000	806,687	2,506,687
2016-2020	10,650,000	2,792,968	13,442,968
2021-2025	7,950,000	491,625	8,441,625
	<u>\$ 27,995,000</u>	<u>\$ 8,024,379</u>	<u>\$ 36,019,379</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2010, compensated absences increased \$13,615 from the prior year accrual. See Note 1 for more details.

NOTE 8. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, for which the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2010, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 9. ERA Pension Plan

Plan Description. Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges, and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P. O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy. Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$1,280,751, \$1,410,278, and \$1,327,902, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 10. Post-Employment Benefits

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Notes to Financial Statements
June 30, 2010

NOTE 10. Post-Employment Benefits (continued)

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer’s RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District’s contribution to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$159,456, \$163,803, and \$156,765, respectively, which equal the required contribution for each year.

NOTE 11. Loss Contingencies

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

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

21000 – Food Services – To account for revenues generated by the District for food services as well as the federal assistance received and the related expenditures necessary to provide food services for the District. (Authority, NMSA 22-13-13)

22000 – Athletics – To account for the revenues received and the related expenditures incurred by the District related to athletic functions. (Authority, SBE Reg. 93-1)

24101 – Title I IASA – To account for federal resources administered by the State Public Education Department to provide assistance to educationally-deprived students in low income areas of the District. (Authority, P.L. 100-297)

24106 – Entitlement IDEA-B – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

24107 – Discretionary IDEA-B – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

24108 – Competitive IDEA-B – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

24109 – Preschool IDEA-B – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

24120 – Risk Pool IDEA-B – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

24124 – Title I 1003G – To account for revenues received from the State for the purpose of expanding and improving the District's technology program. (Authority, NMSA 22-15A-1)

24133 – Title II-D Enhancing Education Through Technology – To account for funds received from the State 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)

24149 – Title II-D Enhancing Education Thru Technology Competitive – To account for federal resources used to strengthen the skills of teachers in the field of technology. (Authority, P.L.-103-382)

24150 – Title V (Part A) Innovative Education Program Strategies – To account for monies received to improve elementary and secondary education for children attending both public and private schools. This fund was created by grant provisions. (Authority, P.L. 103-382)

24153 – Title III English Language Acquisition, Language Enhancement & Academic Achievement – 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 achievement standards. (Authority, Title III, Part A of the Elementary and Secondary Education Act of 1965)

24154 – Title II-A Teacher/Principal Training & Recruiting – To account for monies received to assist in the mathematics and science programs of school districts. (Authority, Title II of the Elementary and Secondary Education Act of 1965)

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS (Continued)

24157 – Title IV Safe & Drug Free Schools & Communities – To account for monies received to support programs that prevent violence in and around schools and to strengthen 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 of the Elementary and Secondary Education Act of 1965)

24160 – Rural and Low Income Schools – To account for monies provided to rural schools to enhance their education programs in technology, career readiness, and summer school and after school tutoring programs. (Authority, Title II of the Elementary and Secondary Education Act of 1965)

24162 – Title I School Improvement – To account for federal resources administered by the State Public Education Department for equipment for students in Reading and Math programs, skill specific software and professional development. (Authority, P.L. 100-297)

24167 – Reading First – To account for federal resources administered by the State Public Education Department for a comprehensive reading approach which will incorporate research-based materials, intensive and systematic on-site professional development and an assessment-teaching-learning cycle that feeds assessment data into dynamic instructional decision-making. (Authority, P.L. 100-297)

24201 – Title I IASA – Federal Stimulus – To account for federal resources administered by the State Public Education Department to provide assistance to educationally-deprived students in low income areas of the District. (Authority, P.L. 100-297)

24206 – Entitlement IDEA-B – Federal Stimulus – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

24209 – Preschool IDEA-B – Federal Stimulus – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B, Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

25130 – 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.

25145 – Title VIII Impact Aid Special Education – To account for federal funds designated for special education students residing on federal lands and restricted by the federal government. (Authority, P.L. 103-382)

25147 – Title VIII Impact Aid Indian Education – To account for federal funds providing assistance for Indian students' needs, support services and special projects. (Authority, P.L. 103-382)

25149 – GRADS Child Care CYFD – To account for funds provided by the State to develop and implement, or expand and enhance, a comprehensive, statewide system of community-based family resource and support services. (Authority, the Child Abuse Prevention and Treatment Act, 42 U.S.C. et Seq., as amended, P.L. 104-235)

25153 – Title XIX Medicaid 3/21 Years – 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. (Authority, Social Security Act Title XIX P.L. 89-97)

25157 – 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.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS (Continued)

25162 – GRADS Instructional – To account for funds from the New Mexico Graduation, Reality and Dual-Rolls Skills System awarded by legislative appropriation that flow through the Public Education Department to provide health classes that promote pregnancy prevention.

25171 – GRADS Child/Adult Care Food Program - To account for revenues received to coordinate child health improvements. (Authority, State Grant Provision and the Ruidoso Board of Education)

25184 –Title VII Indian Education Formula – To account for funds received to support projects with improve educational opportunities and achievements of Native American children. (Authority, Title IX, Part A, Subpart 1, as amended, of the Elementary and Secondary Education Act of 1965, P.L. 103-382, 20 U.S.C. 7811-7818, 25 U.S.C. 2001)

26117 – Jordan Fundamentals Grant – To account for revenues received from the Jordan Fundamentals Grant foundation for purposes of supplementing educational activities in science, technology, and art.

26123 – PNM Foundation – To account for revenues received from the PNM Resources Foundation for classroom innovation projects.

26163 – Golden Apple Foundation – To account for revenues received from the Wells Fargo Golden Apple Foundation of New Mexico for a Teacher’s Partner Program to support “Enriching the Learning Environment” grant award.

27103 – Dual Credit Instructional Materials/HB 2 – To account for revenues received from the State for the purpose of providing textbooks for students enrolled in the dual credit program. (Authority, HB 2, 2009 (page 226 line 12-19)

27105 – 2008 GO Bond Student Libraries – To account for revenues received from the State for the purpose of providing funds to support the acquisition of library books. (Authority, 2008 SB 333 Capital Projects G.O. Bond Act)

27115 – TANF PED School-Aged Child Care – To provide 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.

27117 – Technology for Education PED – To account for revenues received from the State for the purpose of expanding and improving the technology program. (Authority, NMSA 22-15A-1)

27138 – Incentives for School Improvement Act PED – 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, NMSA 1978)

27154 – Beginning Teacher Mentoring – To account for funds received to establish a program to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievements of students and improve the overall success of the District’s schools. (Authority, NMSA 22-2-8)

27155 – Breakfast for Elementary Students – To account for revenues appropriated by the New Mexico Legislature to help students develop lifelong healthy eating habits, while ensuring students are prepared for the learning process.

27163 – Schools in Need of Improvement -

27164 – School Improvement Framework – To account for a program to provide incentives for schools that have been declared ‘on the rise’ as a result of meeting adequate yearly progress goals for two consecutive years and thereby exiting from the school in need of improvement designation.

27170 – Libraries 2006 SB-30 GO Bond – To account for revenues received form the state to acquire library books, equipment, and library resources for public school and state-supported school libraries. (Authority, Laws 2006, SB 301)

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS (Continued)

27549 – School Library Materials – To account for revenues received from the State for the acquisition of school library books. (Authority, Senate Bill 471, 2008)

28156 – 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)

28188 – Child Care Quality Improvement – Federal Stimulus – To account for revenues received from Children, Youth and Families Department sub award for ARRA Child Care Quality Improvement materials. (Authority, Agreement No. 10-690-9999-03002)

29102 – Private Direct Grants – To account for revenues received from Public Service Company of New Mexico (PNM) for a Classroom Innovation Grant for Electronic Tutoring.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Fund Descriptions
June 30, 2010

CAPITAL PROJECTS FUNDS

31200 – Public School Capital Outlay – To account for state funds received for specific purposes such as energy conservation, construction of recreational facilities, paving or any other miscellaneous state capital outlay grant.

31300 – Special Capital Outlay - Local – To account for special capital outlay projects funded locally to match state funds provided under Chapter 4, Laws of 1996.

31400 – Special Capital Outlay - State – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading the Las Cruces Public Schools' facilities.

31900 – Educational Technology Equipment Act – to account for revenues received from the sale of educational technology bonds to purchase education technology equipment and infrastructure for student learning. (Authority, 6-15A-1 to 6-15A-16 NMSA 1978)

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Fund Descriptions
June 30, 2010

DEBT SERVICE FUNDS

43000 – Educational Technology Debt Service – To account for property tax revenue to pay district debt obligations from the sale of educational technology bonds.

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Food Services	Athletics	Title I IASA
<i>Assets</i>			
Cash and cash equivalents	\$ 184,950	\$ 22,390	\$ 27,031
Property taxes receivable	-	-	-
Due from other governments	-	-	144,727
Other receivables	-	-	-
Inventory	9,143	-	-
Due from other funds	-	-	-
	<u>194,093</u>	<u>22,390</u>	<u>171,758</u>
<i>Total assets</i>	<u>\$ 194,093</u>	<u>\$ 22,390</u>	<u>\$ 171,758</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	1,959	-	21,758
Deferred revenue	-	-	-
Due to other funds	-	-	150,000
	<u>1,959</u>	<u>-</u>	<u>171,758</u>
<i>Total liabilities</i>	<u>1,959</u>	<u>-</u>	<u>171,758</u>
<i>Fund balances</i>			
Reserved for			
Inventory	9,143	-	-
Unreserved			
Special revenue	182,991	22,390	-
Capital projects	-	-	-
Debt service	-	-	-
	<u>192,134</u>	<u>22,390</u>	<u>-</u>
<i>Total fund balances</i>	<u>192,134</u>	<u>22,390</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 194,093</u>	<u>\$ 22,390</u>	<u>\$ 171,758</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Entitlement IDEA-B	Discretionary IDEA-B	Competitive IDEA-B	Preschool IDEA-B	Risk Pool IDEA-B
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
144,347	-	3,163	13,227	5,819
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 144,347</u>	<u>\$ -</u>	<u>\$ 3,163</u>	<u>\$ 13,227</u>	<u>\$ 5,819</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
32,558	-	-	1,622	-
-	-	-	-	-
111,789	-	3,163	11,605	5,819
<u>144,347</u>	<u>-</u>	<u>3,163</u>	<u>13,227</u>	<u>5,819</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 144,347</u>	<u>\$ -</u>	<u>\$ 3,163</u>	<u>\$ 13,227</u>	<u>\$ 5,819</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Title I 1003G	Enhancing Education Through Technology	Enhancing Education Through Technology Competitive
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-
Due from other governments	467	5,092	4,013
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 467	\$ 5,092	\$ 4,013
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	-
Deferred revenue	-	-	-
Due to other funds	467	5,092	4,013
	467	5,092	4,013
<i>Total liabilities</i>	467	5,092	4,013
<i>Fund balances</i>			
Reserved for			
Inventory	-	-	-
Unreserved			
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ 467	\$ 5,092	\$ 4,013

The accompanying notes are an integral part of these financial statements

Special Revenue				
Title V (Part A) Innovative Education Program	English Language Acquisition	Teacher/Principal Training & Recruiting	Safe & Drug Free Schools & Communities	Rural and Low Income Schools
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
148	7,151	57,324	59	37,255
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 148</u>	<u>\$ 7,151</u>	<u>\$ 57,324</u>	<u>\$ 59</u>	<u>\$ 37,255</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	8,338	-	10,556
-	-	-	-	-
148	7,151	48,986	59	26,699
<u>148</u>	<u>7,151</u>	<u>57,324</u>	<u>59</u>	<u>37,255</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 148</u>	<u>\$ 7,151</u>	<u>\$ 57,324</u>	<u>\$ 59</u>	<u>\$ 37,255</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Title I School Improvement	Reading First	Title I IASA - Federal Stimulus
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ 474	\$ -
Property taxes receivable	-	-	-
Due from other governments	-	-	93,841
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ -	\$ 474	\$ 93,841
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	18,322
Deferred revenue	-	-	-
Due to other funds	-	-	75,519
	-	-	75,519
<i>Total liabilities</i>	-	-	93,841
<i>Fund balances</i>			
Reserved for			
Inventory	-	-	-
Unreserved			
Special revenue	-	474	-
Capital projects	-	-	-
Debt service	-	-	-
	-	-	-
<i>Total fund balances</i>	-	474	-
<i>Total liabilities and fund balances</i>	\$ -	\$ 474	\$ 93,841

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Entitlement IDEA- B - Federal Stimulus</u>	<u>Preschool IDEA-B - Federal Stimulus</u>	<u>Collaborative Forest Restoration</u>	<u>Impact Aid Special Education</u>	<u>Impact Aid Indian Education</u>
\$ -	\$ -	\$ -	\$ 139,908	\$ 76,354
-	-	-	-	-
89,839	2,059	59,426	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 89,839</u>	<u>\$ 2,059</u>	<u>\$ 59,426</u>	<u>\$ 139,908</u>	<u>\$ 76,354</u>
\$ -	\$ -	\$ 36,304	\$ -	\$ -
-	-	-	-	-
14,707	-	-	837	4,516
-	-	-	-	-
75,132	2,059	23,122	-	1,092
<u>89,839</u>	<u>2,059</u>	<u>59,426</u>	<u>837</u>	<u>5,608</u>
-	-	-	-	-
-	-	-	139,071	70,746
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>139,071</u>	<u>70,746</u>
<u>\$ 89,839</u>	<u>\$ 2,059</u>	<u>\$ 59,426</u>	<u>\$ 139,908</u>	<u>\$ 76,354</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	GRADS Child Care CYFD	Title XIX Medicaid 3/21 Years	Parents as Teachers
<i>Assets</i>			
Cash and cash equivalents	\$ 695	\$ 150,924	\$ -
Property taxes receivable	-	-	-
Due from other governments	-	-	5,423
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 695	\$ 150,924	\$ 5,423
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	2,982
Deferred revenue	-	1	-
Due to other funds	-	-	2,441
	-	-	2,441
<i>Total liabilities</i>	-	1	5,423
<i>Fund balances</i>			
Reserved for			
Inventory	-	-	-
Unreserved			
Special revenue	695	150,923	-
Capital projects	-	-	-
Debt service	-	-	-
	-	-	-
<i>Total fund balances</i>	695	150,923	-
<i>Total liabilities and fund balances</i>	\$ 695	\$ 150,924	\$ 5,423

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>GRADS Instructional</u>	<u>GRADS Child/Adult Care Food Program</u>	<u>Title VII Indian Education Formula</u>	<u>Jordan Fundamentals Grant</u>	<u>PNM Foundation</u>
\$ 478	\$ 2,630	\$ 6,048	\$ 5	\$ 176
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>478</u>	<u>2,630</u>	<u>6,048</u>	<u>5</u>	<u>176</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
475	-	6,048	-	-
-	-	-	-	(2)
-	974	-	-	-
<u>475</u>	<u>974</u>	<u>6,048</u>	<u>-</u>	<u>(2)</u>
-	-	-	-	-
3	1,656	-	5	176
-	-	-	-	-
-	-	-	-	-
<u>3</u>	<u>1,656</u>	<u>-</u>	<u>5</u>	<u>176</u>
<u>\$ 478</u>	<u>\$ 2,630</u>	<u>\$ 6,048</u>	<u>\$ 5</u>	<u>\$ 174</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Golden Apple Foundation	Dual Credit Instructional Materials/HB2	2008 GO Bond Student Libraries
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-
Due from other governments	-	-	21,196
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ -	\$ -	\$ 21,196
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	21,196
	-	-	21,196
<i>Total liabilities</i>	-	-	21,196
<i>Fund balances</i>			
Reserved for			
Inventory	-	-	-
Unreserved			
Special revenue	2	-	-
Capital projects	-	-	-
Debt service	-	-	-
	2	-	-
<i>Total fund balances</i>	2	-	-
<i>Total liabilities and fund balances</i>	\$ 2	\$ -	\$ 21,196

The accompanying notes are an integral part of these financial statements

Special Revenue				
TANF PED School-Aged Child Care	Technology for Education PED	Incentives for School Improvement Act PED	Beginning Teacher Mentoring Program	Breakfast for Elementary Students
\$ 2,897	\$ 10,417	\$ 1	\$ 2,826	\$ 1
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,897</u>	<u>\$ 10,417</u>	<u>\$ 1</u>	<u>\$ 2,826</u>	<u>\$ 1</u>
\$ -	\$ 1,529	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	454	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>1,529</u>	<u>-</u>	<u>454</u>	<u>-</u>
-	-	-	-	-
2,897	8,888	1	2,372	1
-	-	-	-	-
-	-	-	-	-
<u>2,897</u>	<u>8,888</u>	<u>1</u>	<u>2,372</u>	<u>1</u>
<u>\$ 2,897</u>	<u>\$ 10,417</u>	<u>\$ 1</u>	<u>\$ 2,826</u>	<u>\$ 1</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Schools in Need of Improvement	School Improvement Framework	Libraries 2006 SB-30 GO Bond
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-
Due from other governments	23,463	-	12,556
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 23,463	\$ -	\$ 12,556
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	5,736	-	-
Deferred revenue	-	-	-
Due to other funds	17,727	-	12,556
	17,727	-	12,556
<i>Total liabilities</i>	23,463	-	12,556
<i>Fund balances</i>			
Reserved for			
Inventory	-	-	-
Unreserved			
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ 23,463	\$ -	\$ 12,556

The accompanying notes are an integral part of these financial statements

<u>Special Revenue</u>				<u>Capital Projects</u>
<u>School Library Materials</u>	<u>Center for Teaching Excellence</u>	<u>Child Care Quality Improvement - Federal Stimulus</u>	<u>Private Direct Grants</u>	<u>Public School Capital Outlay</u>
\$ -	\$ -	\$ -	\$ 270	\$ -
-	-	-	-	-
-	21	-	-	13,994
-	-	-	-	-
-	-	-	-	-
<u>1,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,092</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 13,994</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>436</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>13,994</u>
<u>436</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>13,994</u>
-	-	-	-	-
656	-	-	270	-
-	-	-	-	-
-	-	-	-	-
<u>656</u>	<u>-</u>	<u>-</u>	<u>270</u>	<u>-</u>
<u>\$ 1,092</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 13,994</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Capital Projects		
	Special Capital Outlay - Local	Special Capital Outlay - State	Educational Technology Equipment Act
<i>Assets</i>			
Cash and cash equivalents	\$ 6,193	\$ 577	\$ 227,877
Property taxes receivable	-	-	-
Due from other governments	-	-	-
Other receivables	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 6,193	\$ 577	\$ 227,877
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-
Accrued payroll	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	-	-	-
<i>Total liabilities</i>	-	-	-
<i>Fund balances</i>			
Reserved for			
Inventory	-	-	-
Unreserved			
Special revenue	-	-	-
Capital projects	6,193	577	227,877
Debt service	-	-	-
	-	-	-
<i>Total fund balances</i>	6,193	577	227,877
<i>Total liabilities and fund balances</i>	\$ 6,193	\$ 577	\$ 227,877

The accompanying notes are an integral part of these financial statements

<u>Debt Service</u>	
<u>Educational Technology Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 650,553	\$ 1,513,675
41,186	41,186
-	744,610
-	-
-	9,143
-	1,092
<u>\$ 691,739</u>	<u>\$ 2,309,706</u>
\$ -	\$ 37,833
-	-
-	130,868
31,100	31,099
-	621,260
<u>31,100</u>	<u>821,060</u>
-	9,143
-	584,217
-	234,647
<u>660,639</u>	<u>660,639</u>
<u>660,639</u>	<u>1,488,646</u>
<u>\$ 691,739</u>	<u>\$ 2,309,706</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue		
	Food Services	Athletics	Title I IASA
<i>Revenues</i>			
Taxes - property	\$ -	\$ -	\$ -
Federal flowthrough	773,593	-	602,363
Federal direct	-	-	-
Local grants	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Combined local/state	-	-	-
Charges for services	215,726	20,870	-
Investment income	1,030	7	-
Miscellaneous	284	-	-
<i>Total revenues</i>	990,633	20,877	602,363
<i>Expenditures</i>			
<i>Current</i>			
Instruction	-	64	527,153
Support services	-	-	75,210
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	944,667	-	-
Community services operations	-	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	944,667	64	602,363
<i>Excess (deficiency) of revenues over expenditures</i>	45,966	20,813	-
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	-
Transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	45,966	20,813	-
<i>Fund balances - beginning</i>	146,168	1,577	-
<i>Fund balances - ending</i>	\$ 192,134	\$ 22,390	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue

Entitlement IDEA-B	Discretionary IDEA-B	Competitive IDEA-B	Preschool IDEA-B	Risk Pool IDEA-B
\$ -	\$ -	\$ -	\$ -	\$ -
586,132	-	-	30,662	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>586,132</u>	<u>-</u>	<u>-</u>	<u>30,662</u>	<u>-</u>
336,932	-	-	26,364	-
249,200	-	-	4,298	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>586,132</u>	<u>-</u>	<u>-</u>	<u>30,662</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue		
	Title I 1003G	Enhancing Education Through Technology	Enhancing Education Through Technology Competitive
<i>Revenues</i>			
Taxes - property	\$ -	\$ -	\$ -
Federal flowthrough	467	-	-
Federal direct	-	-	-
Local grants	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Combined local/state	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	467	-	-
<i>Expenditures</i>			
Current			
Instruction	467	-	-
Support services	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	467	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	-
Transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	-	-	-
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue

Special Revenue				
Title V (Part A) Innovative Education Program	English Language Acquisition	Teacher/Principal Training & Recruiting	Safe & Drug Free Schools & Communities	Rural and Low Income Schools
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	124,483	9,599	56,163
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	124,483	9,599	56,163
-	-	-	-	-
-	-	124,483	4,599	39,321
-	-	-	5,000	2,528
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	14,314
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	124,483	9,599	56,163
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Title I School Improvement	Reading First	Title I IASA - Federal Stimulus
<i>Revenues</i>			
Taxes - property	\$ -	\$ -	\$ -
Federal flowthrough	40,000	125,905	166,192
Federal direct	-	-	-
Local grants	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Combined local/state	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>40,000</u>	<u>125,905</u>	<u>166,192</u>
<i>Expenditures</i>			
<i>Current</i>			
Instruction	40,000	125,431	166,192
Support services	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>40,000</u>	<u>125,431</u>	<u>166,192</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>474</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	-
Transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	474	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 474</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Entitlement IDEA- B - Federal Stimulus	Preschool IDEA-B - Federal Stimulus	Collaborative Forest Restoration	Impact Aid Special Education	Impact Aid Indian Education
\$ -	\$ -	\$ -	\$ -	\$ -
293,437	4,159	-	-	-
-	-	93,192	163,134	169,672
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>293,437</u>	<u>4,159</u>	<u>93,192</u>	<u>163,134</u>	<u>169,672</u>
212,159	-	72,599	24,063	30,113
81,278	4,159	-	-	68,813
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	20,593	-	-
-	-	-	-	-
-	-	-	-	-
<u>293,437</u>	<u>4,159</u>	<u>93,192</u>	<u>24,063</u>	<u>98,926</u>
-	-	-	139,071	70,746
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	139,071	70,746
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,071</u>	<u>\$ 70,746</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	GRADS Child Care CYFD	Title XIX Medicaid 3/21 Years	Parents as Teachers
<i>Revenues</i>			
Taxes - property	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-
Federal direct	3,695	181,000	99,304
Local grants	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Combined local/state	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>3,695</u>	<u>181,000</u>	<u>99,304</u>
<i>Expenditures</i>			
<i>Current</i>			
Instruction	3,000	-	99,304
Support services	-	30,077	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>3,000</u>	<u>30,077</u>	<u>99,304</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>695</u>	<u>150,923</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	-
Transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	695	150,923	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 695</u>	<u>\$ 150,923</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>GRADS Instructional</u>	<u>GRADS Child/Adult Care Food Program</u>	<u>Title VII Indian Education Program</u>	<u>Jordan Fundamentals Grant</u>	<u>PNM Foundation</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
8,003	5,199	84,410	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,003</u>	<u>5,199</u>	<u>84,410</u>	<u>-</u>	<u>-</u>
8,000	3,543	-	-	-
-	-	84,410	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,000</u>	<u>3,543</u>	<u>84,410</u>	<u>-</u>	<u>-</u>
<u>3</u>	<u>1,656</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3	1,656	-	-	-
-	-	-	5	176
<u>\$ 3</u>	<u>\$ 1,656</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 176</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue		
	Golden Apple Foundation	Dual Credit Instructional Materials/HB2	2008 GO Bond Student Libraries
<i>Revenues</i>			
Taxes - property	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-
Federal direct	-	-	-
Local grants	1,999	-	-
State flowthrough	-	6,999	21,196
State direct	-	-	-
Combined local/state	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	1,999	6,999	21,196
<i>Expenditures</i>			
Current			
Instruction	1,997	6,999	-
Support services	-	-	21,196
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	1,997	6,999	21,196
<i>Excess (deficiency) of revenues over expenditures</i>	2	-	-
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	-
Transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	2	-	-
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	\$ 2	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue				
TANF PED School-Aged Child Care	Technology for Education PED	Incentives for School Improvement Act PED	Beginning Teacher Mentoring Program	Breakfast for Elementary Students
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
2,897	24,824	1	5,649	63,383
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,897</u>	<u>24,824</u>	<u>1</u>	<u>5,649</u>	<u>63,383</u>
-	6,244	-	3,277	-
-	6,178	-	-	-
-	3,514	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	63,382
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>15,936</u>	<u>-</u>	<u>3,277</u>	<u>63,382</u>
2,897	8,888	1	2,372	1
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,897	8,888	1	2,372	1
-	-	-	-	-
<u>\$ 2,897</u>	<u>\$ 8,888</u>	<u>\$ 1</u>	<u>\$ 2,372</u>	<u>\$ 1</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue		
	Schools in Need of Improvement	School Improvement Framework	Libraries 2006 SB- 30 GO Bond
<i>Revenues</i>			
Taxes - property	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-
Federal direct	-	-	-
Local grants	-	-	-
State flowthrough	29,912	-	6,892
State direct	-	-	-
Combined local/state	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	(6,892)
<i>Total revenues</i>	29,912	-	-
<i>Expenditures</i>			
Current			
Instruction	29,912	-	-
Support services	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	29,912	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	-
Transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	-	-	-
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue				Capital Projects
School Library Materials	Center for Teaching Excellence	Child Care Quality Improvement - Federal Stimulus	Private Direct Grants	Public School Capital Outlay
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,476	-	13,994
-	-	-	2,000	-
-	-	-	-	-
-	-	-	-	-
6,892	-	-	-	-
<u>6,892</u>	<u>-</u>	<u>2,476</u>	<u>2,000</u>	<u>13,994</u>
-	-	2,476	2,000	-
6,236	-	-	-	-
-	-	-	-	14,494
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,236	-	2,476	2,000	14,494
<u>656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
656	-	-	-	(500)
-	-	-	270	500
<u>\$ 656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Capital Projects		
	Special Capital Outlay - Local	Special Capital Outlay - State	Educational Technology Equipment Act
<i>Revenues</i>			
Taxes - property	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-
Federal direct	-	-	-
Local grants	-	-	-
State flowthrough	-	-	-
State direct	-	20,999	-
Combined local/state	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	-	20,999	-
<i>Expenditures</i>			
<i>Current</i>			
Instruction	-	-	-
Support services	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	341,026
Student transportation	-	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Facilities acquisition and construction	-	-	81,097
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	-	-	422,123
<i>Excess (deficiency) of revenues over expenditures</i>	-	20,999	(422,123)
<i>Other financing sources (uses)</i>			
Bond proceeds	-	-	650,000
Transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	-	-	650,000
<i>Net change in fund balances</i>	-	20,999	227,877
<i>Fund balances - beginning</i>	6,193	(20,422)	-
<i>Fund balances - ending</i>	\$ 6,193	\$ 577	\$ 227,877

The accompanying notes are an integral part of these financial statements

<u>Debt Service</u>	
<u>Educational Technology Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 673,411	\$ 673,411
-	2,813,155
-	807,609
-	98,753
-	64,999
-	37,469
-	2,000
-	236,596
-	1,037
-	284
<u>673,411</u>	<u>4,735,313</u>
-	1,896,692
6,633	645,216
-	3,514
-	355,520
-	-
-	1,008,049
-	14,314
-	101,690
-	-
-	-
<u>6,139</u>	<u>6,139</u>
<u>12,772</u>	<u>4,031,134</u>
<u>660,639</u>	<u>704,179</u>
-	650,000
<u>-</u>	<u>-</u>
<u>-</u>	<u>650,000</u>
660,639	1,354,179
<u>-</u>	<u>134,467</u>
<u>\$ 660,639</u>	<u>\$ 1,488,646</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Food Services Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-1

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	743,564	743,564	773,593	30,029
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	230,844	230,844	215,726	(15,118)
Investment income	649	649	1,030	381
Miscellaneous	-	-	284	284
<i>Total revenues</i>	<u>975,057</u>	<u>975,057</u>	<u>990,633</u>	<u>15,576</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	1,091,740	1,091,740	948,608	143,132
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,091,740</u>	<u>1,091,740</u>	<u>948,608</u>	<u>143,132</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(116,683)</u>	<u>(116,683)</u>	<u>42,025</u>	<u>158,708</u>
<i>Other financing sources (uses)</i>				
Designated cash	116,683	116,683	-	(116,683)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>116,683</u>	<u>116,683</u>	<u>-</u>	<u>(116,683)</u>
<i>Net change in fund balances</i>	-	-	42,025	42,025
<i>Fund balances - beginning of year</i>	-	-	140,966	140,966
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,991</u>	<u>\$ 182,991</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 42,025
No adjustments to revenues				-
Adjustments to expenditures for food services expenditures				<u>3,941</u>
Net change in fund balance (GAAP Basis)				<u>\$ 45,966</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

Ruidoso Municipal School District

Athletics Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	30,188	30,188	20,870	(9,318)
Investment income	7	7	7	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,195</u>	<u>30,195</u>	<u>20,877</u>	<u>(9,318)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	32,807	32,807	64	32,743
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,807</u>	<u>32,807</u>	<u>64</u>	<u>32,743</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,612)</u>	<u>(2,612)</u>	<u>20,813</u>	<u>23,425</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,612	2,612	-	(2,612)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,612</u>	<u>2,612</u>	<u>-</u>	<u>(2,612)</u>
<i>Net change in fund balances</i>	-	-	20,813	20,813
<i>Fund balances - beginning of year</i>	-	-	1,577	1,577
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,390</u>	<u>\$ 22,390</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 20,813
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 20,813</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Ruidoso Municipal School District
 Title I IASA Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	559,106	622,943	495,476	(127,467)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>559,106</u>	<u>622,943</u>	<u>495,476</u>	<u>(127,467)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	487,332	544,823	527,153	17,670
Support services	71,774	78,120	75,210	2,910
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>559,106</u>	<u>622,943</u>	<u>602,363</u>	<u>20,580</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(106,887)</u>	<u>(106,887)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(106,887)	(106,887)
<i>Fund balances - beginning of year</i>	-	-	(37,840)	(37,840)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (144,727)</u>	<u>\$ (144,727)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (106,887)
Adjustments for revenues for federal flowthrough grants				106,887
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Ruidoso Municipal School District
Entitlement IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	594,553	523,977	(70,576)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>594,553</u>	<u>523,977</u>	<u>(70,576)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	342,906	336,932	5,974
Support services	-	251,647	249,200	2,447
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>594,553</u>	<u>586,132</u>	<u>8,421</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(62,155)</u>	<u>(62,155)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(62,155)	(62,155)
<i>Fund balances - beginning of year</i>	-	-	(82,192)	(82,192)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (144,347)</u>	<u>\$ (144,347)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (62,155)
Adjustments for revenues for federal flowthrough grants				62,155
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Discretionary IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-5

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	16,440	16,440
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>16,440</u>	<u>16,440</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>16,440</u>	<u>16,440</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	16,440	16,440
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,440)</u>	<u>(16,440)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 16,440
Adjustments for revenues for federal flowthrough grants				(16,440)
No adjustments to expenditures				<u>-</u>
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Competitive IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-6

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,163)</u>	<u>(3,163)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,163)</u>	<u>\$ (3,163)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Preschool IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-7

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	34,472	23,798	(10,674)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>34,472</u>	<u>23,798</u>	<u>(10,674)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	28,855	26,364	2,491
Support services	-	5,617	4,298	1,319
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,472</u>	<u>30,662</u>	<u>3,810</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,864)</u>	<u>(6,864)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(6,864)	(6,864)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,363)</u>	<u>(6,363)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,227)</u>	<u>\$ (13,227)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (6,864)
Adjustments to revenues for federal flowthrough grants				6,864
No adjustments to expenditures				<u>-</u>
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

Ruidoso Municipal School District
Risk Pool IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	5,819	-	(5,819)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,819</u>	<u>-</u>	<u>(5,819)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	5,819	5,819	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,819</u>	<u>5,819</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,819)</u>	<u>(5,819)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(5,819)	(5,819)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,819)</u>	<u>\$ (5,819)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (5,819)
Adjustments to revenues for federal flowthrough grants				5,819
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

Ruidoso Municipal School District

Title I 1003G Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	467	19,585	19,118
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>467</u>	<u>19,585</u>	<u>19,118</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	467	467	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>467</u>	<u>467</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>19,118</u>	<u>19,118</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	19,118	19,118
<i>Fund balances - beginning of year</i>	-	-	(19,585)	(19,585)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (467)</u>	<u>\$ (467)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 19,118
Adjustments to revenues for federal flowthrough grants				(19,118)
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Ruidoso Municipal School District
 Enhancing Education Through Technology Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(5,092)	(5,092)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,092)</u>	<u>\$ (5,092)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Ruidoso Municipal School District
 Enhancing Education Through Techology Competitive Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(4,013)	(4,013)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,013)</u>	<u>\$ (4,013)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Ruidoso Municipal School District
 Title V (Part A) Innovative Education Program Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(148)	(148)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (148)</u>	<u>\$ (148)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
English Language Acquisition Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-13

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	2,819	2,819
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,819</u>	<u>2,819</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,819</u>	<u>2,819</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	2,819	2,819
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,970)</u>	<u>(9,970)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,151)</u>	<u>\$ (7,151)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 2,819
Adjustments to revenues for federal flowthrough grants				(2,819)
No adjustments to expenditures				<u>-</u>
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Ruidoso Municipal School District
 Teacher/Principal Training & Recruiting Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	121,250	127,024	99,700	(27,324)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>121,250</u>	<u>127,024</u>	<u>99,700</u>	<u>(27,324)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	110,110	106,110	106,110	-
Support services	11,140	20,914	18,789	2,125
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>121,250</u>	<u>127,024</u>	<u>124,899</u>	<u>2,125</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(25,199)</u>	<u>(25,199)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(25,199)	(25,199)
<i>Fund balances - beginning of year</i>	-	-	(32,125)	(32,125)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,324)</u>	<u>\$ (57,324)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (25,199)
Adjustments to revenues for federal flowthrough grants				24,783
Adjustments to expenditures for instructional expenditures				416
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Ruidoso Municipal School District
 Safe & Drug Free Schools & Communities Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	9,599	9,599	9,599	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>9,599</u>	<u>9,599</u>	<u>9,599</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	4,599	4,599	4,599	-
Support services	5,000	5,000	5,000	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>9,599</u>	<u>9,599</u>	<u>9,599</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(59)	(59)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59)</u>	<u>\$ (59)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Rural and Low Income Schools Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-16

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	58,703	16,503	(42,200)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>58,703</u>	<u>16,503</u>	<u>(42,200)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	39,321	39,321	-
Support services	-	5,000	2,528	2,472
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	14,382	14,314	68
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>58,703</u>	<u>56,163</u>	<u>2,540</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(39,660)</u>	<u>(39,660)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(39,660)	(39,660)
<i>Fund balances - beginning of year</i>	-	-	2,405	2,405
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,255)</u>	<u>\$ (37,255)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (39,660)
Adjustments to revenues for federal flowthrough grants				39,660
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Title I School Improvement Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-17

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	40,000	40,000	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	40,000	40,000	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Ruidoso Municipal School District
 Reading First Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	250,863	125,431	219,605	94,174
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>250,863</u>	<u>125,431</u>	<u>219,605</u>	<u>94,174</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	245,090	125,431	125,431	-
Support services	5,773	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>250,863</u>	<u>125,431</u>	<u>125,431</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>94,174</u>	<u>94,174</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	94,174	94,174
<i>Fund balances - beginning of year</i>	-	-	(93,700)	(93,700)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 474</u>	<u>\$ 474</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 94,174
Adjustments to revenues for federal flowthrough grants				(93,700)
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 474</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Ruidoso Municipal School District
 Title I IASA - Federal Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	157,835	314,026	72,351	(241,675)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>157,835</u>	<u>314,026</u>	<u>72,351</u>	<u>(241,675)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	157,835	314,026	166,192	147,834
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>157,835</u>	<u>314,026</u>	<u>166,192</u>	<u>147,834</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(93,841)</u>	<u>(93,841)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(93,841)	(93,841)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,841)</u>	<u>\$ (93,841)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (93,841)
Adjustments to revenues for federal flowthrough grants				93,841
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Entitlement IDEA-B - Federal Stimulus Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-20

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	304,963	203,598	(101,365)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>304,963</u>	<u>203,598</u>	<u>(101,365)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	223,685	212,159	11,526
Support services	-	81,278	81,278	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>304,963</u>	<u>293,437</u>	<u>11,526</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(89,839)</u>	<u>(89,839)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(89,839)	(89,839)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,839)</u>	<u>\$ (89,839)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (89,839)
Adjustments to revenues for federal flowthrough grants				89,839
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Ruidoso Municipal School District
 Preschool IDEA-B - Federal Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	11,527	2,100	(9,427)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>11,527</u>	<u>2,100</u>	<u>(9,427)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	11,527	4,159	7,368
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>11,527</u>	<u>4,159</u>	<u>7,368</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,059)</u>	<u>(2,059)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(2,059)	(2,059)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,059)</u>	<u>\$ (2,059)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (2,059)
Adjustments to revenues for federal flowthrough grants				2,059
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Collaborative Forest Restoration Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-22

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	177,547	177,547	60,477	(117,070)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>177,547</u>	<u>177,547</u>	<u>60,477</u>	<u>(117,070)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	44,100	44,100	36,295	7,805
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	133,447	133,447	20,593	112,854
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>177,547</u>	<u>177,547</u>	<u>56,888</u>	<u>120,659</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,589</u>	<u>3,589</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	3,589	3,589
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(26,711)</u>	<u>(26,711)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,122)</u>	<u>\$ (23,122)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 3,589
Adjustments to revenues for federal direct grants				32,715
Adjustments to expenditures for instructional expenditures				<u>(36,304)</u>
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Ruidoso Municipal School District
Impact Aid Special Education Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	55,185	55,185	62,100	6,915
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>55,185</u>	<u>55,185</u>	<u>62,100</u>	<u>6,915</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	73,945	73,945	24,063	49,882
Support services	66,932	66,932	-	66,932
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	15,000	15,000	-	15,000
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>155,877</u>	<u>155,877</u>	<u>24,063</u>	<u>131,814</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(100,692)</u>	<u>(100,692)</u>	<u>38,037</u>	<u>138,729</u>
<i>Other financing sources (uses)</i>				
Designated cash	100,692	100,692	-	(100,692)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>100,692</u>	<u>100,692</u>	<u>-</u>	<u>(100,692)</u>
<i>Net change in fund balances</i>	-	-	38,037	38,037
<i>Fund balances - beginning of year</i>	-	-	101,034	101,034
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,071</u>	<u>\$ 139,071</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 38,037
Adjustments to revenues for federal direct grants				(38,037)
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Ruidoso Municipal School District
Impact Aid Indian Education Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	86,909	86,909	65,753	(21,156)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>86,909</u>	<u>86,909</u>	<u>65,753</u>	<u>(21,156)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	122,157	107,157	30,113	77,044
Support services	56,232	72,347	68,813	3,534
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	14,680	13,565	-	13,565
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>193,069</u>	<u>193,069</u>	<u>98,926</u>	<u>94,143</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(106,160)</u>	<u>(106,160)</u>	<u>(33,173)</u>	<u>72,987</u>
<i>Other financing sources (uses)</i>				
Designated cash	106,160	106,160	-	(106,160)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>106,160</u>	<u>106,160</u>	<u>-</u>	<u>(106,160)</u>
<i>Net change in fund balances</i>	-	-	(33,173)	(33,173)
<i>Fund balances - beginning of year</i>	-	-	103,919	103,919
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,746</u>	<u>\$ 70,746</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (33,173)
Adjustments to revenues for federal direct grants				33,173
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Ruidoso Municipal School District
GRADS Child Care CYFD Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	3,000	3,000	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	3,000	3,000	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	695	695
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695</u>	<u>\$ 695</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
Adjustments to revenue for federal direct grants				695
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 695</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Ruidoso Municipal School District
 Title XIX Medicaid 3/21 Years Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	10,000	65,000	166,000	101,000
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>65,000</u>	<u>166,000</u>	<u>101,000</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	20,000	75,000	30,077	44,923
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>75,000</u>	<u>30,077</u>	<u>44,923</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>135,923</u>	<u>145,923</u>
<i>Other financing sources (uses)</i>				
Designated cash	10,000	10,000	-	(10,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<i>Net change in fund balances</i>	-	-	135,923	135,923
<i>Fund balances - beginning of year</i>	-	-	15,000	15,000
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,923</u>	<u>\$ 150,923</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 135,923
Adjustments to revenues for federal direct grants				15,000
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 150,923</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Parents as Teachers Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-27

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	108,785	99,304	117,982	18,678
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>108,785</u>	<u>99,304</u>	<u>117,982</u>	<u>18,678</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	108,785	99,304	99,304	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>108,785</u>	<u>99,304</u>	<u>99,304</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>18,678</u>	<u>18,678</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	18,678	18,678
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(24,101)</u>	<u>(24,101)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,423)</u>	<u>\$ (5,423)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 18,678
Adjustments to revenues for federal direct grants				(18,678)
No adjustments to expenditures				<u>-</u>
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Ruidoso Municipal School District
GRADS Instructional Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	8,000	8,000	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	8,000	8,000	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
Adjustments to revenue for federal direct grants				3
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 3</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

Ruidoso Municipal School District
 GRADS Child/Adult Care Food Program Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	4,459	1,838	(2,621)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,459</u>	<u>1,838</u>	<u>(2,621)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	4,459	3,543	916
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,459</u>	<u>3,543</u>	<u>916</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,705)</u>	<u>(1,705)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,705)	(1,705)
<i>Fund balances - beginning of year</i>	-	-	3,361	3,361
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,656</u>	<u>\$ 1,656</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (1,705)
Adjustments to revenues for federal direct grants				3,361
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 1,656</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

Ruidoso Municipal School District
 Title VII Indian Education Formula Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	84,410	84,410	84,410	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>84,410</u>	<u>84,410</u>	<u>84,410</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	84,410	84,410	84,410	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>84,410</u>	<u>84,410</u>	<u>84,410</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Jordan Fundamentals Grant Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-31

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
PNM Foundation Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-32

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>176</u>	<u>176</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ 176</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

Ruidoso Municipal School District
Golden Apple Foundation Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	1,997	1,997	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,997</u>	<u>1,997</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	1,997	1,995	2
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,997</u>	<u>1,995</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	2	2
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 2
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 2</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

Ruidoso Municipal School District
 Dual Credit Instructional Materials/HB2 Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	7,000	6,999	(1)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,000</u>	<u>6,999</u>	<u>(1)</u>
<i>Expenditures</i>				
Current				
Instruction	-	7,000	6,999	1
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,000</u>	<u>6,999</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

Ruidoso Municipal School District
 2008 GO Bond Student Libraries Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	21,473	-	(21,473)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>21,473</u>	<u>-</u>	<u>(21,473)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	21,473	21,196	277
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>21,473</u>	<u>21,196</u>	<u>277</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(21,196)</u>	<u>(21,196)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(21,196)	(21,196)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,196)</u>	<u>\$ (21,196)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (21,196)
Adjustments to revenues for state flowthrough grants				21,196
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

Ruidoso Municipal School District
TANF PED School-Aged Child Care Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	2,897	2,897
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,897</u>	<u>\$ 2,897</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
Adjustments to revenues for state flowthrough grants				2,897
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 2,897</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

Ruidoso Municipal School District
 Technology for Education PED Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	24,128	15,525	(8,603)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>24,128</u>	<u>15,525</u>	<u>(8,603)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	12,130	4,715	7,415
Support services	-	8,340	6,178	2,162
Central services	-	3,658	3,514	144
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>24,128</u>	<u>14,407</u>	<u>9,721</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,118</u>	<u>1,118</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	1,118	1,118
<i>Fund balances - beginning of year</i>	-	-	9,299	9,299
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,417</u>	<u>\$ 10,417</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 1,118
Adjustments to revenues for state flowthrough grants				9,299
Adjustments to expenditures for instructional expenditures				(1,529)
Net change in fund balance (GAAP Basis)				<u>\$ 8,888</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

Ruidoso Municipal School District
 Incentives for School Improvement Act PED Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
Adjustments to revenues for state flowthrough grants				1
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 1</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

Ruidoso Municipal School District
 Beginning Teacher Mentoring Program Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	4,252	5,339	1,087
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,252</u>	<u>5,339</u>	<u>1,087</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	4,252	3,277	975
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,252</u>	<u>3,277</u>	<u>975</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,062</u>	<u>2,062</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	2,062	2,062
<i>Fund balances - beginning of year</i>	-	-	310	310
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,372</u>	<u>\$ 2,372</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 2,062
Adjustments to revenues for state flowthrough grants				310
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 2,372</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Breakfast for Elementary Students Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-40

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	63,382	63,382	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>63,382</u>	<u>63,382</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	63,382	63,382	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>63,382</u>	<u>63,382</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
Adjustments to revenues for state flowthrough grants				1
No adjustments to expenditures				<u>-</u>
Net change in fund balance (GAAP Basis)				<u>\$ 1</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Schools in Need of Improvement Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-41

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	30,000	6,448	(23,552)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>30,000</u>	<u>6,448</u>	<u>(23,552)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	30,000	29,912	88
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>30,000</u>	<u>29,912</u>	<u>88</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(23,464)</u>	<u>(23,464)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(23,464)	(23,464)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,464)</u>	<u>\$ (23,464)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (23,464)
Adjustments to revenues for state flowthrough grants				23,464
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
School Improvement Framework Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-42

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	46,599	46,599
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>46,599</u>	<u>46,599</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>46,599</u>	<u>46,599</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	46,599	46,599
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(46,599)</u>	<u>(46,599)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 46,599
Adjustments to revenues for state flowthrough grants				(46,599)
No adjustments to expenditures				<u>-</u>
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-43

Ruidoso Municipal School District
 Libraries 2006 SB-30 GO Bond Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	664	664
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	(6,892)	(6,892)
<i>Total revenues</i>	-	-	(6,228)	(6,228)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(6,228)	(6,228)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(6,228)	(6,228)
<i>Fund balances - beginning of year</i>	-	-	(6,328)	(6,328)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (12,556)	\$ (12,556)
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (6,228)
Adjustments to revenues for state flowthrough grants				6,228
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-44

Ruidoso Municipal School District
School Library Material Fund Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	6,892	6,892
<i>Total revenues</i>	-	-	6,892	6,892
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	6,892	6,236	656
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	6,892	6,236	656
<i>Excess (deficiency) of revenues over expenditures</i>	-	(6,892)	656	7,548
<i>Other financing sources (uses)</i>				
Designated cash	-	6,892	-	(6,892)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	6,892	-	(6,892)
<i>Net change in fund balances</i>	-	-	656	656
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 656	\$ 656
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 656
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				\$ 656

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Center for Teaching Excellence Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-45

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(21)</u>	<u>(21)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21)</u>	<u>\$ (21)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-46

Ruidoso Municipal School District
 Child Care Quality Improvement - Federal Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	2,480	2,476	(4)
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,480</u>	<u>2,476</u>	<u>(4)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	2,480	2,476	4
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,480</u>	<u>2,476</u>	<u>4</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Private Direct Grants Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-47

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	2,000	2,000	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	2,000	2,000	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>270</u>	<u>270</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 270</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-48

Ruidoso Municipal School District
 Bond Building Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	735	735
Miscellaneous	-	-	126,393	126,393
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>127,128</u>	<u>127,128</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	1,253	(1,253)
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	2,085,373	2,085,373	1,055,696	1,029,677
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,085,373</u>	<u>2,085,373</u>	<u>1,056,949</u>	<u>1,028,424</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,085,373)</u>	<u>(2,085,373)</u>	<u>(929,821)</u>	<u>1,155,552</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,085,373	2,085,373	-	(2,085,373)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,085,373</u>	<u>2,085,373</u>	<u>-</u>	<u>(2,085,373)</u>
<i>Net change in fund balances</i>	-	-	(929,821)	(929,821)
<i>Fund balances - beginning of year</i>	-	-	1,747,057	1,747,057
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 817,236</u>	<u>\$ 817,236</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (929,821)
Adjustments to revenues for construction grants				2,508,671
Adjustments to expenditures for capital outlay expenditures				<u>(2,527,786)</u>
Net change in fund balance (GAAP Basis)				<u>\$ (948,936)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Public School Capital Outlay Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-49

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	14,494	13,994	(500)
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>14,494</u>	<u>13,994</u>	<u>(500)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	14,494	14,494	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>14,494</u>	<u>14,494</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(500)	(500)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (500)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ (500)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Special Capital Outlay - Local Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-50

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	6,193	6,193	-	6,193
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,193</u>	<u>6,193</u>	<u>-</u>	<u>6,193</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,193)</u>	<u>(6,193)</u>	<u>-</u>	<u>6,193</u>
<i>Other financing sources (uses)</i>				
Designated cash	6,193	6,193	-	(6,193)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,193</u>	<u>6,193</u>	<u>-</u>	<u>(6,193)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	6,193	6,193
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,193</u>	<u>\$ 6,193</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Special Capital Outlay - State Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-51

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	20,999	20,999
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>20,999</u>	<u>20,999</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>20,999</u>	<u>20,999</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	20,999	20,999
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(20,422)</u>	<u>(20,422)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577</u>	<u>\$ 577</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 20,999
No adjustments to revenues				-
No adjustments to expenditures				<u>-</u>
Net change in fund balance (GAAP Basis)				<u>\$ 20,999</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Capital Improvements SB-9 Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-52

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ 1,007,851	\$ 1,007,851	\$ 1,091,462	\$ 83,611
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	50,844	93,978	43,134
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	494	494	333	(161)
Miscellaneous	-	-	144,519	144,519
<i>Total revenues</i>	<u>1,008,345</u>	<u>1,059,189</u>	<u>1,330,292</u>	<u>271,103</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	10,000	10,915	(915)
Central services	-	-	-	-
Operation and maintenance of plant	1,295,507	939,351	740,844	198,507
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	385,209	782,209	561,263	220,946
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,680,716</u>	<u>1,731,560</u>	<u>1,313,022</u>	<u>418,538</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(672,371)</u>	<u>(672,371)</u>	<u>17,270</u>	<u>689,641</u>
<i>Other financing sources (uses)</i>				
Designated cash	672,371	672,371	-	(672,371)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>672,371</u>	<u>672,371</u>	<u>-</u>	<u>(672,371)</u>
<i>Net change in fund balances</i>	-	-	17,270	17,270
<i>Fund balances - beginning of year</i>	-	-	706,989	706,989
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 724,259</u>	<u>\$ 724,259</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 17,270
Adjustments to revenues for property taxes				(10,216)
Adjustments to expenditures for operational and capital outlay expenditures				<u>(14,882)</u>
Net change in fund balance (GAAP Basis)				<u>\$ (7,828)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Educational Technology Equipment Act Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

Statement B-53

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	137,430	76,126	61,304
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	512,570	345,997	166,573
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>650,000</u>	<u>422,123</u>	<u>227,877</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(650,000)</u>	<u>(422,123)</u>	<u>227,877</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Bond Proceeds	-	650,000	650,000	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	227,877	227,877
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,877</u>	<u>\$ 227,877</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 227,877
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 227,877</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-54

Ruidoso Municipal School District

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ 2,982,633	\$ 2,982,633	\$ 2,660,379	\$ (322,254)
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	5,548	5,548	6,905	1,357
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,988,181</u>	<u>2,988,181</u>	<u>2,667,284</u>	<u>(320,897)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	32,000	31,990	26,604	5,386
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	5,293,423	5,293,433	2,982,631	2,310,802
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,325,423</u>	<u>5,325,423</u>	<u>3,009,235</u>	<u>2,316,188</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,337,242)</u>	<u>(2,337,242)</u>	<u>(341,951)</u>	<u>1,995,291</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,337,242	2,337,242	-	(2,337,242)
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,337,242</u>	<u>2,337,242</u>	<u>-</u>	<u>(2,337,242)</u>
<i>Net change in fund balances</i>	-	-	(341,951)	(341,951)
<i>Fund balances - beginning of year</i>	-	-	2,639,127	2,639,127
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,297,176</u>	<u>\$ 2,297,176</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (341,951)
Adjustments to revenues for property taxes				(38,623)
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ (380,574)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-55

Ruidoso Municipal School District
 Educational Technology Debt Service Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ 670,964	\$ 663,325	\$ (7,639)
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>670,964</u>	<u>663,325</u>	<u>(7,639)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	8,200	6,633	1,567
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	662,764	6,139	656,625
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>670,964</u>	<u>12,772</u>	<u>658,192</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>650,553</u>	<u>650,553</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	650,553	650,553
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,553</u>	<u>\$ 650,553</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 650,553
Adjustments to revenues for property taxes				10,086
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 660,639</u>

The accompanying notes are an integral part of these financial statements

GENERAL FUND

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Balance Sheet
General Fund
June 30, 2010

Statement D-1

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 1,812,686	\$ 3,835	\$ 4,369	\$ 1,820,890
Property taxes receivable	16,207	-	-	16,207
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	906,174	-	-	906,174
<i>Total assets</i>	<u>\$ 2,735,067</u>	<u>\$ 3,835</u>	<u>\$ 4,369</u>	<u>\$ 2,743,271</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 21,308	\$ -	\$ -	\$ 21,308
Accrued compensated absences	-	-	-	-
Accrued payroll	817,406	-	-	817,406
Deferred revenue - property taxes	12,755	-	-	12,755
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>851,469</u>	<u>-</u>	<u>-</u>	<u>851,469</u>
<i>Fund balances</i>				
Reserved for:				
Inventory	-	-	-	-
Unreserved				
Unreserved, reported in				
General fund	1,883,598	3,835	4,369	1,891,802
<i>Total fund balances</i>	<u>1,883,598</u>	<u>3,835</u>	<u>4,369</u>	<u>1,891,802</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,735,067</u>	<u>\$ 3,835</u>	<u>\$ 4,369</u>	<u>\$ 2,743,271</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Ruidoso Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ending June 30, 2010

Statement D-2

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Revenues</i>				
Taxes - property	\$ 185,871	\$ -	\$ -	\$ 185,871
Federal flowthrough	11,366	-	-	11,366
Federal direct	477,261	-	-	477,261
Local grants	100	-	-	100
State flowthrough	15,412,930	-	86,680	15,499,610
State direct	-	912,020	-	912,020
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	83,754	-	-	83,754
Investment income	1,451	-	-	1,451
Miscellaneous	39,177	-	154	39,331
<i>Total revenues</i>	<u>16,211,910</u>	<u>912,020</u>	<u>86,834</u>	<u>17,210,764</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	10,349,444	-	85,546	10,434,990
Support services	2,747,953	-	474	2,748,427
Central services	414,661	-	-	414,661
Operation and maintenance of plant	2,221,848	-	-	2,221,848
Student transportation	25,934	912,020	-	937,954
Food services operations	-	-	-	-
Community services operations	25,042	-	-	25,042
Facilities acquisition and construction	23,871	-	-	23,871
<i>Debt Service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,808,753</u>	<u>912,020</u>	<u>86,020</u>	<u>16,806,793</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>403,157</u>	<u>-</u>	<u>814</u>	<u>403,971</u>
<i>Other financing sources (uses)</i>				
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	403,157	-	814	403,971
<i>Fund balances - beginning</i>	<u>1,480,441</u>	<u>3,835</u>	<u>3,555</u>	<u>1,487,831</u>
<i>Fund balances - ending</i>	<u>\$ 1,883,598</u>	<u>\$ 3,835</u>	<u>\$ 4,369</u>	<u>\$ 1,891,802</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-3

Ruidoso Municipal School District

Operational Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ 173,007	\$ 173,007	\$ 187,833	\$ 14,826
Federal flowthrough	-	-	11,366	11,366
Federal direct	480,972	480,972	477,261	(3,711)
Local grants	730	730	100	(630)
State flowthrough	16,102,411	15,419,905	15,412,930	(6,975)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	69,325	69,325	83,754	14,429
Investment income	2,784	2,784	1,451	(1,333)
Miscellaneous	6,042	6,042	39,177	33,135
<i>Total revenues</i>	<u>16,835,271</u>	<u>16,152,765</u>	<u>16,213,872</u>	<u>61,107</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	11,321,701	10,615,195	10,349,431	265,764
Support services	3,469,604	3,421,372	2,751,206	670,166
Central services	621,995	621,995	414,661	207,334
Operation and maintenance of plant	2,493,380	2,539,380	2,234,695	304,685
Student transportation	50,000	42,232	25,934	16,298
Food services operations	-	-	-	-
Community services operations	28,684	38,684	25,042	13,642
Facilities acquisition and construction	-	24,000	23,870	130
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,985,364</u>	<u>17,302,858</u>	<u>15,824,839</u>	<u>1,478,019</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,150,093)</u>	<u>(1,150,093)</u>	<u>389,033</u>	<u>1,539,126</u>
<i>Other financing sources (uses)</i>				
Designated cash	1,150,093	1,150,093	-	(1,150,093)
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,150,093</u>	<u>1,150,093</u>	<u>-</u>	<u>(1,150,093)</u>
<i>Net change in fund balances</i>	-	-	389,033	389,033
<i>Fund balances - beginning of year</i>	-	-	1,737,250	1,737,250
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,126,283</u>	<u>\$ 2,126,283</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 389,033
Adjustments to revenues for property taxes				(1,963)
Adjustments to expenditures for instructional, support, and operating expenditures				16,087
Net change in fund balance (GAAP Basis)				<u>\$ 403,157</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-4

Ruidoso Municipal School District

Transportation Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	931,129	912,020	912,020	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>931,129</u>	<u>912,020</u>	<u>912,020</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	931,129	912,020	912,020	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>931,129</u>	<u>912,020</u>	<u>912,020</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	3,835	3,835
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,835</u>	<u>\$ 3,835</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-5

Ruidoso Municipal School District

Instructional Materials Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	92,563	85,671	86,680	1,009
State direct	-	-	-	-
Combined local/state	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	154	154
<i>Total revenues</i>	<u>92,563</u>	<u>85,671</u>	<u>86,834</u>	<u>1,163</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	87,368	87,368	85,546	1,822
Support services	7,366	474	474	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>94,734</u>	<u>87,842</u>	<u>86,020</u>	<u>1,822</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,171)</u>	<u>(2,171)</u>	<u>814</u>	<u>2,985</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,171	2,171	-	(2,171)
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,171</u>	<u>2,171</u>	<u>-</u>	<u>(2,171)</u>
<i>Net change in fund balances</i>	-	-	814	814
<i>Fund balances - beginning of year</i>	-	-	3,555	3,555
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,369</u>	<u>\$ 4,369</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 814
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				<u>\$ 814</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Ruidoso Municipal School District
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2010

Schedule I

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Face Value or Fair Market Value June 30, 2007
Compass Bank				
	FNMA #889339	12/01/28	31410KBG8	\$ 904,979
	FHLMC ARM #780996	10/01/33	34349SC92	1,023,348
	FNR2006-81 FA	09/25/36	34396KM33	202,108
	FHLMC #782760	11/01/36	31349UB56	657,517
	FNMA #907865	03/01/37	31411GTW2	193,343
	FHR 3302 FC	05/15/07	31397HFY9	4,351,294
	Total Compass Bank			<u>7,332,589</u>
Location of Safekeeper Compass Bank, Birmingham, AL				
1st National Bank				
	FNMA Pool #596701	03/01/32	31387W3J4	210,925
	FNMA Pool #850646	01/01/36	31408GB91	538,943
	Northpointe TX Wtr Ctl & Impt.	09/01/19	66661QDZ3	195,800
	Hurst Creek Mun Util Dist TX	04/01/21	447608HJ8	118,956
	Hurst Creek Mun Util Dist TX	04/01/22	447808HK5	118,450
	Harris Cnty TX Mun Util Dist No 152	08/01/22	414951FU2	204,230
	Total 1st National Bank			<u>1,387,304</u>
Location of Safekeeper Federal Home Loan Bank, Dallas, TX				
Total collateral pledged for District				<u>\$ 8,719,893</u>

See accompanying independent auditor's report

STATE OF NEW MEXICO
Ruidoso Municipal School District
Schedule of Deposit and Investment Accounts
For the Year Ended June 30, 2010

Schedule II

<u>Bank Account Type/Name</u>	<u>Compass Bank</u>	<u>First National Bank</u>	<u>Totals</u>
Operational-Checking	\$ 1,484,705	\$ -	\$ 1,484,705
Capital Projects-Checking	1,076,357	-	1,076,357
Capital Improvements-Checking	960,539	-	960,539
Federal Projects-Checking	223,126	-	223,126
Athletics-Checking	22,390	-	22,390
Payroll Clearing Account-Checking	1,257,019	-	1,257,019
McGuire/LaMay Memorial-Checking	16,826	-	16,826
Debt Service-Checking		2,947,730	2,947,730
Food Service-Checking	-	219,806	219,806
Nob Hill Early Childhood-Checking	-	3,475	3,475
Sierra Vista Primary-Checking		9,895	9,895
White Mountain Primary-Checking		52,776	52,776
Ruidoso Middle School Activity-Checking		38,209	38,209
Ruidoso High School Activity-Checking	-	139,560	139,560
	<u>5,040,962</u>	<u>3,411,451</u>	<u>8,452,413</u>
Total on deposit	5,040,962	3,411,451	8,452,413
Reconciling items	<u>(469,464)</u>	<u>(43,606)</u>	<u>(513,070)</u>
Reconciled balance	<u>\$ 4,571,498</u>	<u>\$ 3,367,845</u>	7,939,343
Total cash			<u>\$ 7,939,343</u>
Cash per financial statements:			
Governmental Activities Cash and cash equivalents			\$ 2,979,904
Governmental Activities Restricted cash and cash equivalents			4,707,448
Agency funds			<u>251,991</u>
Total cash			<u>\$ 7,939,343</u>

See accompanying independent auditors' report

STATE OF NEW MEXICO
Ruidoso Municipal School District
Cash Reconciliation
June 30, 2010

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2010	\$ 1,112,433	\$ 3,835	\$ 3,555	\$ 140,966	\$ 1,577
Add:					
Outstanding Loans	400,000	-	-	-	-
Charge Back	-	-	-	-	-
2009-10 Revenues	16,213,873	912,020	86,836	990,633	20,876
Prior Year Warrants Voided	-	-	-	-	-
Total cash available	17,726,306	915,855	90,391	1,131,599	22,453
2009-10 expenditures	(15,824,853)	(912,020)	(86,022)	(948,608)	(63)
Permanent Cash Transfer	-	-	-	-	-
Net of Prior Year Outstanding Loans	-	-	-	-	-
Net Receivables/Payables	(974)	-	-	-	-
Current Year Outstanding Loans	(550,000)	-	-	-	-
Charge Backs (Overdrafts)	-	-	-	-	-
Cash, June 30, 2010	<u>\$ 1,350,479</u>	<u>\$ 3,835</u>	<u>\$ 4,369</u>	<u>\$ 182,991</u>	<u>\$ 22,390</u>
Adjustments					
Accrued expenses	817,406	-	-	1,959	-
Due to/from funds	(355,199)	-	-	-	-
Audited Cash, June 30, 2010	<u>\$ 1,812,686</u>	<u>\$ 3,835</u>	<u>\$ 4,369</u>	<u>\$ 184,950</u>	<u>\$ 22,390</u>

See accompanying independent auditor's report

Federal Flowthrough 24000	Federal Direct 25000	Local Grants Account 26000	State Flowthrough 27000	State Direct Account 28000	Local/State Fund 29000	Bond Building 31100
\$ 91,713	\$ 173,199	\$ 181	\$ (40,418)	\$ (21)	\$ 270	\$ 1,747,057
(400,000)	-	-	-	-	-	-
-	-	-	-	-	-	-
1,745,552	2,026,430	1,997	151,848	2,476	2,000	127,128
-	-	-	-	-	-	-
1,437,265	2,199,628	2,178	111,430	2,455	2,270	1,874,185
-	-	-	-	-	-	-
(2,045,322)	(1,947,643)	(1,997)	(145,408)	(2,476)	(2,000)	(1,056,949)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,068	-	(7,983)	-	-	-
250,000	300,000	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ (358,057)</u>	<u>\$ 554,053</u>	<u>\$ 181</u>	<u>\$ (41,961)</u>	<u>\$ (21)</u>	<u>\$ 270</u>	<u>\$ 817,236</u>
107,861	100,081	-	6,188	-	-	-
277,701	25,563	-	51,915	21	-	(13,994)
<u>\$ 27,505</u>	<u>\$ 679,697</u>	<u>\$ 181</u>	<u>\$ 16,142</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 803,242</u>

See accompanying independent auditor's report

STATE OF NEW MEXICO
Ruidoso Municipal School District
Cash Reconciliation
June 30, 2010

	Public School Capital Outlay 31200	Spec. Capital Outlay-Local 31300	Spec. Capital Outlay-State 31400	Cap. Improv. SB 9 31700	Ed. Tech Equip. Act 31900
Cash, June 30, 2010	\$ 500	\$ 6,193	\$ (20,422)	\$ 932,435	\$ -
Add:					
Outstanding Loans	-	-	-	-	-
Charge Back	-	-	-	-	-
2009-10 Revenues	-	-	20,998	1,330,292	650,000
Prior Year Warrants Voided	-	-	-	-	-
Total cash available	500	6,193	577	2,262,728	650,000
2009-10 expenditures	(14,494)	-	-	(1,313,021)	(422,123)
Permanent Cash Transfer	-	-	-	-	-
Net of Prior Year Outstanding Loan:	-	-	-	-	-
Net Receivables/Payables	-	-	-	-	-
Current Year Outstanding Loans	-	-	-	-	-
Charge Backs (Overdrafts)	-	-	-	-	-
Cash, June 30, 2010	<u>\$ (13,994)</u>	<u>\$ 6,193</u>	<u>\$ 577</u>	<u>\$ 949,707</u>	<u>\$ 227,877</u>
Adjustments					
Accrued expenses	-	-	-	-	-
Due to/from funds	13,994	-	-	-	-
Audited Cash, June 30, 2010	<u>\$ -</u>	<u>\$ 6,193</u>	<u>\$ 577</u>	<u>\$ 949,707</u>	<u>\$ 227,877</u>

See accompanying independent auditor's report

Debt Service Fund 41000	Deferred Sick Leave Fund 42000	Ed Tech Debt Service Fund 43000	Total
\$ 2,639,127	\$ -	\$ -	\$ 6,792,181
-	-	-	-
-	-	-	-
2,667,284	-	663,326	27,613,569
-	-	-	-
5,306,411	-	663,326	34,405,750
(3,009,235)	-	(12,772)	(27,745,005)
-	-	-	-
-	-	-	-
-	-	-	(6,889)
-	-	-	-
-	-	-	-
<u>\$ 2,297,176</u>	<u>\$ -</u>	<u>\$ 650,553</u>	<u>\$ 6,653,857</u>
-	-	-	1,033,495
-	-	-	-
<u>\$ 2,297,176</u>	<u>\$ -</u>	<u>\$ 650,553</u>	<u>\$ 7,687,352</u>

See accompanying independent auditor's report

STATE OF NEW MEXICO
Ruidoso Municipal School District
Agency Funds
Schedule of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2010

Schedule IV

School	Balance at 7/1/09	Additions	Deletions	Balance at 6/30/10
High School	\$ 133,956	\$ 215,536	\$ 215,930	\$ 133,562
Middle School	29,094	51,199	43,255	37,038
Nob Hill Elementary	4,543	12,389	13,457	3,475
Sierra Vista Elementary	9,332	29,574	29,338	9,568
White Mountain Elementary	33,843	91,154	73,476	51,521
White Mountain Intermediate	9,934	5	9,939	-
Scholarships	27,083	79	10,335	16,827
	<u>\$ 247,785</u>	<u>\$ 399,936</u>	<u>\$ 395,730</u>	<u>\$ 251,991</u>

See accompanying independent auditors' report

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***

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

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and the SEG federal stimulus fund, and the aggregate remaining fund information of Ruidoso Municipal School District (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated November 12, 2010. We also have audited the financial statements of each of the District's nonmajor governmental funds, the budgetary comparisons for the bond building fund, capital improvements SB-9 fund, debt service fund and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ruidoso Municipal School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ruidoso Municipal School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ruidoso Municipal School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2010-05 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ruidoso Municipal School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-01.

We noted certain matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying Schedule of Findings and Questioned Costs as findings 2010-02, 2010-03, 2010-04, and 2010-06.

Ruidoso Municipal School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Ruidoso Municipal School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education, others within Ruidoso Municipal School District, the audit committee, the State Auditor, the Public Education Department, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
November 12, 2010

FEDERAL FINANCIAL ASSISTANCE

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Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Ruidoso Municipal School District, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. Ruidoso Municipal School District'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 District's management. Our responsibility is to express an opinion on Ruidoso Municipal School District'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 District'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 of Ruidoso Municipal School District's compliance with those requirements.

In our opinion, Ruidoso Municipal School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

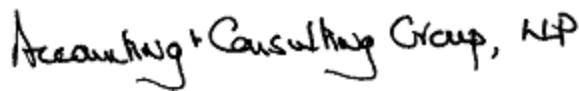
Internal Control Over Compliance

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

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, 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 management, The Board of Education, others within Ruidoso Municipal School District, the audit committee, the State Auditor, the Public Education Department, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.



Accounting & Consulting Group, LLP
Roswell, New Mexico
November 12, 2010

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

	Flow Thru Number	Federal CFDA Number	Disbursements/ Expenditures
U. S. Department of Education			
<i>Passed through NM Public Education Department</i>			
IDEA-B Entitlement (1)	24106	84.027	\$ 586,130
IDEA-B Risk Pool (1)	24120	84.027	5,819
IDEA-B Preschool (1)	24109	84.173	30,662
IDEA-B Entitlement Stimulus-ARRA (1)	24206	84.027	293,438
IDEA-B Preschool Stimulus-ARRA (1)	24209	84.173	4,159
Title I Basic Education Grant (1)	24101	84.010	602,364
Title 1 1003G Grant	24124	84.337	467
Title IV Drug Free Schools	24157	84.186	9,599
Teacher Principal Training & Recruiting	24154	84.367	124,482
Rural and Low Income Schools	24160	84.358	56,163
Title 1 School Improvement	24162	84.010	40,000
Reading First	24167	84.357	125,431
Title 1 Federal Stimulus-ARRA (1)	25201	84.010	166,193
State Fiscal Stabilization Fund (1)	25250	84.394	1,539,434
<i>Federal Direct Grants</i>			
Impact Aid-Special Education	25145	84.041	24,064
Impact Aid-Indian Education	25147	84.041	98,924
Medicaid	25153	93.778	30,076
Indian Education Formula	25184	84.060	84,410
Total U.S. Department. of Education			3,821,815
U.S. Department of Health and Human Services			
<i>Passed through NM Department of Health</i>			
GRADS Child Care	25149	93.590	\$ 3,000
GRADS Instructional	25162	93.558	8,000
Parents As Teachers	25157	93.037	99,304
Total U.S. Department of Health and Human Services			110,304

See accompanying independent auditors' report

	<u>Flow Thru Number</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
U. S. Department of Agriculture:			
<i>Passed through NM Department of Education</i>			
USDA National School Lunch Program (1)	21000	10.555	944,667
Child & Adult Food Program	25171	10.558	3,543
<i>Passed through NM Department of Finance and Administration</i>			
Forest Reserve	25130	10.665	93,192
<i>Passed through NM Human Services Department</i>			
USDA Commodities Program	21000	10.550	<u>59,323</u>
Total U. S. Department of Agriculture			<u>1,100,725</u>
Total Federal Financial Assistance			<u>\$ 5,032,844</u>

(1) Denotes major Federal financial assistance program

Notes to Schedule of Expenditures of Federal Awards

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Ruidoso Municipal School District, New Mexico (District) and is presented on the accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements.

2 Subrecipients

The District did not provide any federal awards to subrecipients during the year.

3 Non-Cash Federal Assistance

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, 2010 was \$59,323 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 5,032,844
Total expenditures funded by other sources	<u>25,266,391</u>
Total expenditures	<u>\$ 30,299,235</u>

See accompanying independent auditors' report

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STATE OF NEW MEXICO
Ruidoso Municipal School District
Schedule of Findings and Questioned Costs
June 30, 2010

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
10.555	USDA National School Lunch Program
84.010	Title I-IASA (ARRA)
84.027	IDEA-B Cluster (ARRA)
84.394	State Fiscal Stabilization (ARRA)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

B. FINDINGS-FINANCIAL STATEMENT AUDIT

2010-01 — Pledged Collateral

Condition: During the year ended June 30, 2010, the District maintained and utilized deposits with financial institutions which were not covered by 50% of pledged collateral as required by State of New Mexico Statutes. As of June 30, 2010 the under collateralization at the institutions totaled \$193,422.

Criteria: Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the District. (Section 6-10-17 NMSA 1978)

Effect: The fair market value of the District's investments and pledged collateral that is not guaranteed by the full faith and credit of the United States could decrease due to the volatile market, leaving the District without the expected value of the investments and/or unexpectedly without the required amount of pledged collateral.

Cause: The District did not adequately monitor cash and collateral that has been pledged by each financial institution to insure that the required pledged collateral amounts were sufficient.

Recommendation: We recommend that the District implement regular and frequent monitoring of its investments and collateral that has been pledged by each financial institution holding their deposits, to insure that the market value has not fallen unexpectedly.

Agency Response: The District has implemented a process in which the pledged collateral is evaluated for quality and sufficiency on an on-going basis. If the bank cannot maintain at least 50% pledged collateral at all times on all accounts, the District will move their funds to a bank that can adequately provide this requirement.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2010-02 — Expenditures in Excess of Budget

Condition: The District exceeded the level of budgetary authority in the following fund:

	<u>Amount</u>
Capital Improvements SB-9 Capital Projects Fund	\$ 915

Criteria: NMAC 6.20.2.10 state that all District funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the State of New Mexico Public Education Department for approval. Once adopted, any claims or warrants in excess of budget are a violation of New Mexico State Statute 6-6-6, 1978 Compilation.

Effect: The District is in violation of the law which requires each fund to disburse money for its specific purpose in accordance with their budget.

Cause: Inadequate monitoring of budgeting procedures.

Recommendation: Budget for future years should be revised to insure all funds have adequate budget authority for appropriations. Greater attention should be given to the budget monitoring process.

Agency Response: Ruidoso Schools has excellent controls in place for budgetary review and an accounting system that facilitates budget compliance per fund and function. This was a unique situation in which the County Treasurer's Office misreported the 1% fee to the District from February through June. The error was discovered by the District in June and notified the County, who revised their reports. The deadline had passed for a Budget Adjustment to add budget authority at the 2300 function level causing the function to be over budget by \$915. The overall budget was in compliance.

The 1% fee is a non-cash transaction but must be recorded as revenue and expense. The District has implemented a process to ensure the 1% fee is monitored on a monthly basis and recorded correctly.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2010-03 — Cash Appropriations in Excess of Available Cash Balances

Condition: The District designated cash appropriations in excess of available balances in the following funds:

	Designated Cash	Beginning Year Cash & AR Available	Cash Appropriation in Excess of Available Cash
Athletics Special Revenue Fund	\$ 2,612	\$ 1,577	\$ 1,035
Impact Aid Indian Education Special Revenue Fund	106,160	103,919	2,241
Bond Building Capital Projects Fund	2,085,373	1,747,057	338,316

Criteria: Section 2.2.2.10. (P) (1), NMAC, requires all School District funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances rebudgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect: The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause: The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Recommendation: Budget for future years should be reviewed to insure all funds have adequate budget authority for appropriations. Greater attention should be given to the budget monitoring process.

Agency Response: The District’s management was aware of the difference between the estimated cash balance that was budgeted, and the actual ending balance. The cause was not due to inadequate “attention to the budget monitoring process” as indicated. In order to illustrate this point, the Athletics Fund, Impact Aid Indian Education and the Bond Building Fund ended the fiscal year with a cash balance of \$22,390, \$71,840, and \$817,236 respectively. Therefore the budget and cash balance were managed appropriately.

Section 2.2.2.10 is contradictory to PED recommendations for budgeting cash balances. PED does not require the District to reduce the budget for a minor difference between actual and estimated cash. Management was also not aware of the requirement cited and will take steps to ensure that estimated cash is budgeted at a level that will not violate the nonsensical regulation.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Schedule of Findings and Questioned Costs
June 30, 2010

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2010-04 – Pooled Cash

Condition: During audit testing of cash and cash equivalents, we determined that, although pooled accounts are not overdrawn in total, individual fund year-end cash balances were negative. The following funds had negative cash balances in these amounts at June 30, 2010:

Special Revenue Funds:	
Title I	\$ 11,789
IDEA-B Competitive	3,163
IDEA-B Preschool	11,605
IDEA-B "Risk Pool"	5,819
Title I 1003G	467
Enhancing Education Through Technology	5,092
EETT E2T2-C	4,013
Title V-A	148
English Language Acquisition	7,151
Teacher/Principal Training and Recruiting	48,986
Safe and Drug Free Schools	59
Rural and Low Income Schools	26,699
Title I IASA - ARRA	75,519
IDEA-B Entitlement - ARRA	75,132
IDEA-B Preschool - ARRA	2,059
Forest Restoration	23,122
Child Care Block Grant CYFD	2,441
2008 GO Bond Student Library Fund	21,196
Schools in Need of Improvement	17,727
Go Bond Library	12,556
Senate Bill 471	436
Center for Teacher Excellence	21
Public School Capital Outlay - 20%	<u>13,994</u>
Total	<u>\$ 369,194</u>

Criteria: Public Education Department Manual of Procedures PSAB Supplement 7 Cash Controls Section IX A requires the District to record “due from” and “due to” amounts for temporary inter-fund transfer. Also, GASB 34 requires that inter-fund loans be recorded timely as a receivable in the lender fund and a payable in the borrower fund.

Effect: Inter-fund loans are not being accounted for timely in accordance with GAAP and Public Education Department cash reporting.

Cause: The negative cash balances occurred because procedures were not executed to record inter-fund loans in the funds with insufficient cash balances.

Recommendation: We recommend that the District establish procedures and assign responsibility to record inter-fund loans necessary to avoid negative cash balances in individual funds.

Agency Response: All federal and state flowthrough grants operate on a reimbursable basis. Loans were properly established from the Operational Fund to the larger federal flowthrough accounts to ensure an adequate cash balance in the overall bank account (pooled account), and a due to/due from for these accounts were established. A method will be implemented to process a board approved temporary loan for each federal and state flowthrough account with a deficit balance by June 30 and a due to/due from will be established in the District’s accounting system to comply with the requirement. The Director of Finance will be responsible for the process.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2010-05 – Material Restatement of Net Assets

Condition: There was a material restatement of net assets due to a posting error in the prior year.

Criteria: Auditing standards require that for a material restatement of net assets a finding be reported.

Effect: Prior year net assets were materially misstated.

Cause: An incorrect entry was proposed by the auditors in the prior year causing revenue to be overstated and liabilities to be understated.

Recommendation: We recommend that the District review the auditor's journal entries for accuracy.

Agency Response: The District's management will review the auditor's journal entries for accuracy in preparing the financial statements.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2010-06 – Audit Committee

Condition: The District's audit committee did not meet with the external auditors at least once a month after the audit field work began until the conclusion of the audit.

Criteria: New Mexico State Legislature House Bill 227, Section 1 D. (4) states that "The audit committee shall meet with external financial auditors at least monthly after audit field work begins until the conclusion of the audit."

Effect: Without this required communication taking place the audit committee will have a difficult time keeping up with the status of the audit.

Cause: The audit committee failed to set up monthly meetings with the auditors.

Recommendation: We recommend that the audit committee meet on a monthly basis with the auditors during the course of the audit.

Agency Response: This was an oversight by management due to the new regulation which became effective as of July 1, 2010. The District will establish monthly meetings with the Auditor and Audit Committee for all future audits.

STATE OF NEW MEXICO
Ruidoso Municipal School District
Schedule of Findings and Questioned Costs
June 30, 2010

C. FINDINGS-FEDERAL AWARDS

None

STATE OF NEW MEXICO
Ruidoso Municipal School District
Other Disclosures
June 30, 2010

A. AUDITOR PREPARED FINANCIAL STATEMENTS

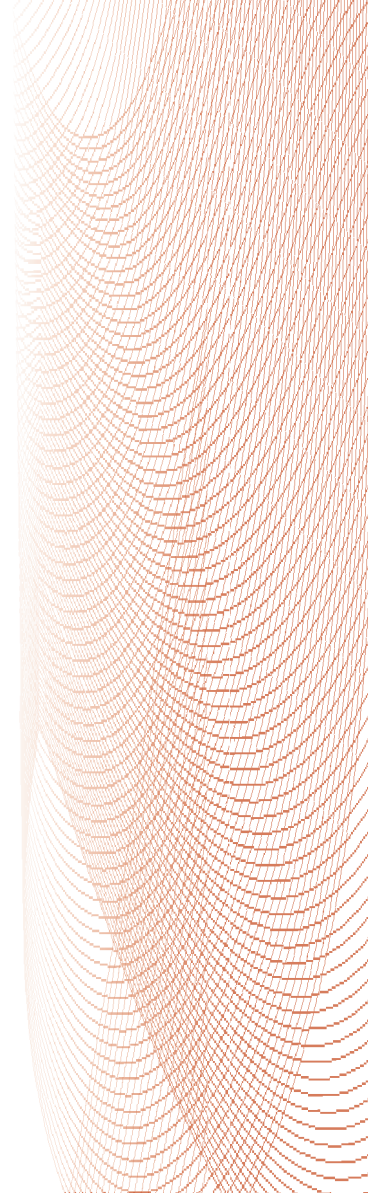
Although it would be preferred and desirable for the District to prepare its own GAAP-basis financial statements, it is felt that the District's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

B. EXIT CONFERENCE

The contents of this report were discussed on November 12, 2010. The following individuals were in attendance.

Ruidoso Municipal School District
Bea Etta Harris, Ed. D., Superintendent
Yvonne Perez, Director of Finance
Frank Sayner, Vice President – Board of Education
Lisa Brillante, Accounts Payable Technician
Patsy Page, Accounts Payable Technician

Accounting & Consulting Group, LLP
Jeff McWhorter, Partner



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