

**RUIDOSO MUNICIPAL
SCHOOL DISTRICT**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2011

Woodard, Cowen & Co.

Certified Public Accountants

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS
 JUNE 30, 2011

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STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2011

BOARD OF EDUCATION

Devin Marshall	President
Rhonda Vincent	Vice President
Curt Temple	Secretary
Cecil Davis	Member
Kerry Gladden Eastep	Member

SCHOOL OFFICIALS

Dr. Bea Etta Harris	Superintendent
Yvonne Perez	Director of Finance

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Mr. Hector H Balderas
New Mexico State Auditor
The Board of Directors
Ruidoso Municipal Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Ruidoso Municipal Schools, as of and for the year ended June 30, 2011, 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 Ruidoso Municipal Schools' nonmajor governmental funds and the budgetary comparisons for the major capital project and debt service funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Ruidoso Municipal Schools, as of June 30, 2011, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund, Title I, IDEA B Entitlement, and Senate Bill Nine, 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 non major governmental fund of Ruidoso Municipal Schools as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the Debt Service funds and all non-major governmental funds for the year 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 14, 2011, on our consideration of Ruidoso Municipal Schools' internal control over financial reporting and 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.

Portales: PO Box 445, 118 E. 2nd Street Portales NM, 88130 Phone: 575-356-8564 Fax: 575-356-2453
Clovis: PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

Ruidoso Municipal Schools has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements, and the budgetary comparisons. The accompanying 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 Government, and Non-Profit Organizations. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Ruidoso Municipal Schools. This information and the statement of expenditures of federal awards are not a required part of the basic financial statements of Ruidoso Municipal Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole.

Woodard, Law & L.

November 14, 2011
Portales, New Mexico

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF NET ASSETS

June 30, 2011

<u>ASSETS</u>	<u>Governmental Activities Primary Government</u>
Current:	
Cash	\$ 7,381,071
Due from other governments	421,161
Property Taxes Receivable	173,260
Inventory	1,962
Non-current:	
Capital assets, Net	55,729,771
Total assets	<u>\$ 63,707,225</u>

LIABILITIES

Current:	
Accounts Payable	105,094
Accrued Payroll	566,785
Accrued Interest Payable	429,113
Deferred Revenue	226,508
Debt due within one year	2,290,000
Non-current:	
Compensated Absences	76,170
Bond premium (net of amortization of \$17,266)	15,180
Debt due in more than one year	24,100,000
Total liabilities	<u>27,808,850</u>

NET ASSETS

Invested in capital assets, net of related debt	29,339,771
Restricted for:	
Debt Service	3,073,700
Bond Building	307,564
Senate Bill Nine	1,203,124
Athletics	152,092
Cafeteria	152,092
Instructional Materials	6,006
Unrestricted	1,664,026
Total net assets	<u>\$ 35,898,375</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
Primary government:	\$	\$	\$	\$	\$
Governmental Activities:					
Instruction	11,552,651	14,752	2,206,087	-	(9,331,812)
Support Services	-	-	-	-	-
Support Services-Students	4,040,421	-	899,671	-	(3,140,750)
Support Services-Instruction	213	-	-	-	(213)
Support Services-General Administration	74,556	-	-	-	(74,556)
Support Services-School Administration	-	-	-	-	-
Central Services	542,444	-	-	-	(542,444)
Operation & Maintenance of Plant	3,962,731	-	-	-	(3,962,731)
Student Transportation	927,502	-	849,621	-	(77,881)
Community Services	37,272	-	12,927	-	(24,345)
Food Services-Operations	1,119,577	188,663	892,569	-	(38,345)
Bond Interest Paid	1,045,152	-	-	-	(1,045,152)
Depreciation-Unallocated	985,719	-	-	-	(985,719)
Total governmental activities	\$ 24,288,238	\$ 203,415	\$ 4,860,875	\$ -	\$ (19,223,948)

General Revenues:

Property Taxes:

Levied for General Purposes	179,601
Levied for Debt Service	3,191,463
Levied for Capital Projects	1,051,856
State Equalization Guarantee	14,877,094
State Capital Outlay Grants	51,344
Federal Sources	514,191
Bond Premium	-
Interest Earnings	10,273
Private grants	17,000
Fees	101,239
Miscellaneous	112,410

Total general revenues 20,106,471

Change in net assets 882,523

Net assets - beginning 35,164,876

Restatement (149,024)

Restated Balance 35,015,852

Net assets - ending \$ 35,898,375

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2011

	<u>GENERAL</u>	<u>TITLE I</u>	<u>ENTITLEMENT</u>
ASSETS			
Cash on Deposit	\$ 2,160,543	\$ 59,105	\$ 49,860
Due from Other Funds	446,290	-	-
Due from Other Agencies	-	113,012	92,137
Property Tax Receivable	7,698	-	-
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 2,614,531</u>	<u>\$ 172,117</u>	<u>\$ 141,997</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 83,393	\$ -	\$ -
Accrued Payroll	483,288	22,117	41,995
Deferred Revenue	5,100	-	-
Due to Other Funds	-	150,000	100,002
TOTAL LIABILITIES	<u>571,781</u>	<u>172,117</u>	<u>141,997</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned	2,042,750	-	-
TOTAL FUND BALANCE	<u>2,042,750</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,614,531</u>	<u>\$ 172,117</u>	<u>\$ 141,997</u>

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

SENATE BILL 9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 1,190,846	\$ 2,408,290	\$ 1,512,427	\$ 7,381,071
-	-	-	446,290
-	-	216,012	421,161
42,017	104,030	19,515	173,260
-	-	1,962	1,962
<u>\$ 1,232,863</u>	<u>2,512,320</u>	<u>\$ 1,749,916</u>	<u>\$ 8,423,744</u>
\$ 1,977	\$ -	\$ 19,724	\$ 105,094
-	-	19,385	566,785
27,762	67,807	12,612	113,281
-	-	196,288	446,290
<u>29,739</u>	<u>67,807</u>	<u>248,009</u>	<u>1,231,450</u>
-	-	1,962	1,962
-	-	1,499,945	1,499,945
1,203,124	2,444,513	-	5,690,387
<u>1,203,124</u>	<u>2,444,513</u>	<u>1,501,907</u>	<u>7,192,294</u>
<u>\$ 1,232,863</u>	<u>2,512,320</u>	<u>\$ 1,749,916</u>	<u>\$ 8,423,744</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

June 30, 2011

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

Fund balances - total governmental funds	\$ 7,192,294
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	55,729,771
Compensated absences	(76,170)
Property taxes receivable not available for current year expenditures and therefore are deferred in the funds	(113,227)
Accrued Interest Payable not reported in funds	(429,113)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(26,390,000)
Bond Premium not included in funds	<u>(15,180)</u>
Net assets of governmental activities	<u>\$ 35,898,375</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	<u>General</u>	<u>TITLE I</u>	<u>Entitlement</u>
REVENUE			
Federal Programs	\$ 514,191	\$ 554,078	\$ 470,838
State Programs	897,147	-	-
State Equalization	14,877,094	-	-
Interest Earnings	1,454	-	-
Private/Direct Grants	-	-	-
Charges for Services	-	-	-
Fees	87,457	-	-
Donations	-	-	-
Sale of Property	-	-	-
Miscellaneous	49,265	-	-
Sale of Bond Proceeds	-	-	-
Premium on Bond Sale	-	-	-
Local Property Taxes	190,707	-	-
TOTAL REVENUES	<u>16,617,315</u>	<u>554,078</u>	<u>470,838</u>
EXPENDITURES			
Current			
Instruction	9,436,986	494,072	279,643
Support Services	-	-	-
Support Services-Students	3,332,491	60,006	191,195
Support Services-Instruction	-	-	-
Support Services-General Administration	40,729	-	-
Support Services-School Administration	-	-	-
Central Services	542,444	-	-
Operation & Maintenance of Plant	2,199,572	-	-
Student Transportation	889,800	-	-
Other Support Services	-	-	-
Food Services-Operations	-	-	-
Community Services-Operations	24,345	-	-
Acquisition & Construction	-	-	-
Debt Service	-	-	-
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>16,466,367</u>	<u>554,078</u>	<u>470,838</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	150,948	-	-
Other Financing Sources (uses)			
Transfers In/Out	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>150,948</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
June 30, 2010	1,887,966	-	-
Restatement	3,835	-	-
Restated Balance	1,891,801	-	-
FUND BALANCE June 30, 2011	<u>\$ 2,042,749</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Senate Bill 9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental</u>
\$ -	\$ -	\$ 2,609,976	\$ 4,149,083
50,844	-	329,336	1,277,327
-	-	-	14,877,094
383	6,994	1,442	10,273
-	-	17,000	17,000
-	-	-	-
-	-	217,197	304,654
-	-	-	-
-	-	-	-
63,144	-	-	112,409
-	-	590,000	590,000
-	-	-	-
1,110,177	2,737,156	633,034	4,671,074
<u>1,224,548</u>	<u>2,744,150</u>	<u>4,397,985</u>	<u>26,008,914</u>
11,143	-	1,359,137	11,580,981
-	-	-	-
-	-	456,729	4,040,421
-	-	213	213
-	27,465	6,362	74,556
-	-	-	-
-	-	-	542,444
931,935	-	-	3,131,507
-	-	37,702	927,502
-	-	-	-
-	-	1,119,577	1,119,577
-	-	12,927	37,272
-	-	1,524,530	1,524,530
-	-	-	-
-	1,545,000	650,000	2,195,000
-	1,069,913	8,125	1,078,038
<u>943,078</u>	<u>2,642,378</u>	<u>5,175,302</u>	<u>26,252,041</u>
281,470	101,772	(777,317)	(243,127)
-	-	-	-
<u>281,470</u>	<u>101,772</u>	<u>(777,317)</u>	<u>(243,127)</u>
921,654	2,342,741	2,279,224	7,431,585
-	-	-	3,835
-	-	2,279,224	7,435,420
<u>\$ 1,203,124</u>	<u>\$ 2,444,513</u>	<u>\$ 1,501,907</u>	<u>\$ 7,192,293</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

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

Net change in fund balance - total governmental funds	\$ (243,127)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.	(292,413)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.	(248,154)
Bond issuance Cost	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Bond issuance proceeds	(590,000)
Expenses in the statement of activities which do not require use of current financial resources	
Decrease in interest Payable	31,621
Decrease in compensated absences	28,331
Bond Principal	2,195,000
Bond Premium Amortization	<u>1,265</u>
Change in Net Assets	<u>\$ 882,523</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS
COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET
(NON-GAAP) AND ACTUAL-GENERAL FUND
Year Ended June 30, 2011

General Fund				
	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 190,344	\$ 190,344	\$ 191,561	\$ 1,217
Fees Activities	31,699	31,699	37,488	5,789
Fees-Users	32,590	32,590	49,969	17,379
Interest Income	1,400	1,400	1,444	44
State Equalization	16,209,568	15,673,070	15,685,178	12,108
State Flow Through Grants	78,721	88,701	89,063	362
Impact Aid	263,011	263,011	342,741	79,730
Rent	100	100	10	(90)
Access Board	30,000	30,000	46,066	16,066
Refunds	-	-	91	91
Insurance Recoveries	-	-	3,108	3,108
Forest Reserve	192,825	192,825	171,450	(21,375)
TOTAL REVENUE	<u>17,030,258</u>	<u>16,503,740</u>	<u>\$ 16,618,169</u>	<u>\$ 114,429</u>
Cash Balance Budgeted	<u>1,880,633</u>	<u>1,884,467</u>		
TOTAL REVENUE & CASH	<u>\$ 18,910,891</u>	<u>\$ 18,388,207</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,884,105	\$ 10,395,401	\$ 9,436,381	\$ 959,020
Support Services-Students	1,878,001	1,880,611	1,612,182	268,429
Support Services-Instruction	459,189	453,506	282,376	171,130
Support Services-General Administration	489,126	494,278	448,075	46,203
Support Services-School Administration	1,231,757	1,236,362	989,858	246,504
Central Services	631,177	611,343	542,443	68,900
Operation & Maintenance of Plant	2,341,181	2,316,519	2,178,822	137,697
Student Transportation	897,634	901,170	889,799	11,371
Other Support Services	47,336	47,336	-	47,336
Food Services-Operations	-	-	-	-
Community Services-operations	51,385	51,385	24,345	27,040
Acquisition & Construction	-	-	-	-
Principal	-	-	-	-
Interest & Finance Charges	-	-	-	-
Debt Service Reserve	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 18,910,891</u>	<u>\$ 18,387,911</u>	<u>\$ 16,404,281</u>	<u>\$ 1,983,630</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 16,618,169
Differences-Budget to GAAP	
Property tax Receivable	2,598
Prior Year Tax Receivables	(3,451)
Total Revenues (GAAP Basis)	<u>\$ 16,617,316</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 16,404,281
Differences-budget to GAAP	
Prior Year Interest Payable	(21,308)
Amortization	-
Issuance Cost	-
Current Year Interest Payable	83,393
Cost of Commodities Used	-
Inventory Adjustment	-
Total Expenditures (GAAP Basis)	<u>\$ 16,466,366</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 553,637	\$ 579,223	\$ 585,794	\$ 6,571
TOTAL REVENUE	<u>553,637</u>	<u>579,223</u>	<u>585,794</u>	<u>6,571</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 553,637</u>	<u>\$ 579,223</u>		
EXPENDITURES				
Current				
Instruction	\$ 492,038	\$ 516,874	\$ 494,072	\$ 22,802
Support Services-Instruction	61,599	62,349	60,006	2,343
TOTAL EXPENDITURES	<u>\$ 553,637</u>	<u>\$ 579,223</u>	<u>\$ 554,078</u>	<u>\$ 25,145</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 585,794
Differences-Budget to GAAP	
Current Year Receivable	113,012
Prior Year Receivable	(144,728)
Total Revenues (GAAP Basis)	<u>\$ 554,078</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 554,078
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 554,078</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ENTITLEMENT

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 561,452	\$ 476,714	\$ 523,048	\$ 46,334
TOTAL REVENUE	<u>561,452</u>	<u>476,714</u>	<u>523,048</u>	<u>46,334</u>
Cash Balance Budgeted	<u> </u>	<u> </u>		
TOTAL REVENUE & CASH	<u>\$ 561,452</u>	<u>\$ 476,714</u>		
EXPENDITURES				
Current				
Instruction	\$ 328,421	\$ 279,652	\$ 279,643	\$ 9
Support Services-Students	200,406	156,644	152,785	3,859
Support Services-Instruction	32,625	40,418	38,410	2,008
TOTAL EXPENDITURES	<u>\$ 561,452</u>	<u>\$ 476,714</u>	<u>\$ 470,838</u>	<u>\$ 5,876</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 523,048
Differences-Budget to GAAP	
Current Year Receivable	92,137
Prior Year Receivable	(144,347)
Total Revenues (GAAP Basis)	<u>\$ 470,838</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 470,838
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 470,838</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND - SENATE BILL 9

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,105,255	\$ 1,105,255	\$ 1,114,266	\$ 9,011
Interest Income	300	300	383	83
State Flow Through Grants	-	48,267	50,844	2,577
Refunds	-	-	24,661	24,661
Insurance Recoveries	-	-	38,483	38,483
TOTAL REVENUE	<u>1,105,555</u>	<u>1,153,822</u>	<u>\$ 1,228,637</u>	<u>\$ 74,815</u>
Cash Balance Budgeted	<u>884,711</u>	<u>884,711</u>		
TOTAL REVENUE & CASH	<u>\$ 1,990,266</u>	<u>\$ 2,038,533</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 15,000	\$ 20,000	\$ 11,143	\$ 8,857
Acquisition & Construction	1,975,266	2,018,533	976,355	1,042,178
TOTAL EXPENDITURES	<u>\$ 1,990,266</u>	<u>\$ 2,038,533</u>	<u>\$ 987,498</u>	<u>\$ 1,051,035</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,228,637
Differences-Budget to GAAP	
Property tax Receivable	14,255
Prior Year Tax Receivables	(18,344)
Total Revenues (GAAP Basis)	<u>\$ 1,224,548</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 987,498
Differences-budget to GAAP	
Prior Year Payable	(46,397)
Amortization	
Issuance Cost	
Current Year Payable	1,977

Inventory Adjustment

Total Expenditures (GAAP Basis)	<u>\$ 943,078</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF FIDUCIARY ASSETS & LIABILITIES--AGENCY FUND

June 30, 2011

ASSETS

Cash on Deposit

\$ 241,701

TOTAL ASSETS

\$ 241,701

LIABILITIES

Due to Student Groups

\$ 241,701

TOTAL LIABILITIES

\$ 241,701

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies

A. Reporting Entity

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 in the Village of Ruidoso and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

There were no component units.

I. Summary of Significant Accounting Policies

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year for which they are levied, even if not available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

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

The government reports the following major governmental funds:

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

TITLE I – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 et seq.

IDEA B ENTITLEMENT – P.L. 94-142, Individuals with Disabilities Education Act—to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17

SB 9 – To account for 2 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, furnishing school buildings, and improving school grounds and maintenance of school buildings and grounds exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 1978, 22-25-1 to 22-25-10.

Debt Service Fund – 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.

The government also reports the following fund types:

Governmental Funds:

Nonmajor Special Revenue Funds – The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund.

Nonmajor Debt Service Funds – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Nonmajor Capital Project Funds – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Fiduciary Funds:

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow the investment policies listed below.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

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

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2011 fiscal year was \$216,621,083. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB - 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

3. Inventories

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

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life that extends beyond a single reporting period. The District is capitalizing qualifying software and library books as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, 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

5. 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 per 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.

6. Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

7. Fund equity

For the government-wide financial statements, net assets are reported as restricted when constraints are placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; 2) Imposed by law through constitutional provisions or enabling legislation.

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

8. Comparative data/reclassifications

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

9. Indirect Costs

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

10. Salaries and Wages

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

11. Estimates

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

12. Revenues

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

A school district's program costs are determined through the use of various formulas using "program units" which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$14,877,094 in state equalization guarantee distributions during the year ended June 30, 2011.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$808,084 in transportation distributions during the year ended June 30, 2011.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, long-term liabilities, including bonds payable, is not due and payable in the current period and therefore is not reported in the funds." The details of the \$26,390,000 difference are as follows:

Bonds Payable	\$ 26,390,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 26,390,000</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that 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." The details of this \$(292,413) difference are as follows:

Capital Outlay	\$ 693,306
Depreciation expense	<u>(985,719)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ (292,413)</u>

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, 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." The details of this \$2,195,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 2,195,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,195,000</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

III. Stewardship, compliance, and accountability

A. Budgetary Information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be reappropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance. The legal level of budgetary control is at the function level.

Actual expenditures may not exceed the budget on the function level, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a "series", this may be accomplished with only local Board of Education approval. If a transfer between "series" or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.
- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2011 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

III. Stewardship, compliance, and accountability (continued)

A. Budgetary Information (continued)

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 18,910,891	\$ 18,387,911
Special Revenue Fund	6,739,815	6,749,961
Debt Service	5,997,589	5,997,589
Capital Projects Fund	9,430,165	1,642,384
	<u>\$ 41,078,460</u>	<u>\$ 32,777,845</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2011.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2011, the carrying amount of the District's deposits was \$7,069,530 and the bank balance was \$8,497,714. Of this balance \$500,000 was covered by federal depository insurance and \$6,471,186 was covered by collateral held in the District's name in joint safekeeping by a third party. The remaining \$1,526,528 is comprised of amounts in excess of those required to be collateralized under state law.

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution.

The collateral pledged is identified in the Supplementary Information of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial risk. As of June 30, 2011, \$1,526,528 of the government's bank balance of \$8,497,714 was exposed to custodial risk as follows:

Uninsured and Uncollateralized \$1,526,528

B. Receivables

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

	Due From Other Agencies	Property Taxes Receivable
General Funds	\$ -	\$ 7,698
Senate Bill Nine	-	42,017
Debt Service	-	104,030
Ed Tech Debt Service		19,515
Title I	113,012	
Entitlement	92,137	-
Discretionary	2,838	
Competitive	3,163	
Preschool	13,090	
Early Intervention	60,391	
Risk Pool	4,796	
Enhancing Ed Thru Tech	5,093	
Enhancing Ed Thru Tech Competitive	4,013	
Title V Innovative Ed	148	
English Language Acquisition	7,151	-
Teacher/Principal Training	21,291	-
Safe & Drug Free Schools	56	-
Rural and Low Income Schools	12,768	-
Preschool IDEA-B Federal Stimulus	2,560	
Forest Restoration	77,886	-
ARRA Solar Energy at Schools	747	
Center for Teaching Excellence	21	
Totals	<u>\$ 421,161</u>	<u>\$ 173,260</u>

Governmental funds reported *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Amounts due to the District from delinquent property tax due to the County Treasurer were not available. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	\$ 113,281
Property Taxes – Delinquent	<u>113,227</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 226,508</u>

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance 06/30/10	Increases	Decreases	Balance 06/30/11
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 1,340,817	\$ -	\$ -	\$ 1,340,817
Construction in Progress	34,194,930	629,030	-	34,823,960
Total Capital Assets not being depreciated	35,535,747	629,030	-	36,164,777
Capital Assets being depreciated				
Buildings & Improvements	31,351,376	-	-	31,351,376
Land Improvements	2,708,714	27,309	-	2,736,023
Equipment	2,360,468	36,967	2,427	2,395,008
Total Capital Assets being depreciated	36,420,558	64,276	2,427	36,482,407
Less: Accumulated Depreciation				
Buildings & Improvements	12,461,146	789,002	-	13,250,148
Land Improvements	1,642,438	96,958	-	1,739,396
Equipment	1,830,537	99,759	2,427	1,927,869
Total Accumulated Depreciation	15,934,121	985,719	2,427	16,917,413
Net Capital Assets being depreciated	20,486,437	(921,443)	-	19,564,994
Total Net Capital Assets	\$ 56,022,184	\$ (292,413)	\$ -	\$ 55,729,771

The Schedule of General Capital Assets by Function and Activity, and the Schedule of Changes in General Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Depreciation expense was not charged to function/programs of the School District because the detail information was not available due to historical date not being available.

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2010	Additions	Retirements	Balance 6/30/2011	Amount Due in One Year
2005	6,355,000	2.75-3.00%	3,100,000	-	1,100,000	2,000,000	1,000,000
2006	14,500,000	5.00%	13,950,000	-	100,000	13,850,000	400,000
2007	8,500,000	5.00%	7,725,000	-	225,000	7,500,000	200,000
2008	3,000,000	4.00%	2,570,000	-	120,000	2,450,000	100,000
2009	650,000	2.50%	650,000	-	650,000	-	-
2010	590,000	1.55%	-	590,000	-	590,000	590,000
Total	\$ 33,595,000		\$ 27,995,000	\$ 590,000	2,195,000	\$ 26,390,000	\$ 2,290,000

Fiscal Year	Principal	Interest	Total
2012	\$ 1,700,000	\$ 1,016,500	\$ 2,716,500
2013	1,900,000	955,625	2,855,625
2014	1,900,000	882,938	2,782,938
2015	1,700,000	806,688	2,506,688
2016	1,800,000	731,438	2,531,438
2017-2023	16,800,000	2,553,156	19,353,156
	\$ 26,390,000	\$ 6,952,874	\$ 33,342,874

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds (continued)

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$35,453,639 including \$26,390,000 debt outstanding based on the 2011 valuation.

Liability for Compensated Absences

<u>Balance</u> <u>June 30, 2010</u>	<u>Vacation</u> <u>Used</u>	<u>Vacation</u> <u>Accrued</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Amount Due in</u> <u>One Year</u>
\$115,809	\$78,576	\$38,937	\$76,170	\$76,170

The operational fund, which is a part of the general fund, has typically been used in the past to liquidate other long term liabilities such as compensated absences.

V. Other information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985, under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2011.

B. Contingent liabilities

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

C. Employee retirement plan

Plan Description. Substantially all of the Cooperative's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (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, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy. Effective July 1, 2009 through June 30, 2011, , 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 Cooperative was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.12% of their gross salary. The Cooperative is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the Cooperative are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Cooperative's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$1,257,225, \$1,280,751, and \$1,410,278, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-retirement health care benefits

Plan Description. The Cooperative 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.

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.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

V. Other information (continued)

D. Post-retirement health care benefits (continued)

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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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 contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$183,526, \$159,456 and \$163,803, respectively, which equal the required contributions for each year.

F. Interfund Balances

	<u>Due from</u>	<u>Due to Operational</u>
Title I		150,000
Entitlement		100,002
Discretionary		2,838
Competitive		3,163
Preschool		13,090
Early Intervention		60,391
Risk Pool		4,796
Enhancing Ed Thru Tech		5,093
Enhancing Ed Thru Tech Competitive		4,013
Title V Innovative Ed		148
English Language Acquisition		7,151
Teacher/Principal Training		21,291
Safe & Drug Free Schools		56
Rural and Low Income Schools		12,768
Preschool IDEA-B Federal Stimulus		2,560
Forest Restoration		58,162
ARRA Solar Energy at Schools		747
Center for Teaching Excellence		21
	\$	<u>446,290</u>

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

V. Other information (continued)

G. Fund Balances Classified

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented here.

Fund Balances	General Fund	Title I	Entitlement	Senate Bill 9	Debt Service	Non-Major Governmental Funds	Total
Non-Spendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,962	\$ 1,962
Total Nonspendable	-	-	-	-	-	1,962	1,962
Restricted for:							
Debt Service	-	-	-	-	2,444,513	629,187	3,073,700
Capital Improvements	-	-	-	1,203,124	-	457,582	1,660,706
Athletics	-	-	-	-	-	-	-
Cafeteria	-	-	-	-	-	-	-
Instructional Materials	6,006	-	-	-	-	-	6,006
Total restricted	6,006	-	-	1,203,124	2,444,513	1,086,769	4,740,412
Unassigned	2,036,744	-	-	-	-	413,176	2,449,920
Total Fund Balances	\$ 2,042,750	\$ -	\$ -	\$ 1,203,124	\$ 2,444,513	\$ 1,501,907	\$ 7,192,294

H. Restatement of Net Assets

Balance July 1, 2010	\$ 35,164,876
Restatement: Correct overstatement of prior year property tax revenue and understatement of deferred revenue	(149,024)
Restated Balance July 1, 2010	\$ 35,015,852

The delinquent property tax receivable was recognized as revenue in the prior though the revenue was not available for current expenditures.

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Capital Projects

BOND BUILDING – To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for and furnishing school buildings, purchasing and improving school grounds funded from the sale of General Obligation Bonds.

PUBLIC SCHOOL CAPITAL OUTLAY – To account for financing and construction of school improvements fund from appropriations.

SPECIAL CAPITAL OUTLAY – LOCAL – To account for special capital outlay projects funded locally to match state funds provided under Chapter 4, Laws of 1996.

SPECIAL CAPITAL OUTLAY STATE – To account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

ED TECH 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, 6-15-A-1 to 6-15A-16 NMSA 1978)

Debt Service

ED TECH DEBT SERVICE - This fund is established to receive revenue for the payment of interest and principal on outstanding general obligation school bond issues.

Special Revenue

CAFETERIA – The purpose of this account is to receive income from lunch sales or state and federal school lunch grants, and to make disbursements for those activities, which have as their purpose the preparation and serving of meals, lunches or snacks in connection with bona-fide food service operations in agreement with the School Lunch Division of the State Department of Education. Authority for the creation of this fund is NMSA 1978, 22-13-13.

ATHLETICS – This is an auxiliary fund to account for budgeted athletics of the school for activities that are considered to be non-instructional. Authority for the creation of this fund is NMAC 6.20.2.

TITLE I MIGRANT – To account for a Federal program to implement school-wide bilingual education programs of special alternative instruction programs to improve, reform, and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency. The fund was created under the authority of Title VII, Section 7115 of the ESEA (20USC 7425).

IDEA B – DISCRETIONARY – 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)

IDEA B – COMPETITIVE – 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)

IDEA B – PRESCHOOL – To account for revenue received under the Preschool Public Act P.L. 99-457 for the purpose of providing special educational services to the developmentally delayed preschool children. This fund is federally funded and is restricted to expenditure by grant application. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

IDEA B – EARLY INTERVENTION – 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)

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Special Revenue (continued)

IDEA B – RISK POOL – 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)

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)

ENHANCING EDUCATION THROUGH TECHNOLOGY COMPETITIVE – To account for federal resources used to strengthen the skills of teachers in the field of technology. (Authority, P.L.-103-382)

TITLE V INNOVATIVE ED – 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)

ENGLISH LANGUAGE ACQUISITION – To ensure that limited English proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet. The authority for the creation of this fund is the Elementary and Secondary Education Act, as amended, Title III, Part A, Sections 3101, 3129.

TEACHER/PRINCIPAL TRAINING – To provide grants to State Education Agencies on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

SAFE AND DRUG FREE SCHOOLS – To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs, involve parents, and coordinated with related Federal, State and community efforts and resources.

RURAL AND LOW INCOME SCHOOLS – To account for federal grant assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools, and specifically to provide funds for teacher recruitment, retention, and teacher professional development, educational technology, and parental involvement activities. Authority for this fund comes from the Elementary and Secondary Education Act of 1965, as amended, Title VI, Part B, as amended.

READING FIRST – To ensure that every student can read at grade level or above by the end of third grade. The Reading First program will provide assistance to states and districts in establishing reading programs for students in kindergarten through third grade that are based on scientifically based reading research. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.

TITLE I IASA FEDERAL STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's Title I funds.

IDEA-B ENTITLEMENT FEDERAL STIMULUS – Additional funding provided by the federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's IDEA-B programs.

IDEA-B PRESCHOOL FEDERAL STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's preschool program under IDEA-B.

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 and USDA Forest Service Lands.

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Special Revenue (continued)

IMPACT AID – To account for funding of a Federal program to provide financial assistance to school districts where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b) where there is a significant decrease (section 3(c)) or a sudden and substantial increase (Sections 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Sections 7 (a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Authorized by Public Law 81-874.

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)

GRADS CHILDCARE – This fund is used to account for program revenues used to support community based programs design to develop, operate, expand, and enhance initiatives aimed at the prevention of child abuse and neglect. Funding authorized by the Child Abuse and Treatment Act, 42 USC 5116 et seq., as amended, Public Law 108-36.

TITLE XIX MEDICAID – The purpose of this fund is to account for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

CHILDCARE BLOCK GRANT – 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.

TANF GRADS – To provide assistance to needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Authorized by the Social Security Act Title IV, Part A, as amended; Personal Responsibility Act and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 Balance Budget Act of 1997, Public Law 105-33.

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)

INDIAN EDUCATION FORMULA – To account for funds received to support projects to 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)

FEDERAL SEG STIMULUS – Fund was created to account for the allocation received by the District from the American Recovery and Reinvestment Act.

EDUCATION JOB FUND – This fund was created to account for the District's allocation of funds intended to give the District a boost to save teacher jobs. Funding and authority for this fund comes from the American Recovery and Reinvestment Act.

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.

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

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.

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Special Revenue (continued)

2009 DUAL CREDIT INSTRUCTIONAL MATERIALS – This fund was created to account for funds provided to the District to pay for required textbooks and materials needed for dual credit activities. The authority and funding for this fund is provided under HB214 which amended Section 21-1-1.2 and Section 21-13-19 related to dual credit.

ARRA SOLAR ENERGY AT SCHOOLS – To account for the funds used to create solar generated electricity in New Mexico public school districts. Fund and the authority for this fund was created through the American Recovery and Reinvestment Act.

TANF PED SCHOOL-AGED CHILD CARE – To provide extended day/extended year childcare services for children of TANF recipients. School-aged program is for ages 5-9 years. The fund was created by the authority of the grant provisions.

TECHNOLOGY FOR EDUCATION – To account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENT – To account for revenues received for schools achieving outstanding improvements in reading and math proficiency. (Authority, 22-2C-8 and 22-3C-9, NMSA 1978)

BEGINNING TEACHER MENTORING PROGRAM – To account for funds used to pay stipends to teachers as mentors and to hire new teachers. This fund was created by the authority of the State Legislature.

BREAKFAST OF ELEMENTARY STUDENTS – To account for funds used to provide elementary students with breakfast in the classroom. Creation authorized by the Child Nutrition Act of the United States Department of Agriculture.

SCHOOL IN NEED OF IMPROVEMENT – To account for the funds provided to aid the District in meeting AYP standards.

SCHOOL LIBRARY MATERIALS – To account for revenues received from the State for the acquisition of school library books. (Authority, Senate Bill 471, 2008)

CENTER FOR TEACHING EXCELLENCE – To account for revenues received from the State to improve and develop testing procedures in the education program. (Authority, SDE Regulations)

GRADS CHILDCARE – This fund is used to account for program revenues used to support community based programs design to develop, operate, expand, and enhance initiatives aimed at the prevention of child abuse and neglect. Funding authorized by the Child Abuse and Treatment Act, 42 USC 5116 et seq., as amended, Public Law 108-36.

GRADS INSTRUCTION – To provide assistance to needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Authorized by the Social Security Act Title IV, Part A, as amended; Personal Responsibility Act and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 Balance Budget Act of 1997, Public Law 105-33.

PRIVATE DIRECT GRANTS – To account for grants received from outside private and corporate sources. Funding provided by grant contract in which sources will vary from year to year. Expenditures in this fund are stipulated by individual grant contract. All private grants are subject to board approval.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS AND OTHER
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	<u>BOND BUILDING</u>	<u>PUBLIC SCHOOL CAPITAL OUTLAY</u>	<u>SPECIAL CAPITAL OUTLAY STATE</u>	<u>SPECIAL CAPITAL OUTLAY STATE</u>
ASSETS				
Cash on Deposit	\$ 307,564	\$ 500	\$ 21,193	\$ 577
Property Taxes Receivable	-	-	-	-
Due From Other Agencies	-	-	-	-
Due From Other Funds	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 307,564</u>	<u>\$ 500</u>	<u>\$ 21,193</u>	<u>\$ 577</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Unspendable				
Restricted	<u>307,564</u>	<u>500</u>	<u>21,193</u>	<u>577</u>
TOTAL FUND BALANCE	<u>307,564</u>	<u>500</u>	<u>21,193</u>	<u>577</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 307,564</u>	<u>\$ 500</u>	<u>\$ 21,193</u>	<u>\$ 577</u>

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

ED TECH EQUIPMENT ACT	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 127,748	\$ 457,582	\$ 432,615	\$ 622,230	\$ 1,512,427
-	-	-	19,515	19,515
-	-	216,012	-	216,012
-	-	-	-	-
-	-	1,962	-	1,962
<u>\$ 127,748</u>	<u>\$ 457,582</u>	<u>\$ 650,589</u>	<u>\$ 641,745</u>	<u>\$ 1,749,916</u>
\$ -	\$ -	\$ 19,724	\$ -	\$ 19,724
-	-	19,385	-	19,385
-	-	54	12,558	12,612
-	-	196,288	-	196,288
-	-	235,451	12,558	248,009
		1,962		1,962
<u>127,748</u>	<u>457,582</u>	<u>413,176</u>	<u>629,187</u>	<u>1,499,945</u>
<u>127,748</u>	<u>457,582</u>	<u>415,138</u>	<u>629,187</u>	<u>1,501,907</u>
<u>\$ 127,748</u>	<u>\$ 457,582</u>	<u>\$ 650,589</u>	<u>\$ 641,745</u>	<u>\$ 1,749,916</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE-- OTHER NONMAJOR FUNDS

Year Ended June 30, 2011

	BOND BUILDING	PUBLIC SCHOOL CAPITAL OUTLAY	SPECIAL CAPITAL OUTLAY LOCAL	SPECIAL CAPITAL OUTLAY STATE
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	500	-	-
Charges for services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Interest Income	424	-	-	-
Private/Direct Grants	-	-	15,000	-
Bond Proceeds	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>424</u>	<u>500</u>	<u>15,000</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	-	-	-	-
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	483,436	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>483,436</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(483,012)</u>	<u>500</u>	<u>15,000</u>	<u>-</u>
Other Financing Sources (uses)				
Transfer In/Out				
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>(483,012)</u>	<u>500</u>	<u>15,000</u>	<u>-</u>
FUND BALANCE				
June 30, 2010	<u>790,576</u>	<u>-</u>	<u>6,193</u>	<u>577</u>
FUND BALANCE				
June 30, 2011	<u>\$ 307,564</u>	<u>\$ 500</u>	<u>\$ 21,193</u>	<u>\$ 577</u>

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

ED TECH EQUIPMENT ACT	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 2,609,976	\$ -	\$ 2,609,976
-	500	328,836	-	329,336
-	-	-	-	-
-	-	217,197	-	217,197
-	-	-	-	-
-	424	1,018	-	1,442
-	15,000	2,000	-	17,000
590,000	590,000	-	-	590,000
-	-	-	-	-
-	-	-	633,034	633,034
<u>590,000</u>	<u>605,924</u>	<u>3,157,027</u>	<u>633,034</u>	<u>4,397,985</u>
-	-	1,359,137	-	1,359,137
-	-	456,729	-	456,729
-	-	213	-	213
-	-	-	6,362	6,362
-	-	-	-	-
-	-	-	-	-
-	-	37,702	-	37,702
-	-	-	-	-
-	-	1,119,577	-	1,119,577
-	-	12,927	-	12,927
690,129	1,173,565	350,965	-	1,524,530
-	-	-	-	-
-	-	-	650,000	650,000
-	-	-	8,125	8,125
<u>690,129</u>	<u>1,173,565</u>	<u>3,337,250</u>	<u>664,487</u>	<u>5,175,302</u>
(100,129)	(567,641)	(180,223)	(31,453)	(777,317)
-	-	-	-	-
-	-	-	-	-
(100,129)	(567,641)	(180,223)	(31,453)	(777,317)
<u>227,877</u>	<u>1,025,223</u>	<u>593,361</u>	<u>660,640</u>	<u>2,279,224</u>
<u>\$ 127,748</u>	<u>\$ 457,582</u>	<u>\$ 413,138</u>	<u>\$ 629,187</u>	<u>\$ 1,501,907</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND--BOND BUILDING

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Interest Income	\$ 600	\$ 600	\$ 423	\$ (177)
Bond Proceeds	7,500,000	-	-	-
TOTAL REVENUE	<u>7,500,600</u>	<u>600</u>	<u>\$ 423</u>	<u>\$ (177)</u>
Cash Balance Budgeted	<u>926,850</u>	<u>926,850</u>		
TOTAL REVENUE & CASH	<u>\$ 8,427,450</u>	<u>\$ 927,450</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 8,427,450	\$ 817,236	\$ 510,095	\$ 307,141
TOTAL EXPENDITURES	<u>\$ 8,427,450</u>	<u>\$ 817,236</u>	<u>\$ 510,095</u>	<u>\$ 307,141</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 423
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 423</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 510,095
Differences-budget to GAAP	
Prior Year Payable	(26,660)
Total Expenditures (GAAP Basis)	<u>\$ 483,435</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND--PUBLIC SCHOOL CAPITAL OUTLAY

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 14,494	\$ 14,494
TOTAL REVENUE	\$ -	\$ -	\$ 14,494	\$ 14,494
Cash Balance Budgeted				
TOTAL REVENUE & CASH	\$ -	\$ -		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 500	\$ 500	\$ -	\$ 500
TOTAL EXPENDITURES	\$ 500	\$ 500	\$ -	\$ 500

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 14,494
Differences-Budget to GAAP	
Prior Year Receivable	(13,994)
Total Revenues (GAAP Basis)	\$ 500

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ -

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND--SPECIAL CAPITAL OUTLAY LOCAL

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 15,000	\$ 15,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Cash Balance Budgeted	<u>6,193</u>	<u>6,193</u>		
TOTAL REVENUE & CASH	<u>\$ 6,193</u>	<u>\$ 6,193</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 6,193	\$ 6,193	\$ -	6,193
TOTAL EXPENDITURES	<u>\$ 6,193</u>	<u>\$ 6,193</u>	<u>\$ -</u>	<u>\$ 6,193</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 15,000
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 15,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND - SPECIAL CAPITAL OUTLAY STATE

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
Cash Balance Budgeted	577	577		
TOTAL REVENUE & CASH	\$ 577	\$ 577		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 577	\$ 577	\$ -	\$ 577
TOTAL EXPENDITURES	\$ 577	\$ 577	\$ -	\$ 577

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	\$ -

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ -

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND--ED TECH EQUIPMENT ACT

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Bond Proceeds	\$ 725,000	\$ 590,000	\$ 590,000	\$ -
TOTAL REVENUE	<u>725,000</u>	<u>590,000</u>	<u>590,000</u>	<u>-</u>
Cash Balance Budgeted	<u>270,445</u>	<u>270,445</u>		
TOTAL REVENUE & CASH	<u>\$ 995,445</u>	<u>\$ 860,445</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 995,445	\$ 817,878	\$ 690,129	\$ 127,749
TOTAL EXPENDITURES	<u>\$ 995,445</u>	<u>\$ 817,878</u>	<u>\$ 690,129</u>	<u>\$ 127,749</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 590,000
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 590,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 690,129
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 690,129</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND--ED TECH DEBT SERVICE

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 670,964	\$ 670,964	\$ 636,163	\$ (34,801)
TOTAL REVENUE	<u>670,964</u>	<u>670,964</u>	<u>636,163</u>	<u>(34,801)</u>
Cash Balance Budgeted	<u>637,344</u>	<u>637,344</u>		
TOTAL REVENUE & CASH	<u>\$ 1,308,308</u>	<u>\$ 1,308,308</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 8,000	\$ 8,000	\$ 6,362	\$ 1,638
Principal	650,000	650,000	650,000	-
Interest and Finance Charges	8,125	8,125	8,125	-
Debt Service Reserve	642,183	642,183		642,183
TOTAL EXPENDITURES	<u>\$ 1,308,308</u>	<u>\$ 1,308,308</u>	<u>\$ 664,487</u>	<u>\$ 643,821</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 636,163
Differences-Budget to GAAP	
Property tax Receivable	6,957
Prior Year Tax Receivables	(10,086)
Total Revenues (GAAP Basis)	<u>\$ 633,034</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 664,487
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 664,487</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	<u>CAFETERIA</u>	<u>ATHLETICS</u>	<u>DISCRETIONARY</u>	<u>COMPETITIVE</u>
ASSETS				
Cash on Deposit	\$ 152,010	\$ 36,187	\$ -	\$ -
Due From Other Agencies	-	-	2,838	3,163
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	1,962	-	-	-
	<u>153,972</u>	<u>36,187</u>	<u>2,838</u>	<u>3,163</u>
TOTAL ASSETS	\$ 153,972	\$ 36,187	\$ 2,838	\$ 3,163
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	1,880	-	-	-
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	2,838	3,163
TOTAL LIABILITIES	<u>1,880</u>	<u>-</u>	<u>2,838</u>	<u>3,163</u>
FUND BALANCE				
	-	-	-	-
Unspendable	1,962	-	-	-
Restricted	150,130	36,187	-	-
TOTAL FUND BALANCE	<u>152,092</u>	<u>36,187</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>153,972</u>	\$ <u>36,187</u>	\$ <u>2,838</u>	\$ <u>3,163</u>

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

<u>PRESCHOOL</u>	<u>EARLY INTERVENTION</u>	<u>RISK POOL</u>	<u>ENHANCING ED THRU TECH</u>	<u>ENHANCING ED THRU TECH COMPETITIVE</u>	<u>TITLE V INNOVATIVE ED</u>	<u>ENGLISH LANGUAGE ACQUISITION</u>
\$ 1,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,090	60,391	4,796	5,093	4,013	148	7,151
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,483</u>	<u>60,391</u>	<u>4,796</u>	<u>5,093</u>	<u>4,013</u>	<u>148</u>	<u>7,151</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,393	-	-	-	-	-	-
-	-	-	-	-	-	-
13,090	60,391	4,796	5,093	4,013	148	7,151
<u>14,483</u>	<u>60,391</u>	<u>4,796</u>	<u>5,093</u>	<u>4,013</u>	<u>148</u>	<u>7,151</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,483</u>	<u>60,391</u>	<u>4,796</u>	<u>5,093</u>	<u>4,013</u>	<u>148</u>	<u>7,151</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	TEACHER PRINCIPAL TRAINING	SAFE & AND DRUG FREE SCHOOLS	RURAL AND LOW INCOME SCHOOLS	READING FIRST
ASSETS				
Cash on Deposit	\$ 2	\$ -	\$ -	\$ 474
Due From Other Agencies	21,291	56	12,768	-
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 21,293	\$ 56	\$ 12,768	\$ 474
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	2	-	-	-
Deferred Revenue	-	-	-	-
Due to Other Funds	21,291	56	12,768	-
TOTAL LIABILITIES	21,293	56	12,768	-
FUND BALANCE				
Unspendable	-	-	-	-
Restricted	-	-	-	474
TOTAL FUND BALANCE	-	-	-	474
TOTAL LIABILITIES AND FUND BALANCE	\$ 21,293	\$ 56	\$ 12,768	\$ 474

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

TITLE I IASA FEDERAL STIMULUS	ENTITLEMENT IDEA B FEDERAL STIMULUS	PRESCHOOL IDEA B FEDERAL STIMULUS	FOREST RESTORATION	IMPACT AID SPECIAL EDUCATION	IMPACT AID INDIAN EDUCATION	GRADS CHILD CARE
\$ -	\$ -	\$ -	\$ -	\$ 73,246	\$ 92,208	\$ 695
-	-	2,560	77,886	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,560</u>	<u>77,886</u>	<u>73,246</u>	<u>92,208</u>	<u>695</u>
\$ -	\$ -	\$ 2,560	\$ 77,886	\$ 73,246	\$ 92,208	\$ 695
-	-	-	19,724	-	-	-
-	-	-	-	4,867	2,805	-
-	-	-	-	-	-	-
-	-	2,560	58,162	-	-	-
<u>-</u>	<u>-</u>	<u>2,560</u>	<u>77,886</u>	<u>4,867</u>	<u>2,805</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	68,379	89,403	695
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,379</u>	<u>89,403</u>	<u>695</u>
\$ -	\$ -	\$ 2,560	\$ 77,886	\$ 73,246	\$ 92,208	\$ 695

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	TITLE XIX MEDICAID 3-21 YEARS	CHILD CARE BLOCK GRANT	TANF GRADS	CHILD & ADULT FOOD PROGRAM
ASSETS				
Cash on Deposit	\$ 61,897	\$ 54	\$ 3	\$ 2,218
Due From Other Agencies	-	-	-	-
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 61,897	\$ 54	\$ 3	\$ 2,218
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	4,343	-	-	-
Deferred Revenue	-	54	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	4,343	54	-	-
FUND BALANCE				
Unspendable	-	-	-	-
Restricted	57,554	-	3	2,218
TOTAL FUND BALANCE	57,554	-	3	2,218
TOTAL LIABILITIES AND FUND BALANCE	\$ 61,897	\$ 54	\$ 3	\$ 2,218

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

INDIAN ED FORMULA	FEDERAL SEG STIMULUS	EDUCATION JOB FUND	JORDAN FUNDAMENTALS	PNM FOUNDATION	GOLDEN APPLE FOUNDATION
\$ 4,095	\$ -	\$ -	\$ 5	\$ 176	\$ 2
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 176</u>	<u>\$ 2</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,095	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	5	176	2
-	-	-	<u>5</u>	<u>176</u>	<u>2</u>
<u>\$ 4,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 176</u>	<u>\$ 2</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	ARRA SOLAR ENERGY AT SCHOOLS	TANF PED SCHOOL AGED CHILD CARE	TECHNOLOGY IN EDUCATION
ASSETS				
Cash on Deposit	\$ -	\$ -	\$ 2,897	\$ 4,124
Due From Other Agencies	-	747	-	-
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ -	747	2,897	4,124
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Deferred Revenue	-	-	-	-
Due to Other Funds	-	747	-	-
TOTAL LIABILITIES	-	747	-	-
FUND BALANCE				
Unspendable	-	-	-	-
Restricted	-	-	2,897	4,124
TOTAL FUND BALANCE	-	-	2,897	4,124
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 747	\$ 2,897	\$ 4,124

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

<u>INCENTIVES FOR SCHOOL IMPROVEMENT</u>	<u>BEGINNING TEACHER MENTORING</u>	<u>BREAKFAST FOR ELEMENTARY STUDENTS</u>	<u>SCHOOL IN NEED OF IMPROVEMENT</u>	<u>SCHOOL LIBRARY MATERIALS</u>
\$ 1	\$ 1	\$ 1	\$ -	\$ 656
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>656</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>656</u>
<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>656</u>
<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 656</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	CENTER FOR TEACHING EXCELLENCE	GRADS	GRADS INSTRUCTION	PRIVATE DIRECT GRANTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS					
Cash on Deposit	\$ -	\$ -	\$ -	\$ 270	\$ 432,615
Due From Other Agencies	21	-	-	-	216,012
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-
Inventory	-	-	-	-	1,962
TOTAL ASSETS	\$ 21	\$ -	\$ -	\$ 270	\$ 650,589
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	19,724
Accrued Payroll	-	-	-	-	19,385
Deferred Revenue	-	-	-	-	54
Due to Other Funds	21	-	-	-	196,288
TOTAL LIABILITIES	21	-	-	-	235,451
FUND BALANCE					
Unspendable	-	-	-	-	-
Restricted	-	-	-	270	413,176
TOTAL FUND BALANCE	-	-	-	270	415,138
TOTAL LIABILITIES AND FUND BALANCE	\$ 21	\$ -	\$ -	\$ 270	\$ 650,589

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	<u>CAFETERIA</u>	<u>ATHLETICS</u>	<u>DISCRETIONARY</u>	<u>COMPETITIVE</u>
REVENUE				
Federal Programs	\$ 875,781	\$ -	\$ 2,838	\$ -
State Programs	-	-	-	-
State Equalization	-	-	-	-
Interest Earnings	1,003	15	-	-
Charges For Services	-	-	-	-
Fees	188,663	28,534	-	-
Donations	-	-	-	-
Private/Direct Grants	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>1,065,447</u>	<u>28,549</u>	<u>2,838</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	-	14,752	-	-
Support Services	-	-	-	-
Support Services-Students	-	-	2,838	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	1,105,489	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>1,105,489</u>	<u>14,752</u>	<u>2,838</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(40,042)</u>	<u>13,797</u>	<u>-</u>	<u>-</u>
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>(40,042)</u>	<u>13,797</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
June 30, 2010	<u>192,134</u>	<u>22,390</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
June 30, 2011	<u>\$ 152,092</u>	<u>\$ 36,187</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>PRESCHOOL</u>	<u>EARLY INTERVENTION</u>	<u>RISK POOL</u>	<u>ENHANCING ED THRU TECH</u>	<u>ENHANCING ED THRU TECH COMPETITIVE</u>	<u>TITLE V INNOVATIVE ED</u>	<u>ENGLISH LANGUAGE ACQUISITION</u>
\$ 28,239	\$ 88,409	\$ 4,796	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>28,239</u>	<u>88,409</u>	<u>4,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
23,446	47,754	-	-	-	-	-
-	-	-	-	-	-	-
4,793	40,655	4,796	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>28,239</u>	<u>88,409</u>	<u>4,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	TEACHER PRINCIPAL TRAINING	SAFE & AND DRUG FREE SCHOOLS	RURAL AND LOW INCOME SCHOOLS	READING FIRST
REVENUE				
Federal Programs	\$ 106,265	\$ -	\$ 55,330	\$ -
State Programs	-	-	-	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Private/Direct Grants	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>106,265</u>	<u>-</u>	<u>55,330</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	99,525	-	40,302	-
Support Services	-	-	-	-
Support Services-Students	6,740	-	2,101	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	12,927	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>106,265</u>	<u>-</u>	<u>55,330</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
June 30, 2010	-	-	-	474
FUND BALANCE				
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 474</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	TITLE XIX MEDICAID 3-21 YEARS	CHILD CARE BLOCK GRANT	TANF GRADS	CHILD & ADULT FOOD PROGRAM
REVENUE				
Federal Programs	\$ 50,501	\$ -	\$ -	\$ 3,263
State Programs	-	-	-	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Private/Direct Grants	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>50,501</u>	<u>-</u>	<u>-</u>	<u>3,263</u>
EXPENDITURES				
Current				
Instruction	-	-	-	2,700
Support Services	-	-	-	-
Support Services-Students	143,870	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>143,870</u>	<u>-</u>	<u>-</u>	<u>2,700</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(93,369)	-	-	563
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	(93,369)	-	-	563
FUND BALANCE				
June 30, 2010	150,923	-	3	1,655
FUND BALANCE				
June 30, 2011	<u>\$ 57,554</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 2,218</u>

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

INDIAN ED FORMULA	FEDERAL SEG STIMULUS	EDUCATION JOB FUND	JORDAN FUNDAMENTALS	PNM FOUNDATION	GOLDEN APPLE FOUNDATION
\$ 86,685	\$ 163,235	\$ 439,807	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,000	-
-	-	-	-	-	-
<u>86,685</u>	<u>163,235</u>	<u>439,807</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
-	163,235	439,807	-	2,000	-
86,685	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>86,685</u>	<u>163,235</u>	<u>439,807</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5	176	2
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 176</u>	<u>\$ 2</u>

The accompanying footnotes are an integral part of these financial statements.
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STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	ARRA SOLAR ENERGY AT SCHOOLS	TANF PED SCHOOL AGED CHILD CARE	TECHNOLOGY IN EDUCATION
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	8,748	300,000	-	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Private/Direct Grants	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>8,748</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	8,748	-	-	1,826
Support Services	-	-	-	-
Support Services-Students	-	-	-	2,725
Support Services-Instruction	-	-	-	213
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	300,000	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>8,748</u>	<u>300,000</u>	<u>-</u>	<u>4,764</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	(4,764)
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	-	-	-	(4,764)
FUND BALANCE				
June 30, 2010	-	-	2,897	8,888
FUND BALANCE				
June 30, 2011	\$ -	\$ -	\$ 2,897	\$ 4,124

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	CENTER FOR TEACHING EXCELLENCE	GRADS	GRADS INSTRUCTION	PRIVATE DIRECT GRANTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE					
Federal Programs	\$ -	\$ -	\$ -	\$ -	\$ 2,609,976
State Programs	-	2,000	4,000	-	328,836
State Equalization	-	-	-	-	-
Interest Earnings	-	-	-	-	1,018
Charges For Services	-	-	-	-	-
Fees	-	-	-	-	217,197
Donations	-	-	-	-	-
Private/Direct Grants	-	-	-	-	2,000
Miscellaneous	-	-	-	-	-
Local Property Taxes	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>2,000</u>	<u>4,000</u>	<u>-</u>	<u>3,159,027</u>
EXPENDITURES					
Current					
Instruction	-	2,000	4,000	-	1,359,137
Support Services	-	-	-	-	-
Support Services-Students	-	-	-	-	456,729
Support Services-Instruction	-	-	-	-	213
Support Services-General Administration	-	-	-	-	-
Support Services-School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	37,702
Other Support Services	-	-	-	-	-
Food Services-Operations	-	-	-	-	1,119,577
Community Services-Operations	-	-	-	-	12,927
Acquisition & Construction	-	-	-	-	350,965
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>2,000</u>	<u>4,000</u>	<u>-</u>	<u>3,337,250</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-	(178,223)
Other Financing Sources (uses)					
Transfer/Refunds	-	-	-	-	-
Total Other Financial Sources	-	-	-	-	-
Net Change In Fund Balance	-	-	-	-	(178,223)
FUND BALANCE					
June 30, 2010	-	-	-	270	593,361
FUND BALANCE					
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 415,138</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 208,302	\$ 208,302	\$ 188,622	\$ (19,680)
Interest Income	800	800	1,003	203
Refunds			42	42
Federal Revenue	760,513	760,513	823,106	62,593
TOTAL REVENUE	<u>969,615</u>	<u>969,615</u>	<u>\$ 1,012,773</u>	<u>\$ 43,158</u>
Cash Balance Budgeted	<u>190,506</u>	<u>190,506</u>		
TOTAL REVENUE & CASH	<u>\$ 1,160,121</u>	<u>\$ 1,160,121</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 1,160,121	\$ 1,160,121	\$ 1,045,632	\$ 114,489
TOTAL EXPENDITURES	<u>\$ 1,160,121</u>	<u>\$ 1,160,121</u>	<u>\$ 1,045,632</u>	<u>\$ 114,489</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,012,773
Differences-Budget to GAAP	
Commodities Received	52,674
Total Revenues (GAAP Basis)	<u>\$ 1,065,447</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,045,632
Differences-budget to GAAP	
Cost of Commodities Used	52,674
Inventory Adjustment	7,183
Total Expenditures (GAAP Basis)	<u>\$ 1,105,489</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	\$ -	\$ -	\$ 30	\$ 30
Fees-Users	20,485	20,485	28,505	8,020
Interest Income	-	-	15	15
TOTAL REVENUE	20,485	20,485	\$ 28,550	\$ 8,065
Cash Balance Budgeted	<u>21,732</u>	<u>21,732</u>		
TOTAL REVENUE & CASH	\$ <u>42,217</u>	\$ <u>42,217</u>		
EXPENDITURES				
Current				
Instruction	\$ 42,217	42,217	14,752	27,465
TOTAL EXPENDITURES	\$ <u>42,217</u>	\$ <u>42,217</u>	\$ <u>14,752</u>	\$ <u>27,465</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 28,550
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	\$ <u>28,550</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 14,752
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ <u>14,752</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--DISCRETIONARY

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
TOTAL REVENUE	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 5,000</u>	<u>\$ 5,000</u>		
EXPENDITURES				
Current				
Support Services-Students	5,000	5,000	2,838	2,162
TOTAL EXPENDITURES	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 2,838</u>	<u>\$ 2,162</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Receivable	2,838
Total Revenues (GAAP Basis)	<u>\$ 2,838</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,838
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,838</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVEUE FUND--IDEA B PRESCHOOL

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 28,267	\$ 28,358	\$ 28,375	\$ 17
TOTAL REVENUE	<u>28,267</u>	<u>28,358</u>	<u>28,375</u>	<u>17</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 28,267</u>	<u>\$ 28,358</u>		
EXPENDITURES				
Current				
Instruction	\$ 23,474	\$ 23,565	\$ 23,446	\$ 119
Support Services-Students	4,793	4,793	4,793	-
TOTAL EXPENDITURES	<u>28,267</u>	<u>28,358</u>	<u>28,239</u>	<u>119</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 28,375
Differences-Budget to GAAP	
Current Year Receivable	13,090
Prior Year Receivable	(13,226)
Total Revenues (GAAP Basis)	<u>\$ 28,239</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 28,239
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 28,239</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B EARLY INTERVENTION SERVICES

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 88,458	\$ 88,458	\$ 28,018	\$ (60,440)
TOTAL REVENUE	<u>88,458</u>	<u>88,458</u>	<u>28,018</u>	<u>(60,440)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 88,458</u>	<u>\$ 88,458</u>		
EXPENDITURES				
Current				
Instruction	\$ 47,799	47,799	47,754	\$ 45
Support Services-Students	12,730	12,730	12,730	-
Support Services-School Administration	27,929	27,929	27,925	4
TOTAL EXPENDITURES	<u>\$ 88,458</u>	<u>\$ 88,458</u>	<u>\$ 88,409</u>	<u>\$ 49</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 28,018
Differences-Budget to GAAP	
Current Year Receivable	60,391
Total Revenues (GAAP Basis)	<u>\$ 88,409</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 88,409
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 88,409</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA:B RISK POOL

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 4,796	\$ 4,796	\$ 5,819	\$ 1,023
TOTAL REVENUE	<u>4,796</u>	<u>4,796</u>	<u>5,819</u>	<u>1,023</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,796</u>	<u>\$ 4,796</u>		
EXPENDITURES				
Current				
Support Services-Students	4,796	4,796	4,796	-
TOTAL EXPENDITURES	<u>\$ 4,796</u>	<u>\$ 4,796</u>	<u>\$ 4,796</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 5,819
Differences-Budget to GAAP	
Current Year Receivable	4,796
Prior Year Receivable	(5,819)
Total Revenues (GAAP Basis)	<u>\$ 4,796</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 4,796
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 4,796</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TEACHER/PRINCIPAL TRAINING & RECRUITING

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 121,591	\$ 123,768	\$ 142,297	\$ 18,529
TOTAL REVENUE	<u>121,591</u>	<u>123,768</u>	<u>142,297</u>	<u>18,529</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 121,591</u>	<u>\$ 123,768</u>		
EXPENDITURES				
Current				
Instruction	\$ 101,591	\$ 116,968	\$ 99,525	\$ 17,443
Support Services-School Administration	20,000	6,800	6,740	60
TOTAL EXPENDITURES	<u>\$ 121,591</u>	<u>\$ 123,768</u>	<u>\$ 106,265</u>	<u>\$ 17,503</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 142,297
Differences-Budget to GAAP	
Current Year Receivable	21,291
Prior Year Receivable	(57,323)
Total Revenues (GAAP Basis)	<u>\$ 106,265</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 106,265
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 106,265</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--RURAL & LOW INCOME SCHOOLS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 57,407	\$ 57,407	\$ 79,817	\$ 22,410
TOTAL REVENUE	<u>57,407</u>	<u>57,407</u>	<u>79,817</u>	<u>22,410</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 57,407</u>	<u>\$ 57,407</u>		
EXPENDITURES				
Current				
Instruction	\$ 42,364	\$ 42,364	\$ 40,302	\$ 2,062
Support Services-Students	2,102	2,102	2,101	1
Community Services-operations	12,941	12,941	12,927	14
TOTAL EXPENDITURES	<u>\$ 57,407</u>	<u>\$ 57,407</u>	<u>\$ 55,330</u>	<u>\$ 2,077</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 79,817
Differences-Budget to GAAP	
Current Year Receivable	12,768
Prior Year Receivable	(37,255)
Total Revenues (GAAP Basis)	<u>\$ 55,330</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 55,330
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 55,330</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I IASA FEDERAL STIMULUS

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 159,565	\$ 147,833	\$ 241,675	\$ 93,842
TOTAL REVENUE	<u>159,565</u>	<u>147,833</u>	<u>241,675</u>	<u>93,842</u>
Cash Balance Budgeted	<u> </u>	<u> </u>		
TOTAL REVENUE & CASH	<u>\$ 159,565</u>	<u>\$ 147,833</u>		
EXPENDITURES				
Current				
Instruction	\$ 159,565	\$ 147,833	\$ 147,833	\$ -
TOTAL EXPENDITURES	<u>\$ 159,565</u>	<u>\$ 147,833</u>	<u>\$ 147,833</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 241,675
Differences-Budget to GAAP	
Prior Year Receivable	(93,842)

Total Revenues (GAAP Basis) \$ 147,833

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 147,833
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 147,833</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND-IDEA-B ENTITLEMENT FEDERAL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 310,074	\$ 307,816	\$ 397,656	\$ 89,840
TOTAL REVENUE	<u>310,074</u>	<u>307,816</u>	<u>397,656</u>	<u>89,840</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 310,074</u>	<u>\$ 307,816</u>		
EXPENDITURES				
Current				
Instruction	\$ 233,608	\$ 231,350	\$ 231,350	\$ -
Support Services-Students	76,466	76,466	76,466	-
TOTAL EXPENDITURES	<u>\$ 310,074</u>	<u>\$ 307,816</u>	<u>\$ 307,816</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 397,656
Differences-Budget to GAAP	
Prior Year Receivable	(89,840)
Total Revenues (GAAP Basis)	<u>\$ 307,816</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 307,816
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 307,816</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - IDEA-B PRESCHOOL FEDERAL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 17,963	\$ 18,464	\$ 17,963	\$ (501)
TOTAL REVENUE	<u>17,963</u>	<u>18,464</u>	<u>17,963</u>	<u>(501)</u>
Cash Balance Budgeted	_____	_____		
TOTAL REVENUE & CASH	<u>\$ 17,963</u>	<u>\$ 18,464</u>		
EXPENDITURES				
Current				
Instruction	\$ 16,207	\$ 16,708	\$ 16,708	\$ -
Support Services-Students	1,756	1,756	1,756	-
TOTAL EXPENDITURES	<u>\$ 17,963</u>	<u>\$ 18,464</u>	<u>\$ 18,464</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 17,963
Differences-Budget to GAAP	
Current Year Receivable	2,560
Prior Year Receivable	(2,059)
Total Revenues (GAAP Basis)	<u>\$ 18,464</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 18,464
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 18,464</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - COLLABORATIVE FOREST RESTORATION GRANT

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 142,279	\$ 142,279	\$ 63,756	\$ (78,523)
TOTAL REVENUE	<u>142,279</u>	<u>142,279</u>	<u>63,756</u>	<u>(78,523)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 142,279</u>	<u>\$ 142,279</u>		
EXPENDITURES				
Current				
Instruction	\$ 68,496	\$ 99,496	\$ 67,554	\$ 31,942
Acquisition & Construction	73,783	42,783	31,241	11,542
TOTAL EXPENDITURES	<u>\$ 142,279</u>	<u>\$ 142,279</u>	<u>\$ 98,795</u>	<u>\$ 43,484</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 63,756
Differences-Budget to GAAP	
Current Year Receivable	77,886
Prior Year Receivable	(59,427)
Total Revenues (GAAP Basis)	<u>\$ 82,215</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 98,795
Differences-budget to GAAP	
Prior Payable	(36,304)
Current Payable	19,724
Total Expenditures (GAAP Basis)	<u>\$ 82,215</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND - IMPACT AID SPECIAL EDUCATION

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 62,100	\$ 62,100	\$ 62,816	\$ 716
TOTAL REVENUE	<u>62,100</u>	<u>62,100</u>	<u>62,816</u>	<u>716</u>
Cash Balance Budgeted	<u>134,665</u>	<u>134,665</u>		
TOTAL REVENUE & CASH	<u>\$ 196,765</u>	<u>\$ 196,765</u>		
EXPENDITURES				
Current				
Instruction	\$ 82,847	\$ 82,847	\$ 51,276	\$ 31,571
Support Services-Students	93,918	93,918	62,231	31,687
Student Transportation	20,000	20,000	20,000	-
TOTAL EXPENDITURES	<u>\$ 196,765</u>	<u>\$ 196,765</u>	<u>\$ 133,507</u>	<u>\$ 63,258</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 62,816
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 62,816</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 133,507
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 133,507</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND - IMPACT AID INDIAN EDUCATION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 65,753	\$ 65,753	\$ 85,684	\$ 19,931
TOTAL REVENUE	<u>65,753</u>	<u>65,753</u>	<u>85,684</u>	<u>19,931</u>
Cash Balance Budgeted	<u>53,132</u>	<u>53,132</u>		
TOTAL REVENUE & CASH	<u>\$ 118,885</u>	<u>\$ 118,885</u>		
EXPENDITURES				
Current				
Instruction	\$ 53,634	\$ 53,634	\$ 28,253	\$ 25,381
Support Services-Students	5,025	37,277	20,536	16,741
Support Services-Instruction	40,226	5,174	538	4,636
Student Transportation	20,000	22,800	17,702	5,098
TOTAL EXPENDITURES	<u>\$ 118,885</u>	<u>\$ 118,885</u>	<u>\$ 67,029</u>	<u>\$ 51,856</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 85,684
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 85,684</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 67,029
Differences-budget to GAAP	
Inventory Adjustment	
Total Expenditures (GAAP Basis)	<u>\$ 67,029</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - TITLE XIX MEDICAID 3 TO 21

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 50,000	\$ 87,000	\$ 50,500	\$ (36,500)
TOTAL REVENUE	<u>50,000</u>	<u>87,000</u>	<u>50,500</u>	<u>(36,500)</u>
Cash Balance Budgeted	<u>88,345</u>	<u>88,345</u>		
TOTAL REVENUE & CASH	<u>\$ 138,345</u>	<u>\$ 175,345</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ 138,345	\$ 175,345	\$ 143,870	\$ 31,475
TOTAL EXPENDITURES	<u>\$ 138,345</u>	<u>\$ 175,345</u>	<u>\$ 143,870</u>	<u>\$ 31,475</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 50,500
Differences-Budget to GAAP	
Prior Year Deferral	1
Total Revenues (GAAP Basis)	<u>\$ 50,501</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 143,870
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 143,870</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--CHILD CARE BLOCK GRANT

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 5,477	\$ 5,477
TOTAL REVENUE	\$ -	\$ -	\$ 5,477	\$ 5,477
Cash Balance Budgeted	-			
TOTAL REVENUE & CASH	\$ -	\$ -		
EXPENDITURES				
Current				
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 5,477
Differences-Budget to GAAP	
Prior Year Receivable	(5,423)
Current Year Deferral	(54)
Total Revenues (GAAP Basis)	\$ -

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ -

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - CHILD & ADULT FOOD PROGRAM

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,126	\$ 4,626	\$ 3,263	\$ (1,363)
TOTAL REVENUE	<u>1,126</u>	<u>4,626</u>	<u>3,263</u>	<u>(1,363)</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 1,126</u>	<u>\$ 4,626</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,126	\$ 4,626	\$ 2,700	\$ 1,926
TOTAL EXPENDITURES	<u>\$ 1,126</u>	<u>\$ 4,626</u>	<u>2,700</u>	<u>1,926</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,263
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 3,263</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,700
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,700</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - INDIAN ED FORMULA GRANT

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 89,325	\$ 86,685	\$ 86,685	\$ -
TOTAL REVENUE	<u>89,325</u>	<u>86,685</u>	<u>86,685</u>	<u>\$ -</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 89,325</u>	<u>\$ 86,685</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ 89,325	\$ 86,685	\$ 86,685	\$ -
TOTAL EXPENDITURES	<u>89,325</u>	<u>86,685</u>	<u>86,685</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 86,685
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 86,685</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 86,685
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 86,685</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - STATE EQUALIZATION FEDERAL STIMULUS

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 162,587	\$ 163,236	\$ 245,799	\$ 82,563
TOTAL REVENUE	<u>162,587</u>	<u>163,236</u>	<u>\$ 245,799</u>	<u>\$ 82,563</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 162,587</u>	<u>\$ 163,236</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 162,587	\$ 163,236	\$ 163,235	\$ 1
TOTAL EXPENDITURES	<u>\$ 162,587</u>	<u>\$ 163,236</u>	<u>\$ 163,235</u>	<u>\$ 1</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 245,799
Differences-Budget to GAAP	
Prior Year Receivable	(82,564)
Total Revenues (GAAP Basis)	<u>\$ 163,235</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 163,235
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 163,235</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - EDUCATION JOB FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 439,807	\$ 439,807	\$ 439,807	\$ -
TOTAL REVENUE	<u>439,807</u>	<u>439,807</u>	<u>439,807</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 439,807</u>	<u>\$ 439,807</u>		
EXPENDITURES				
Current				
Instruction	\$ 439,807	\$ 439,807	\$ 439,807	\$ -
TOTAL EXPENDITURES	<u>439,807</u>	<u>439,807</u>	<u>439,807</u>	<u>-</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 439,807
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 439,807</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 439,807
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 439,807</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--PNM FOUNDATION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 2,000</u>	<u>\$ 2,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
TOTAL EXPENDITURES	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,000
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 2,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,000</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES—BUDGET (NON-GAAP)
 AND ACTUAL—SPECIAL REVENUE FUND - 2009 DUAL CREDIT INSTRUCTIONAL MATERIALS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 8,748	\$ 8,748	\$ 8,748	\$ -
TOTAL REVENUE	<u>8,748</u>	<u>8,748</u>	<u>8,748</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 8,748</u>	<u>\$ 8,748</u>		
EXPENDITURES				
Current				
Instruction	\$ 8,748	\$ 8,748	\$ 8,748	\$ -
TOTAL EXPENDITURES	<u>8,748</u>	<u>8,748</u>	<u>8,748</u>	<u>-</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 8,748
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 8,748</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 8,748
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 8,748</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - ARRA SOLAR ENERGY AT SCHOOLS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 300,000	\$ 300,000	\$ 299,253	\$ (747)
TOTAL REVENUE	<u>300,000</u>	<u>300,000</u>	<u>299,253</u>	<u>(747)</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 300,000</u>	<u>\$ 300,000</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
TOTAL EXPENDITURES	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 299,253
Differences-Budget to GAAP	
Current Year Receivable	747
Total Revenues (GAAP Basis)	<u>\$ 300,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 300,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 300,000</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
Cash Balance Budgeted	16,674	16,674		
TOTAL REVENUE & CASH	\$ 16,674	\$ 16,674		
EXPENDITURES				
Current				
Instruction	\$ 13,674	\$ 7,417	\$ 3,355	\$ 4,062
Support Services-Students	3,000	2,785	2,725	60
Support Services-Instruction	-	215	214	1
TOTAL EXPENDITURES	\$ 16,674	\$ 10,417	\$ 6,294	\$ 4,123

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	\$ -

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,294
Differences-budget to GAAP	
Prior Payable	(1,529)
Total Expenditures (GAAP Basis)	\$ 4,765

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES—BUDGET (NON-GAAP)
 AND ACTUAL—SPECIAL REVENUE FUND - BEGINNING TEACHER MENTORING PROGRAM

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
Cash Balance Budgeted	2,372	2,372		
TOTAL REVENUE & CASH	\$ 2,372	\$ 2,372		
EXPENDITURES				
Current				
Instruction	\$ 2,372	\$ 2,372	\$ 2,372	\$ -
TOTAL EXPENDITURES	\$ 2,372	\$ 2,372	\$ 2,372	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	\$ -

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,372
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 2,372

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - BREAKFAST FOR ELEMENTARY STUDENTS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 14,088	\$ 14,088	\$ 14,088	\$ -
TOTAL REVENUE	<u>14,088</u>	<u>14,088</u>	<u>14,088</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 14,088</u>	<u>\$ 14,088</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 14,088	\$ 14,088	\$ 14,088	\$ -
TOTAL EXPENDITURES	<u>14,088</u>	<u>14,088</u>	<u>14,088</u>	<u>-</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 14,088
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 14,088</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 14,088
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 14,088</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SCHOOLS IN NEED OF IMPROVEMENT

Year Ended June 30 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 23,462	\$ 23,462
TOTAL REVENUE	\$ -	\$ -	\$ 23,462	\$ 23,462
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	\$ -	\$ -		
EXPENDITURES				
Current				
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 23,462
Differences-Budget to GAAP	
Prior Year Receivable	(23,462)
Total Revenues (GAAP Basis)	\$ -

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ -

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - GRADS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
TOTAL REVENUE	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Cash Balance Budgeted	-			
TOTAL REVENUE & CASH	<u>\$ 2,000</u>	<u>\$ 2,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
TOTAL EXPENDITURES	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,000
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 2,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,000</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND - GRADS INSTRUCTION

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
TOTAL REVENUE	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,000</u>	<u>\$ 4,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
TOTAL EXPENDITURES	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,000
Differences-Budget to GAAP	
Property tax Receivable	
Total Revenues (GAAP Basis)	<u>\$ 4,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 4,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 4,000</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2011

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
ASSETS				
Cash on Deposit	\$ 2,154,537	\$ -	\$ 6,006	\$ 2,160,543
Due from Other Funds	446,290	-	-	446,290
Property Tax Receivable	7,698	-	-	7,698
Due from other Agencies	-	-	-	-
TOTAL ASSETS	\$ <u>2,608,525</u>	\$ <u>-</u>	\$ <u>6,006</u>	\$ <u>2,614,531</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 83,393	\$ -	\$ -	\$ 83,393
Accrued Payroll	483,288	-	-	483,288
Deferred Revenue	5,100	-	-	5,100
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES AND OTHER CREDITS	571,781	-	-	571,781
FUND BALANCE				
Restricted	-	-	-	-
Unassigned	2,036,744	-	6,006	2,042,750
TOTAL FUND BALANCE	<u>2,036,744</u>	<u>-</u>	<u>6,006</u>	<u>2,042,750</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>2,608,525</u>	\$ <u>-</u>	\$ <u>6,006</u>	\$ <u>2,614,531</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2011

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
REVENUE				
Federal Programs	\$ 514,191	\$	\$ 89,063	\$ 514,191
State Programs	-	808,084	89,063	897,147
State Equalization	14,877,094			14,877,094
Interest Earnings	1,454			1,454
Charges For Services	-			-
Fees	87,457			87,457
Donations	-			-
Sale of Property	-			-
Miscellaneous	49,265			49,265
Local Property Taxes	190,707	-	-	190,707
TOTAL REVENUES	<u>15,720,168</u>	<u>808,084</u>	<u>89,063</u>	<u>16,617,315</u>
EXPENDITURES				
Current				
Instruction	9,350,565		86,421	9,436,986
Support Services				-
Support Services-Students	3,331,486		1,005	3,332,491
Support Services-Instruction	-			-
Support Services-General Administration	40,729			40,729
Support Services-School Administration	-			-
Central Services	542,444			542,444
Operation & Maintenance of Plant	2,199,572			2,199,572
Student Transportation	77,881	811,919		889,800
Other Support Services	-			-
Food Services-Operations	-			-
Community Services-Operations	24,345			24,345
Acquisition & Construction	-			-
Debt Service				-
Principal				-
Interest				-
TOTAL EXPENDITURES	<u>15,567,022</u>	<u>811,919</u>	<u>87,426</u>	<u>16,466,367</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	153,146	(3,835)	1,637	150,948
Other Financing Sources (uses)				
Transfer IN (OUT)		-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	153,146	(3,835)	1,637	150,948
FUND BALANCE				
June 30, 2010	1,883,597	-	4,369	1,887,966
Restatement		3,835		3,835
Restated Balance	<u>1,883,597</u>	<u>3,835</u>	<u>4,369</u>	<u>1,891,801</u>
FUND BALANCE June 30, 2011	<u>\$ 2,036,743</u>	<u>\$ -</u>	<u>\$ 6,006</u>	<u>\$ 2,042,749</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 190,344	190,344	191,561	1,217
Fees Activities	31,699	31,699	37,488	5,789
Fees-Users	32,590	32,590	49,969	17,379
Interest Income	1,400	1,400	1,444	44
State Equalization	15,363,374	14,864,986	14,877,094	12,108
Impact Aid	263,011	263,011	342,741	79,730
Rent	100	100	10	(90)
Miscellaneous	30,000	30,000	46,066	16,066
Forest Reserve	192,825	192,825	171,450	(21,375)
TOTAL REVENUE	<u>16,105,343</u>	<u>15,606,955</u>	<u>\$ 15,721,022</u>	<u>\$ 114,067</u>

Cash Balance Budgeted	<u>1,875,968</u>	<u>1,875,968</u>
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TOTAL REVENUE & CASH	<u>\$ 17,981,311</u>	<u>\$ 17,482,923</u>
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EXPENDITURES

Current

Instruction	\$ 10,801,740	10,303,352	9,349,960	953,392
Support Services-Students	1,878,001	1,880,611	1,612,182	268,429
Support Services-Instruction	458,168	452,485	281,371	171,114
Support Services-General Administration	489,126	494,278	448,075	46,203
Support Services-School Administration	1,231,757	1,236,362	989,858	246,504
Central services	631,177	611,343	542,443	68,900
Operation & Maintenance of Plant	2,341,181	2,316,519	2,178,822	137,697
Student Transportation	51,440	89,252	77,881	11,371
Other Support Services	47,336	47,336	-	47,336
Community Services-operations	51,385	51,385	24,345	27,040
TOTAL EXPENDITURES	<u>\$ 17,981,311</u>	<u>\$ 17,482,923</u>	<u>\$ 15,504,937</u>	<u>\$ 1,977,986</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 15,721,022
Differences-Budget to GAAP	
Property tax Receivable	2,598
Prior Year Tax Receivables	(3,451)
Total Revenues (GAAP Basis)	<u>\$ 15,720,169</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 15,504,937
Differences-budget to GAAP	
Prior Year Payable	(21,308)
Current Year Payable	83,393
Total Expenditures (GAAP Basis)	<u>\$ 15,567,022</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--TRANSPORTATION FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Equalization	\$ 846,194	\$ 808,084	\$ 808,084	\$ -
TOTAL REVENUE	<u>846,194</u>	<u>808,084</u>	<u>808,084</u>	<u>-</u>
 Cash Balance Budgeted	 -	 3,834		
TOTAL REVENUE & CASH	<u>\$ 846,194</u>	<u>\$ 811,918</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 846,194	\$ 811,918	\$ 811,918	-
TOTAL EXPENDITURES	<u>\$ 846,194</u>	<u>\$ 811,918</u>	<u>811,918</u>	<u>-</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 808,084
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 808,084</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 811,918
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 811,918</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 78,721	\$ 88,701	\$ 89,063	\$ 362
TOTAL REVENUE	<u>78,721</u>	<u>88,701</u>	<u>89,063</u>	<u>362</u>
Cash Balance Budgeted	<u>4,665</u>	<u>4,665</u>		
TOTAL REVENUE & CASH	<u>\$ 83,386</u>	<u>\$ 93,366</u>		
EXPENDITURES				
Current				
Instruction	\$ 82,365	\$ 92,049	\$ 86,421	\$ 5,628
Support Services-Instruction	<u>1,021</u>	<u>1,021</u>	<u>1,005</u>	<u>16</u>
TOTAL EXPENDITURES	<u>\$ 83,386</u>	<u>\$ 93,070</u>	<u>\$ 87,426</u>	<u>\$ 5,644</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 89,063
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 89,063</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 87,426
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 87,426</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 2,523,687	\$ 2,523,687	\$ 2,746,498	\$ 222,811
Interest Income	5,453	5,453	6,994	1,541
TOTAL REVENUE	<u>2,529,140</u>	<u>2,529,140</u>	<u>\$ 2,753,492</u>	<u>\$ 224,352</u>
Cash Balance Budgeted	<u>2,160,141</u>	<u>2,160,141</u>		
TOTAL REVENUE & CASH	<u>\$ 4,689,281</u>	<u>\$ 4,689,281</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 32,000	\$ 33,000	\$ 27,465	\$ 5,535
Principal	1,127,631	1,545,000	1,545,000	-
Interest and Finance Charges	1,069,913	1,069,913	1,069,913	-
Debt Service Reserve	2,459,737	2,041,368	-	2,041,368
TOTAL EXPENDITURES	<u>\$ 4,689,281</u>	<u>\$ 4,689,281</u>	<u>\$ 2,642,378</u>	<u>\$ 2,046,903</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,753,492
Differences-Budget to GAAP	
Property tax Receivable	36,223
Prior Year Tax Receivables	(45,566)
Total Revenues (GAAP Basis)	<u>\$ 2,744,149</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,642,378
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,642,378</u>

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUND

Year Ended June 30, 2011

	BALANCE 7/01/10	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6/30/11
High School	\$ 133,562	\$ 198,566	\$ -	\$ 189,399	\$ 142,729
Middle School	37,038	59,021	-	61,003	35,056
Nob Hill Elementary	3,475	17,658	-	15,876	5,257
Sierra Vista Elementary	9,568	29,088	-	28,403	10,253
White Mountain Elementary	51,521	66,838	-	84,016	34,343
Scholarships	16,827	6,036	-	8,800	14,063
Total	<u>\$ 251,991</u>	<u>\$ 377,207</u>	<u>\$ -</u>	<u>\$ 387,497</u>	<u>\$ 241,701</u>

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

<u>US DEPARTMENT OF EDUCATION</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR NUMBER</u>	<u>PROGRAM EXPENDITURES</u>
Passed through New Mexico Public Education Department			
Title I	84.010	24101	\$ 554,078
Idea B Entitlement	84.027	24106	470,838
Idea B Discretionary	84.027	24107	2,838
Idea B Preschool	84.027	24109	28,239
Idea B Early Intervention	84.027	24112	88,409
Idea B Risk Pool	84.027	24120	4,796
Teacher/Principal Training	84.367	24154	106,265
Rural & Low Income Schools	84.358	24160	55,330
Title I Federal Stimulus	84.389	24201	147,833
Entitlement-Federal Stimulus	84.0270	24206	307,816
Pre School-Federal Stimulus	84.1730	24209	18,464
Impact Aid Special Ed	<1> 84.041	25145	62,815
Impact Aid Indian Ed	<1> 84.041	25147	85,684
Title XIX Medicaid	<1> 93.778	25153	50,501
Indian Education	84.060	25184	86,685
SEG Federal Stimulus	<1> 84.394	25250	163,235
Education Job Fund	<1> 84.410	25255	439,807
Impact Aid	<1> 84.041	11000	342,741
Total Department of Education			<u>3,016,374</u>
US DEPARTMENT OF AGRICULTURE			
Passed Through New Mexico Public Education Department			
Schools and Roads Cluster	10.665	25130	82,215
Forest Reserve	10.665	11000	171,450
Child and Adult Care Food Program	10.558	25171	3,263
National School Lunch	10.555	21000	823,106
School Food Commodity Distribution Program	10.559	21000	52,675
Total Department of Agriculture			<u>1,132,709</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 4,149,083</u>
<1> Major Program			
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 4,149,083</u>

Note 1 This schedule is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Note 2 Non-Monetary assistance of \$52,675 is included in the schedule at fair market value of the commodities received from the Department of Agriculture.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2011

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED BANK BALANCE	COLLATERAL REQUIRED	COLLATERAL PLEDGED	SECURITY DEFICIT	UNINSURED & UNCOLLATERALIZED DEPOSITS
BBVA BANK	\$ 4,973,205	\$ 250,000	\$ 4,723,205	\$ 2,361,603	\$ 7,018,286	\$ -	\$ 0.0

COLLATERAL	CUSIP #	MATURITY	MARKET VALUE
FHLMC #3762	3137A3NJ4	10/15/23	45,079
FNR #2005-63	31394EGP7	07/25/25	105,015
FNMA #255892	31371MF93	09/01/25	112,256
FNMA #889339	31410KBG8	12/01/28	215,329
FNMA #889339	31410KBG8	12/01/28	137,853
FNMA #889339	31410KBG8	12/01/28	105,649
FNMA#889339	31410KBG8	12/01/28	283,328
GNMA #2003-98	38374EUX3	04/20/30	95,692
FNMA ARM #695982	31400SFX2	03/01/33	296,193
FNMA #2003-73	31393DZK0	08/25/33	357,211
FHLMC ARM #780996	31349SC92	10/01/33	699,696
FHLMC ARM #780996	31349SC92	10/01/33	143,937
FHLMC #3033	31396ACK8	09/15/35	98,242
FHLMC #3033	31396ACK8	09/15/35	294,726
FNR #2006-81	31396KM33	09/25/36	163,519
FNMA #907865	31411GTW2	03/01/37	135,644
FHLMC #1B7338D	3128QPRJ3	04/01/37	64,734
FHR #3320	31397HFY9	05/15/37	3,664,183
			\$ 7,018,286

SECURITIES HELD AT
 COMPASS BANK, BIRMINGHAM, AL

FIRST NATIONAL BANK OF RUIDOSO	\$ 3,524,509	\$ 250,000	\$ 3,274,509	\$ 1,637,255	\$ 1,747,981	\$ -	\$ 1,526,528
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COLLATERAL	CUSIP#	MATURITY	MARKET VALUE
FNMA POOL #596701	31387W3J4	03/01/32	\$ 150,600
FNMA POOL #850646	31408GBP1	01/01/36	345,369
CARLSBAD NM REV	142780CS2	10/01/17	252,012
FNMA POOL # MA0616	31417YVJ3		500,000
FHLMC POOL #C91349	3128P7QA44		500,000
			\$ 1,747,981

SECURITIES HELD AT
 FEDERAL HOME LOAN BANK, DALLAS, TX

Total all Institutions	\$ 8,497,714	\$ 500,000	\$ 7,997,714	\$ 3,998,857	\$ 8,766,267	\$ -	\$ 1,526,528
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	BBVA BANK	FIRST NATIONAL BANK
50% pledged collateral requirement per statute	\$ 2,361,603	\$ 1,637,255
Total pledged collateral	(7,018,286)	(1,747,981)
Pledged collateral (over) under requirement	\$ (4,656,684)	\$ (110,727)

All pledged securities are held by the financial institutions trust Department or it's agent.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

BANK SUMMARY

June 30, 2011

BANK	ACCT TYPE	FUND	BANK BALANCE	DEPOSITS IN TRANSIT	OUTSTANDING CHECKS	NET CASH BALANCE
BBVA COMPASS	• CHK	OPERATIONAL	\$ 1,901,738	\$ -	\$ 20,830	\$ 1,880,908
	• CHK	FEDERAL PROJECTS	78,162	53	10,104	68,111
	• CHK	ATHLETICS	36,187	-	-	36,187
	• CHK	BOND BUILDING	725,672	-	268,090	457,582
	• CHK	CAPITAL IMPROVEMENT	1,209,355	-	18,509	1,190,846
	• CHK	PAYROLL CLEARING	1,008,028	-	994,485	13,543
	• CHK	ACTIVITY	14,063	-	-	14,063
TOTAL BBVA COMPASS			<u>\$ 4,973,205</u>	<u>\$ 53</u>	<u>\$ 1,312,018</u>	<u>\$ 3,661,240</u>
FIRST NATIONAL BANK OF RUIDOSO	• CHK	FOOD SERVICE	\$ 258,767	\$ 113	\$ 108,749	\$ 150,131
	• CHK	ACTIVITY	235,222	-	\$ 7,583	227,639
	• CHK	DEBT SERVICE	3,030,520	-	-	3,030,520
TOTAL FIRST NATIONAL BANK OF RUIDOSO			<u>\$ 3,524,509</u>	<u>\$ 113</u>	<u>\$ 116,332</u>	<u>\$ 3,408,290</u>
		TOTAL DEPOSITED CASH	<u>\$ 8,497,714</u>	<u>\$ 166</u>	<u>\$ 1,420,767</u>	<u>\$ 7,069,530</u>
		* interest bearing				
		CASH PER FINANCIAL STATEMENTS				\$ 7,381,071
		AGENCY CASH				241,701
		ACCRUED PAYROLL				(553,242)
						<u>\$ 7,069,530</u>

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2011

	Operational	Transportation	Food Services	Athletics	Federal Projects	Local & State	SB-9
Audited Net Cash							
JUNE 30, 2010	\$ 1,812,686	\$ 3,835	\$ 184,950	\$ 22,390	\$ 707,202	\$ 16,593	\$ 949,707
Prior Year Adjustments	(462,207)	-	(1,959)	-	(511,207)	(58,122)	-
CASH BALANCE							
JUNE 30, 2010	1,350,479	3,835	182,991	22,390	195,995	(41,529)	949,707
Add: Prior year void checks	-	-	-	-	-	-	-
2010-2011 Revenue	15,721,023	808,084	1,012,772	28,549	3,094,715	387,304	1,228,637
Loans Paid back	550,974	-	-	-	-	-	-
Loans In	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	1,092	-
TOTAL AVAILABLE CASH	16,271,997	808,084	1,012,772	28,549	3,094,715	388,396	1,228,637
Less:							
2010-2011 Expenditures	15,504,938	811,919	1,045,632	14,752	2,920,533	339,502	987,498
Loans Out	250,000	-	-	-	-	-	-
Loans Paid Back	-	-	-	-	300,000	-	-
Transfers Out	-	-	-	-	2,066	-	-
	15,754,938	811,919	1,045,632	14,752	3,222,599	339,502	987,498
NET CASH, JUNE 30, 2011	1,867,538	-	150,131	36,187	68,111	7,365	1,190,846
Accrued Payroll	469,745	-	1,880	-	81,617	-	-
Payroll Clearing Cash	13,543	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL CASH, JUNE 30, 2011	\$ 2,350,826	\$ -	\$ 152,011	\$ 36,187	\$ 149,728	\$ 7,365	\$ 1,190,846

Ed Tech Debt Service	Debt Service	Ed Tech Equipment Act	Instructional Materials	SPECIAL CAP OUTLAY STATE	Bond Building	Public School Capital Outlay	Special Capital Outlay Local	Total
\$ 650,554	\$ 2,297,177	\$ 227,877	\$ 4,369	\$ 577	\$ 803,242	\$ -	\$ 6,193	\$ 7,687,352
					13,994	(13,994)		(1,033,495)
650,554	2,297,177	227,877	4,369	577	817,236	(13,994)	6,193	6,653,857
636,163	2,753,491	590,000	89,063	-	423	14,494	15,000	26,379,718
								550,974
								1,092
636,163	2,753,491	590,000	89,063	-	423	14,494	21,193	26,931,784
1,286,717	5,050,668	817,877	93,432	577	817,659	500		33,585,641
664,487	2,642,378	690,129	87,426	-	510,095			26,219,289
								250,000
								300,000
								2,066
664,487	2,642,378	690,129	87,426	-	510,095			26,771,355
622,230	2,408,290	127,748	6,006	577	307,564	500	21,193	6,814,286
								553,242
								13,543
<u>\$ 622,230</u>	<u>\$ 2,408,290</u>	<u>\$ 127,748</u>	<u>\$ 6,006</u>	<u>\$ 577</u>	<u>\$ 307,564</u>	<u>\$ 500</u>	<u>\$ 21,193</u>	<u>\$ 7,381,071</u>

Woodard, Cowen & Co.

Certified Public Accountants

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

Mr. Hector Balderas, State Auditor
Board of Education
Ruidoso Municipal Schools
Ruidoso, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ruidoso Municipal Schools, as of and for the year ended June 30, 2011, which collectively comprise the Ruidoso Municipal Schools' basic financial statements and have issued our report thereon dated November 14, 2011. 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 Schools' 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 Ruidoso Municipal Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ruidoso Municipal Schools' internal control over financial reporting.

A *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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

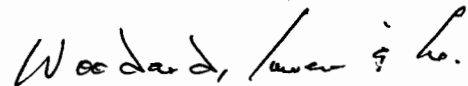
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ruidoso Municipal Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are

required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2011-01.

Ruidoso Municipal Schools' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Ruidoso Municipal Schools' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, school board, others within the entity, Public Education Department, the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Woodard, Cowen & Co." with a stylized flourish at the end.

Woodard, Cowen & Company

Portales, New Mexico

November 14, 2011

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S 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

Mr. Hector Balderas, State Auditor
Board of Education
Ruidoso Municipal Schools
Ruidoso, New Mexico

Compliance

We have audited Ruidoso Municipal Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Ruidoso Municipal Schools' major federal programs for the year ended June 30, 2011. Ruidoso Municipal Schools' 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 Schools' management. Our responsibility is to express an opinion on Ruidoso Municipal Schools' 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 Schools' 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 Schools' compliance with those requirements.

In our opinion, Ruidoso Municipal Schools, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

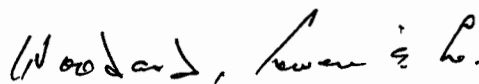
Internal Control over Compliance

Management of Ruidoso Municipal Schools, 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 Schools internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ruidoso Municipal Schools' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

A handwritten signature in black ink that reads "Woodard, Cowen & Co." with a stylized flourish at the end.

Woodard, Cowen & Company
Portales, New Mexico
November 14, 2011

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2011

PRIOR YEAR AUDIT FINDINGS – Ruidoso Municipal Schools

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 \$193,442.

Recommendation: It was recommended 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.

Status: Resolved.

2010-02 – Expenditures in Excess of Budget

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

Capital Improvements SB-9 Capital Projects Fund	\$ 915
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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.

Status: Resolved

2010-03 – Cash appropriations in Excess of Available Cash Balances

Condition: The District designated cash appropriations in excess of available balances.

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.

Status: Resolved.

2010-04 Pooled Cash

Condition: During audit testing of cash and cash equivalents, it was determined that, although pooled accounts are not overdrawn in total, individual fund year-end balances were negative.

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

Status: Resolved.

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.

Recommendation: It was recommended that the District review the auditor's journal entries for accuracy.

Status: Resolved

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2011

PRIOR YEAR AUDIT FINDINGS – Ruidoso Municipal Schools

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 fieldwork began until the conclusion of the audit.
Recommendation:	It was recommended that the audit committee meet on a monthly basis with the auditors during the course of the audit.
Status:	Resolved.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2011

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	None
Material Weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Program	SEG Federal Stimulus #84.394 Impact Aid #84.041 Medicaid 3-21 #93.778 Education Job Fund #84.410
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified

II. FEDERAL PROGRAM FINDINGS:

None

III. FINANCIAL STATEMENT FINDINGS:

2011-01 – 24 Hour Rule – Other matters

Condition:	Upon review of Activity Funds deposits, it was discovered that two activity fund collections from the high school and three activity fund collections from the elementary were not being deposited within the required 24-hour period. This determination was made by comparing the date of the receipt with the date stamped by the bank on the deposit slip. Each deposit included receipts that were dated more than 24 hours prior to the deposit.
Criteria:	NMAC 6.20.2.14 Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.
Effect:	Holding money subjects the money to loss, theft, or misappropriation. This also subjects the District, District employees, parents and students to possible loss and liability.
Cause:	The District staff involved was holding collections until they deemed the deposit to be worthwhile to make.
Recommendation:	Monitor activity fund deposits so that the District can insure that funds are kept in safe keeping.
Response:	The District's management will reinforce the District's policy on making deposits within the 24 hour period from receipt to deposit.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

June 30, 2011

OTHER DISCLOSURES

AUDITOR PREPARED FINANCIAL STATEMENTS

These financial statements and related footnotes and supplemental information were prepared by the auditor. The auditor cannot be a part of the District's internal control, thus the preparation of the report is not a substitute for managements' internal control and is not considered in the auditors' evaluation of the severity of the internal control deficiency.

EXIT CONFERENCE

An exit conference, to discuss the contents of this report, was held on November 14, 2011. In attendance at the 1:30 p.m. meeting were Dr. Bea Etta Harris, Superintendent, Curt Tempe and Rhonda Vincent, School Board Members, and Yvonne Perez, Director of Finance. John P. McKinley, Jr., CPA represented our firm at this meeting. Also in attendance were audit committee members, Dick Mound and Greg Cory.