

**STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
JUNE 30, 2015**

Woodard, Cowen & Co.

Certified Public Accountants

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS
JUNE 30, 2015

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STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2015

BOARD OF EDUCATION

Greg Cory	President
Gina Klinekole	Vice President
Shane Holder	Secretary
Rifle Salas	Member
Marc Beatty	Member

SCHOOL OFFICIALS

Dr. George Bickert	Superintendent
Caron Snow	Director of Finance

Woodard, Cowen & Co.

Certified Public Accountants

Independent Auditor's Report

Mr. Timothy Keller
New Mexico State Auditor
School Board
Ruidoso Municipal Schools

Report on Financial Statements

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 (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's non-major governmental funds, fiduciary funds, and the budgetary comparisons for all non-major funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects fund, the debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, Schedule of Changes in Assets and Liabilities – Agency Fund, and the additional schedules listed as “required supplemental information” in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Vendor Schedule on pages 90 & 91 of this report, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Schedule of Changes in Assets and Liabilities – Agency Fund, and the additional schedules listed as “required supplemental information” are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Vendor Information schedule on pages 90 & 91 of this report has not been subjected to the auditing procedures applied in the audit of the basic financials statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Woodard, Lewen & Co.

Portales, New Mexico
November 16, 2015

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

STATEMENT OF NET POSITION

June 30, 2015

<u>ASSETS</u>	<u>Governmental Activities Primary Government</u>
Current:	
Cash	\$ 11,936,155
Due from other governments	590,241
Property Taxes Receivable	159,772
Inventory	2,631
Non-current:	
Capital assets, Net	<u>56,326,661</u>
Total assets	<u><u>\$ 69,015,460</u></u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pensions	1,345,438
 <u>LIABILITIES</u>	
Current:	
Accounts Payable	\$ 1,200
Accrued Payroll	-
Accrued Interest Payable	359,401
Compensated Absences	65,977
Debt due within one year	3,035,000
Non-current:	
Bond premium (net of amortization of \$60,431)	386,497
Net Pension Liability	19,782,901
Debt due in more than one year	<u>28,030,000</u>
Total liabilities	<u><u>51,660,976</u></u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pensions	3,130,166
Unearned Revenue	<u>18,062</u>
Total deferred inflows of resources	<u><u>3,148,228</u></u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	25,261,661
Restricted for:	
Debt Service	3,680,405
Bond Building	2,023,811
Senate Bill Nine	2,664,740
Athletics	50,043
Cafeteria	202,334
Instructional Materials	51,618
Unrestricted	<u>(18,382,918)</u>
Total net position	<u><u>\$ 15,551,694</u></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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Position
Primary government:					
Governmental Activities:					
Instruction	\$ 9,063,505	\$ 59,191	\$ 1,084,313	\$ -	\$ (7,920,001)
Support Services					
Support Services-Students	2,072,566	-	715,476	-	(1,357,090)
Support Services-Instruction	467,541	-	24,874	-	(442,667)
Support Services-General Administration	541,263	-	67,305	-	(473,958)
Support Services-School Administration	1,109,420	-	46,075	-	(1,063,345)
Central Services	535,580	-	-	-	(535,580)
Operation & Maintenance of Plant	3,348,524	-	1,682	-	(3,346,842)
Student Transportation	860,330	-	860,978	-	648
Community Services	-	-	-	-	-
Food Services-Operations	1,004,057	106,101	895,154	-	(2,802)
Community Services-Operations	-	-	-	-	-
Other Support Services	-	-	-	-	-
Bond Interest Paid	799,562	-	-	-	(799,562)
Bond Issuance Cost	-	-	-	-	-
Depreciation-Unallocated	2,079,837	-	-	-	(2,079,837)
Total governmental activities	\$ 21,882,185	\$ 165,292	\$ 3,695,857	\$ -	\$ (18,021,036)
General Revenues:					
Property Taxes:					
Levied for General Purposes					224,515
Levied for Debt Service					3,857,834
Levied for Capital Projects					1,294,410
State Equalization Guarantee					14,798,695
Federal Sources					505,025
State Operating Grants					155,471
Indirect Costs					51,470
Interest Earnings					10,255
Rent					75,000
Fees					46,368
State Capital Outlay Grants					45,667
Miscellaneous					11,958
			Total general revenues		<u>21,076,668</u>
			Change in net position		3,055,632
			Net position - beginning		<u>34,403,082</u>
			Restatement		<u>(21,907,020)</u>
			Restated Balance		12,496,062
			Net position - ending		<u>\$ 15,551,694</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2015

	GENERAL	FOOD SERVICES	TITLE I	IDEA B ENTITLEMENT
ASSETS				
Cash on Deposit	\$ 3,160,406	\$ 202,334	\$ -	\$ -
Due from Other Funds	590,241	-	-	-
Due from Other Agencies	-	-	155,101	185,082
Property Tax Receivable	7,247	-	-	-
Inventory	-	2,631	-	-
TOTAL ASSETS	\$ 3,757,894	\$ 204,965	\$ 155,101	\$ 185,082
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Inter Agency Payable	1,200	-	-	-
Due to Other Funds	-	-	155,101	185,082
TOTAL LIABILITIES	1,200	-	155,101	185,082
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	7,247	-	-	-
Unearned Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,247	-	-	-
FUND BALANCE				
Nonspendable	-	2,631	-	-
Restricted:				
Transportation	1	-	-	-
Instructional Materials	51,618	-	-	-
Capital projects Funds	-	-	-	-
Debt Service	-	-	-	-
Cafeteria	-	202,334	-	-
Athletics	-	-	-	-
Special Revenue Funds	-	-	-	-
Unassigned	3,697,828	-	-	-
TOTAL FUND BALANCE	3,749,447	204,965	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,757,894	\$ 204,965	\$ 155,101	\$ 185,082

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

TEACHER PRINCIPAL TRAINING	SENATE BILL NINE	BOND BUILDING	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 2,664,740	\$ 2,023,811	\$ 3,679,574	\$ 205,290	\$ 11,936,155
-	-	-	-	-	590,241
123,193	-	-	-	126,865	590,241
-	39,113	-	112,332	1,080	159,772
-	-	-	-	-	2,631
<u>\$ 123,193</u>	<u>\$ 2,703,853</u>	<u>\$ 2,023,811</u>	<u>\$ 3,791,906</u>	<u>\$ 333,235</u>	<u>\$ 13,279,040</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
123,193	-	-	-	126,865	590,241
<u>123,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,865</u>	<u>591,441</u>
-	39,113	-	112,332	1,080	159,772
-	-	-	-	18,062	18,062
<u>-</u>	<u>39,113</u>	<u>-</u>	<u>112,332</u>	<u>19,142</u>	<u>177,834</u>
-	-	-	-	-	2,631
-	-	-	-	-	1
-	-	-	-	-	51,618
-	2,664,740	2,023,811	-	-	4,688,551
-	-	-	3,679,574	831	3,680,405
-	-	-	-	-	202,334
-	-	-	-	50,043	50,043
-	-	-	-	136,354	136,354
-	-	-	-	-	3,697,828
<u>-</u>	<u>2,664,740</u>	<u>2,023,811</u>	<u>3,679,574</u>	<u>187,228</u>	<u>12,509,765</u>
<u>\$ 123,193</u>	<u>\$ 2,703,853</u>	<u>\$ 2,023,811</u>	<u>\$ 3,791,906</u>	<u>\$ 333,235</u>	<u>\$ 13,279,040</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 POSITION

June 30, 2015

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

Fund balances - total governmental funds	\$ 12,509,765
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	56,326,661
Compensated absences	(65,977)
Property taxes receivable not available for current year expenditures and therefore are deferred in the funds	159,772
Net Pension Liability not reported in the funds	(19,782,901)
Deferred inflows of resources related to pensions not reported in the funds	1,345,438
Deferred outflows of resources related to pension not reported in the funds	(3,130,166)
Accrued Interest Payable not reported in funds	(359,401)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(31,065,000)
Bond Premium not included in funds	<u>(386,497)</u>
Net position of governmental activities	<u><u>\$ 15,551,694</u></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, 2015

	General	FOOD SERVICES	TITLE I	IDEA B ENTITLEMENT
REVENUE				
Federal Programs	\$ 394,178	\$ 889,853	\$ 532,054	\$ 512,287
State Programs	964,776	-	-	-
State Equalization	14,798,695	-	-	-
Interest Earnings	3,642	249	-	-
Fees	46,368	106,101	-	-
Indirect Cost	51,470	-	-	-
Rent and Royalties	75,158	-	-	-
Refunds of Prior Year's Expenditures	11,800	-	-	-
Forest Reserve	110,847	-	-	-
Local Property Taxes	223,836	-	-	-
TOTAL REVENUES	16,680,770	996,203	532,054	512,287
EXPENDITURES				
Current				
Instruction	8,272,718	-	176,049	218,104
Support Services	-	-	-	-
Support Services-Students	1,233,171	-	290,278	275,906
Support Services-Instruction	444,022	-	24,875	-
Support Services-General Administration	397,401	-	40,852	18,277
Support Services-School Administration	1,091,311	-	-	-
Central Services	548,615	-	-	-
Operation & Maintenance of Plant	2,169,624	-	-	-
Student Transportation	820,214	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	998,756	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Other Bond Services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	14,977,076	998,756	532,054	512,287
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,703,694	(2,553)	-	-
Other Financing Sources (uses)				
Refunds to PED	-	-	-	-
Transfers In/Out	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	1,703,694	(2,553)	-	-
FUND BALANCE				
as of June 30, 2014	2,045,753	207,518	-	-
Restatement	-	-	-	-
Restated Balance	2,045,753	207,518	-	-
FUND BALANCE as of June 30, 2015	\$ 3,749,447	\$ 204,965	\$ -	\$ -

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

TEACHER PRINCIPAL TRAINING	SENATE BILL NINE	BOND BUILDING	DEBT SERVICE	Other Governmental Funds	Total Governmental
\$ 143,506	\$ -	\$ -	\$ -	\$ 292,087	\$ 2,763,965
-	45,667	-	-	516,765	1,527,208
-	-	-	-	-	14,798,695
-	2,286	2,190	1,837	51	10,255
-	-	-	-	59,035	211,504
-	-	-	-	-	51,470
-	-	-	-	-	75,158
-	-	-	-	156	11,956
-	-	-	-	-	110,847
-	1,288,827	-	3,843,083	322	5,356,068
143,506	1,336,780	2,190	3,844,920	868,416	24,917,126
58,716	-	-	-	534,234	9,259,821
55,272	-	-	-	261,026	2,115,653
-	-	-	-	7,738	476,635
5,119	12,888	-	40,116	34,700	549,353
24,399	-	-	-	21,676	1,137,386
-	-	-	-	-	548,615
-	-	-	-	1,682	2,171,306
-	-	-	-	40,763	860,977
-	-	-	-	-	-
-	-	-	-	5,301	1,004,057
-	-	-	-	-	-
-	1,309,606	217,113	-	-	1,526,719
-	-	-	-	-	-
-	-	-	2,825,000	-	2,825,000
-	-	-	847,149	-	847,149
143,506	1,322,494	217,113	3,712,265	907,120	23,322,671
-	14,286	(214,923)	132,655	(38,704)	1,594,455
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	14,286	(214,923)	132,655	(38,704)	1,594,455
-	2,650,454	2,238,734	3,546,919	229,344	10,918,722
-	-	-	-	(3,412)	(3,412)
-	2,650,454	2,238,734	3,546,919	225,932	10,915,310
\$ -	\$ 2,664,740	\$ 2,023,811	\$ 3,679,574	\$ 187,228	\$ 12,509,765

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, 2015

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

Net change in fund balance - total governmental funds	\$ 1,594,455
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.	(1,752,568)
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.	20,691
(Increase)/Decrease in pension expense from the difference in allocated pension expense less the District's actual pension contributions.	335,980
Expenses in the statement of activities which do not require use of current financial resources	
Increase in interest Payable	(12,844)
Increase in compensated absences	(15,513)
Bond Principal	2,825,000
Bond Premium Amortization	<u>60,431</u>
Change in Net Position	<u>\$ 3,055,632</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, 2015

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 220,038	\$ 220,038	\$ 223,836	\$ 3,798
Fees Activities	2,200	2,200	1,585	(615)
Fees-Users	25,000	25,000	44,783	19,783
Interest Income	2,500	2,500	3,642	1,142
State Equalization	14,641,102	14,641,102	14,798,695	157,593
Impact Aid	506,084	506,084	304,413	(201,671)
Rent	65,000	65,000	75,000	10,000
Access Board	-	-	89,765	89,765
Refunds	-	-	12,291	12,291
Royalties	-	-	158	158
Indirect Cost - (DFG)	1,300	1,300	-	(1,300)
Indirect Cost - (Flow Through Grants)	24,000	24,000	51,470	27,470
Forest Reserve	-	-	110,847	110,847
State Sources	850,419	964,286	964,285	(1)
TOTAL REVENUE	<u>16,337,643</u>	<u>16,451,510</u>	<u>16,680,770</u>	<u>\$ 229,261</u>
Cash Balance Budgeted	1,197,928	1,197,928		
TOTAL REVENUE & CASH	<u>\$ 17,535,571</u>	<u>\$ 17,649,438</u>		
EXPENDITURES				
Current				
Instruction	9,329,302	9,359,369	8,272,716	\$ 1,086,653
Support Services				
Support Services-Students	1,524,175	1,485,229	1,233,171	252,058
Support Services-Instruction	386,331	450,277	444,022	6,255
Support Services-General Administration	554,336	554,336	397,401	156,935
Support Services-School Administration	1,144,606	1,144,606	1,091,311	53,295
Central Services	626,272	626,272	548,615	77,657
Operation & Maintenance of Plant	2,349,950	2,349,950	2,199,006	150,944
Student Transportation	746,165	820,215	820,214	1
Other Support Services	874,434	874,434	-	874,434
TOTAL EXPENDITURES	<u>\$ 17,535,571</u>	<u>\$ 17,664,688</u>	<u>\$ 15,006,456</u>	<u>\$ 2,658,232</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 16,680,770
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 16,680,770</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 15,006,456
Differences-budget to GAAP	
Accounts Payable	(29,380)
Total Expenditures (GAAP Basis)	<u>\$ 14,977,076</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 134,295	\$ 134,295	\$ 106,101	\$ (28,194)
Interest Income	174	174	249	75
Federal Revenue	810,000	810,000	848,871	38,871
TOTAL REVENUE	<u>944,469</u>	<u>944,469</u>	<u>\$ 955,221</u>	<u>\$ 10,752</u>
Cash Balance Budgeted	<u>162,426</u>	<u>162,426</u>		
TOTAL REVENUE & CASH	<u>\$ 1,106,895</u>	<u>\$ 1,106,895</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 1,106,895	\$ 1,106,895	\$ 958,429	\$ 148,466
TOTAL EXPENDITURES	<u>\$ 1,106,895</u>	<u>\$ 1,106,895</u>	<u>\$ 958,429</u>	<u>\$ 148,466</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 955,221
Differences-Budget to GAAP	
Commodities Received	40,982
Total Revenues (GAAP Basis)	<u>\$ 996,203</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 958,429
Differences-budget to GAAP	
Cost of Commodities Used	40,982
Inventory Adjustment	(655)
Total Expenditures (GAAP Basis)	<u>\$ 998,756</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 529,508	\$ 538,061	\$ 455,286	\$ (82,775)
TOTAL REVENUE	<u>529,508</u>	<u>538,061</u>	<u>\$ 455,286</u>	<u>\$ (82,775)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 529,508</u>	<u>\$ 538,061</u>		
EXPENDITURES				
Current				
Instruction	\$ 162,227	\$ 177,680	\$ 176,049	\$ 1,631
Support Services				
Support Services-Students	315,361	291,924	290,278	1,646
Support Services-Instruction	-	24,894	24,875	19
Support Services-General Administration	20,598	41,505	40,852	653
Support Services-School Administration	31,322	2,058	-	2,058
TOTAL EXPENDITURES	<u>\$ 529,508</u>	<u>\$ 538,061</u>	<u>\$ 532,054</u>	<u>\$ 6,007</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 455,286
Differences-Budget to GAAP	
Current Year Receivable	155,101
Prior Year Receivable	(78,333)
Total Revenues (GAAP Basis)	<u>\$ 532,054</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 532,054
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 532,054</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--ENTITLEMENT

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 478,308	\$ 595,895	\$ 459,576	\$ (136,319)
TOTAL REVENUE	<u>478,308</u>	<u>595,895</u>	<u>\$ 459,576</u>	<u>\$ (136,319)</u>
Cash Balance Budgeted				
TOTAL REVENUE & CASH	<u>\$ 478,308</u>	<u>\$ 595,895</u>		
EXPENDITURES				
Current				
Instruction	\$ 265,940	\$ 260,680	\$ 218,104	\$ 42,576
Support Services				
Support Services-Students	209,600	312,903	275,906	36,997
Support Services-Instruction	-	-	-	-
Support Services-General Administration	2,768	22,312	18,277	4,035
TOTAL EXPENDITURES	<u>\$ 478,308</u>	<u>\$ 595,895</u>	<u>\$ 512,287</u>	<u>\$ 83,608</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 459,576
Differences-Budget to GAAP	
Current Year Receivable	185,082
Prior Year Receivable	(132,371)
Total Revenues (GAAP Basis)	<u>\$ 512,287</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 512,287
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 512,287</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--TEACHER/PRINCIPAL TRAINING & RECRUITING

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 131,604	\$ 145,862	\$ 78,701	\$ (67,161)
TOTAL REVENUE	<u>131,604</u>	<u>145,862</u>	<u>\$ 78,701</u>	<u>\$ (67,161)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 131,604</u>	<u>\$ 145,862</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 58,717	\$ 58,716	\$ 1
Support Services				
Support Services-Students	\$ 101,952	\$ 55,493	\$ 55,272	\$ 221
Support Services-General Administration	5,119	5,119	5,119	-
Support Services-School Administration	24,533	26,533	24,399	2,134
TOTAL EXPENDITURES	<u>\$ 131,604</u>	<u>\$ 145,862</u>	<u>\$ 143,506</u>	<u>\$ 2,356</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 78,701
Differences-Budget to GAAP	
Current Year Receivable	123,193
Prior Year Receivable	(58,388)
Total Revenues (GAAP Basis)	<u>\$ 143,506</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 143,506
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 143,506</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF FIDUCIARY ASSETS & LIABILITIES--AGENCY FUND

June 30, 2015

ASSETS	
Cash on Deposit	\$ 225,124
Due from Operational	1,200
TOTAL ASSETS	<u>\$ 226,324</u>
LIABILITIES	
Due to Student Groups	\$ 226,324
TOTAL LIABILITIES	<u>\$ 226,324</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens, A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no component units.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

I. Summary of Significant Accounting Policies (continued)

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

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

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

The government reports the following 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.

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.

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

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.

SB 9 (Capital Projects Fund) – 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.

BOND BUILDING (Capital Projects Fund) – 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.

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:

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

I. Summary of Significant Accounting Policies (continued)

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

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.

I. Summary of Significant Accounting Policies (continued)

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

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.

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.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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 2015 fiscal year was \$653,046,432. 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.

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.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

D. Assets, liabilities, and net assets or equity

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.

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 \$14,798,695 in state equalization guarantee distributions during the year ended June 30, 2015.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

D. Assets, liabilities, and net assets or equity

12. Revenues

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 \$820,215 in transportation distributions during the year ended June 30, 2015.

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 \$31,065,000 difference are as follows:

Bonds Payable	\$ 31,065,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 31,065,000</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 \$1,752,568 difference are as follows:

Capital Outlay	\$ 327,269
Depreciation expense	<u>2,079,837</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ (1,752,568)</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 \$2,825,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 2,825,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,825,000</u>

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 17,535,571	\$ 15,005,668
Special Revenue Fund	2,990,155	3,053,396
Debt Service	6,528,242	3,712,268
Capital Projects Fund	3,426,320	12,888
	<u>\$ 30,480,288</u>	<u>\$ 21,784,220</u>

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2015.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2015, the carrying amount of the District's deposits was \$12,161,278 and the bank balance was \$13,186,425. Of this balance \$250,000 was covered by federal depository insurance and \$10,500,000 was covered by collateral held in the District's name in joint safekeeping by a third party.

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.

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, 2015, none of the government's bank balance of \$13,186,425 was exposed to custodial risk as follows:

Uninsured and Uncollateralized	\$ 2,436,425
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STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

IV. Detailed notes on all funds (continued)

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	\$ -	\$ 7,247
Senate Bill Nine	-	39,113
Debt Service	-	112,332
Ed Tech Debt Service	-	1,080
Title I	155,101	-
Entitlement	185,082	-
IDEA B Risk Pool	449	-
Preschool	7,346	-
Teacher/Principal Training	123,193	-
Rural and Low Income Schools	13,761	-
Pre-K Initiative	14,498	-
Breakfast for Elementary Students	3,754	-
2012 GO Bond Student Library	7,738	-
NM Reads to Lead	2,209	-
Robot Systems for Math Competitions	21,228	-
Indian Education Act	24,693	-
Kindergarten Three Plus After School	2,912	-
After School Enrichment	28,277	-
Totals	<u>\$ 590,241</u>	<u>\$ 159,772</u>

Governmental funds reported *deferred inflows of resources* 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	\$ 18,062
Property Taxes – Delinquent	<u>159,772</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 177,834</u>

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

IV. Detailed notes on all funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance 06/30/14	Adjustments	Increases	Decreases	Balance 06/30/15
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 1,340,817	\$ -	\$ -	\$ -	\$ 1,340,817
Construction in Progress	-	-	-	-	-
Total Capital Assets not being depreciated	<u>1,340,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,340,817</u>
Capital Assets being depreciated					
Buildings & Improvements	66,892,443	-	181,398	-	67,073,841
Land Improvements	10,234,740	-	32,069	-	10,266,809
Equipment	1,887,308	-	113,802	-	2,001,110
Total Capital Assets being depreciated	<u>79,014,491</u>	<u>-</u>	<u>327,269</u>	<u>-</u>	<u>79,341,760</u>
Less: Accumulated Depreciation					
Buildings & Improvements	18,204,343	-	1,505,394	-	19,709,737
Land Improvements	2,745,032	-	453,005	-	3,198,037
Equipment	1,326,704	-	121,438	-	1,448,142
Total Accumulated Depreciation	<u>22,276,079</u>	<u>-</u>	<u>2,079,837</u>	<u>-</u>	<u>24,355,916</u>
Net Capital Assets being depreciated	<u>56,738,412</u>	<u>-</u>	<u>(1,752,568)</u>	<u>-</u>	<u>54,985,844</u>
Total Net Capital Assets	<u>\$ 58,079,229</u>	<u>\$ -</u>	<u>\$ (1,752,568)</u>	<u>\$ -</u>	<u>\$ 56,326,661</u>

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.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2014	Additions	Retirements	Balance 6/30/2015	Amount Due in One Year
2006	14,500,000	5.00%	2,000,000	-	1,000,000	1,000,000	1,000,000
2007	8,500,000	5.00%	6,600,000	-	500,000	6,100,000	600,000
2008	3,000,000	4.00%	2,050,000	-	200,000	1,850,000	200,000
		2.00%-					
2011	9,000,000	2.875%	8,700,000	-	300,000	8,400,000	300,000
2013	5,000,000	2.00%-3.00%	4,560,000	-	575,000	3,985,000	710,000
2014	9,980,000	1.50%-3.00%	9,980,000	-	250,000	9,730,000	225,000
Total	\$ 49,980,000		\$ 36,000,000	\$ -	2,825,000	\$ 31,065,000	\$ 3,035,000

Fiscal Year	Principal	Interest	Total
2016	3,035,000	811,588	3,846,588
2017	2,350,000	721,956	3,071,956
2018	2,550,000	654,425	3,204,425
2019	2,725,000	594,588	3,319,588
2020	3,000,000	524,563	3,524,563
2021-2025	14,905,000	1,315,113	16,220,113
2026	2,500,000	34,063	2,534,063
	\$ 31,065,000	\$ 4,656,296	\$ 35,721,296

The bonds and bond interest are paid from property tax levies enacted specifically for the debt retirement. The revenues pledged totaled \$3,843,083 at June 30, 2015, and equal to 100% of the tax levies enacted to repay the bonded indebtedness. The bonds were sold to erect and furnish facilities for the District. The property tax levies will expire when the related bond indebtedness is repaid.

During the year ended June 30, 2015, the District recognized \$3,843,083 in property taxes pledged to retire the bonded indebtedness, and retired \$3,673,835 in bond principal and interest.

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 \$38,926,108 including \$31,065,000 debt outstanding based on the 2014 initial valuation.

E. Compensated Absences

Liability for Compensated Absences

Balance June 30, 2014	Vacation Used	Vacation Accrued	Balance June 30, 2015	Amount Due in One Year
\$50,464	\$46,558	\$60,036	\$64,391	\$64,391

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015.

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.

C. Employee retirement plan

Pensions For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended to administer the New Mexico Educational Employee's Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

Benefits provided. A member's retirement benefit is determined by a formula which includes three component parts: The member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

V. Other information (continued)

C. Employee retirement plan (continued)

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or before July 1, 2010, or any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80- or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 20, 2013 the COLA adjustment was equal to one-half the change in the consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would be equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirement. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 year or more years of service credit have 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is provided by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times years of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the state of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions. The contribution requirements of defined benefit plan members and the (*names of employer*) are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$1,345,438 for the year ended June 30, 2015.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

V. Other information (continued)

C. Employee retirement plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District's reported a liability of \$19,782,901 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was .34672 percent, which was a decrease of .02226% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,009,471. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 294,695
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,798,347
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,037,124
District's contributions subsequent to the measurement date	<u>1,345,438</u>	-
Total	<u>\$1,345,438</u>	<u>\$3,130,166</u>

\$1,345,438 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(\$912,027)
2017	(\$912,027)
2018	(\$856,535)
2019	(\$449,590)
2020	-

Actuarial assumptions. As described above, the total ERB pension liability and net liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 20, 2014 incorporate the following assumption:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLA's for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

V. Other information (continued)

C. Employee retirement plan (continued)

For those purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurements are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service.
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation from 2014 and 2013 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	<u>2014 Long-Term Expected Real Rate of Return</u>	<u>2013 Long-Term Expected Real Rate of Return</u>
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

V. Other information (continued)

C. Employee retirement plan (continued)

Commodities	5.00%	5.00%
Hedge Fund Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the District's proportionate share of the net pension to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the District's net pension liability under the current single rate assumption; as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75)	1% Increase (8.75%)
District's proportionate share of the net pension liability	<u>\$26,916,921</u>	<u>\$19,782,901</u>	<u>\$13,823,983</u>

Pension plan fiduciary net position. Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

Payable to the pension plan. The District has no payables to the pension plan

D. Post-retirement health care benefits

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

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

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

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

V. Other information (continued)

D. Post-retirement health care benefits (continued)

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$193,599, \$191,136 and \$201,267, respectively, which equal the required contributions for each year.

E. Interfund Balances

Due from	Due to Operational
Title I	155,101
Entitlement	185,082
IDEA B Risk Pool	449
Preschool	7,346
Teacher/Principal Training	123,193
Rural and Low Income Schools	13,761
Pre-K Initiative	14,498
Breakfast for Elementary Students	3,754
2012 GO Bond Student Library	7,738
NM Reads to Lead	2,209
Robot Systems for Math Competitions	21,228
Indian Education Act	24,693
Kindergarten Three Plus After School	2,912
After School Enrichment	28,277
	\$ 590,241

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

V. Other information (continued)

F. 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	Food Service	Bond Building	Senate Bill 9	Debt Service	Non-Major Governmental Funds	Total
Non-Spendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	2,631	\$ 2,631
Total Nonspendable	-	-	-	-	-	2,631	2,631
Restricted for:							
Debt Service	-	-	-	-	3,679,574	831	3,680,405
Capital Improvements	-	-	2,023,811	2,664,740	-	-	4,688,551
Athletics	-	-	-	-	-	50,043	50,043
Cafeteria	-	202,334	-	-	-	-	202,334
Instructional Materials	51,618	-	-	-	-	-	51,618
Transportation	1	-	-	-	-	-	1
Special Revenue	-	-	-	-	-	136,354	136,354
Total restricted	51,619	202,334	2,023,811	2,664,740	3,679,574	187,228	8,809,306
Unassigned	3,697,828	-	-	-	-	-	3,697,828
Total Fund Balances	\$ 3,749,447	\$ 202,334	\$ 2,023,811	\$ 2,664,740	\$ 3,679,574	\$ 187,228	\$ 12,509,765

G. Restatement of Net Position

Beginning net position was restated for (\$21,907,020) for the following reasons.

Net position July 1, 2013	\$ 34,403,082
Restatement to record Net Pension Liability	(21,903,608)
Voided check from prior year expenditure in Athletic Fund	895
Restatement of deferred revenue in Indian Ed Formula	(4,307)
Restated net position July 1, 2013	\$ <u>12,496,062</u>

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Special Revenue

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.

NEW MEXICO AUTISM PROJECT – To account for funds provided to the District to support the District's implementation of the NMAP and improve outcomes for students with Autism Spectrum Disorders. 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

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)

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)

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.

TITLE I SCHOOL IMPROVEMENT – to help local education agencies and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging state academic standards. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title I, Part A, 20 USC 6301 et seq.

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)

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.

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)

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.

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Special Revenue (continued)

2012 G.O. BOND LIBRARY FUND SB-66 – This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public schools and juvenile detention libraries statewide.

NEW MEXICO READS TO LEAD – To account for the funding provided by the PED for the purchase of K-3 non-fiction books, K-3 non-fiction classroom libraries, and K-3 non-fiction text materials. Fund was created under the state-wide reading initiative authorized under NM Section 22-13-1.3.

ROBOTIC SYSTEMS FOR MATH COMPETITIONS - To account for funds used to plan, design, purchase and install robot systems to equip students for science, technology, engineering and math competitions at public schools statewide. Funding and authority provided through the NM PED.

ROBOTICS 2013 – To account for funds used to plan, design, purchase and install robot systems to equip students for science, technology, engineering and math competitions at public schools statewide. Funding and authority provided through the NM PED.

INDIAN EDUCATION ACT – To account for state funds used to increase academic achievement and provide culturally relevant learning experiences for American Indian students. Funding and authority provided through the NM PED.

BREAKFAST FOR 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.

KINDERGARTEN THREE PLUS – To account for the funds used to provide additional educational time for students in kindergarten through the third grade with at least 25 additional instructional days beginning up to two months earlier than the regular school year. The funding and authority provided by the NM PED.

AFTER SCHOOL ENRICHMENT – To account for the revenues and expenditures to provide additional services to students after regular school hours. The funding and authority provided by the NM PED and grant provision.

NEW MEXICO GROWN FRESH FRUITS AND VEGETABLES – To account for funds distributed to the District for the purchase of fruits and vegetables produced in New Mexico. Funding and authority provided by NM PED.

NEXT GENERATION ASSESSMENT – To account for funds provided to the District for purchases computers and related hardware that will aid and prepare the District in taking the PARCC assessment test. Funding and authority provided by the NM PED.

SUICIDE PREVENTION – The purpose of this fund is to account for the agreement used to provide integrated primary and behavioral health care for adolescents through a school based health center. The authority and funding for this agreement is provided by the contract between the REC and the New Mexico Department of Health.

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.

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.

GRADS PLUS – 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.

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

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.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	SPECIAL REVENUE			
	ATHLETICS	NEW MEXICO AUTISM PROJECT.	PRESCHOOL	EARLY INTERVENTION
ASSETS				
Cash on Deposit	\$ 50,043	\$ -	\$ -	\$ 32
Due From Other Funds	-	-	-	-
Due From Other Agencies	-	-	7,346	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 50,043	\$ -	\$ 7,346	\$ 32
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Due to Other Funds	-	-	7,346	-
TOTAL LIABILITIES	-	-	7,346	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Unearned Revenue	-	-	-	32
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	32
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted:				
Transportation				
Instructional Materials				
Capital Projects Funds				
Debt Service				
Cafeteria	-	-	-	-
Athletics	50,043	-	-	-
Special Revenue Funds	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	50,043	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 50,043	\$ -	\$ 7,346	\$ 32

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

SPECIAL REVENUE

IDEA B RISK POOL	RURAL & LOW INCOME SCHOOLS	TITLE I SCHOOL IMPROVEMENTS	IMPACT AID SPECIAL EDUCATION	IMPACT AID INDIAN EDUCATION	TITLE XIX MEDICAID 3-21 YEARS
\$ -	\$ -	\$ 9	\$ 33,636	\$ 68,070	\$ 13,408
-	-	-	-	-	-
449	13,761	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 449</u>	<u>\$ 13,761</u>	<u>\$ 9</u>	<u>\$ 33,636</u>	<u>\$ 68,070</u>	<u>\$ 13,408</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
449	13,761	-	-	-	-
<u>449</u>	<u>13,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9	33,636	68,070	13,408
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>9</u>	<u>33,636</u>	<u>68,070</u>	<u>13,408</u>
<u>\$ 449</u>	<u>\$ 13,761</u>	<u>\$ 9</u>	<u>\$ 33,636</u>	<u>\$ 68,070</u>	<u>\$ 13,408</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	SPECIAL REVENUE			
	CHILD & ADULT FOOD PROGRAM	INDIAN ED FORMULA	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2012 GO BOND LIBRARY FUND SB-66
ASSETS				
Cash on Deposit	\$ 9,528	\$ 12,856	\$ -	\$ -
Due From Other Funds	-	-	-	-
Due From Other Agencies	-	-	-	7,738
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 9,528	\$ 12,856	\$ -	\$ 7,738
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Due to Other Funds	-	-	-	7,738
TOTAL LIABILITIES	-	-	-	7,738
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Unearned Revenue	-	12,856	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	12,856	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted:				
Transportation				
Instructional Materials				
Capital Projects Funds				
Debt Service				
Cafeteria				
Athletics				
Special Revenue Funds	9,528	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	9,528	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 9,528	\$ 12,856	\$ -	\$ 7,738

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

SPECIAL REVENUE

NEW MEXICO READS TO LEAD	ROBOT SYSTEMS FOR MATH COMPETITIONS	ROBOTICS 2013	PRE K INITIATIVE	INDIAN EDUCATION ACT
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,209	21,228	-	14,498	24,693
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,209</u>	<u>\$ 21,228</u>	<u>\$ -</u>	<u>\$ 14,498</u>	<u>\$ 24,693</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,209	21,228	-	14,498	24,693
<u>2,209</u>	<u>21,228</u>	<u>-</u>	<u>14,498</u>	<u>24,693</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,209</u>	<u>\$ 21,228</u>	<u>\$ -</u>	<u>\$ 14,498</u>	<u>\$ 24,693</u>

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

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	SPECIAL REVENUE			
	BREAKFAST FOR ELEMENTARY STUDENTS	KINDERGARTEN THREE PLUS AFTER SCHOOL	AFTER SCHOOL ENRICHMENT	NM GROWN FRESH FRUITS & VEGETABLES
ASSETS				
Cash on Deposit	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-
Due From Other Agencies	3,754	2,912	28,277	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 3,754	\$ 2,912	\$ 28,277	\$ -
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Due to Other Funds	3,754	2,912	28,277	-
TOTAL LIABILITIES	3,754	2,912	28,277	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Unearned Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted:				
Transportation				
Instructional Materials				
Capital Projects Funds				
Debt Service				
Cafeteria				
Athletics				
Special Revenue Funds	-	-	-	-
Unassigned				
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,754	\$ 2,912	\$ 28,277	\$ -

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

SPECIAL REVENUE					DEBT SERVICE		
NEXT GENERATION ASSESSMENT	SUICIDE PREVENTION	GRADS	GRADS INSTRUCTION	GRADS PLUS	ED TECH DEBT SERVICE	TOTAL NON MAJOR FUNDS	
\$ -	\$ 5,174	\$ 894	\$ 4,050	\$ 6,759	\$ 831	\$ 205,290	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	126,865	
-	-	-	-	-	1,080	1,080	
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 5,174</u>	<u>\$ 894</u>	<u>\$ 4,050</u>	<u>\$ 6,759</u>	<u>\$ 1,911</u>	<u>\$ 333,235</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	126,865	
-	-	-	-	-	-	126,865	
-	-	-	-	-	1,080	1,080	
-	5,174	-	-	-	-	18,062	
-	5,174	-	-	-	1,080	19,142	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	831	831	
-	-	894	4,050	6,759	-	50,043	
-	-	894	4,050	6,759	831	136,354	
-	-	894	4,050	6,759	831	187,228	
<u>\$ -</u>	<u>\$ 5,174</u>	<u>\$ 894</u>	<u>\$ 4,050</u>	<u>\$ 6,759</u>	<u>\$ 1,911</u>	<u>\$ 333,235</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
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	SPECIAL REVENUE			
	ATHLETICS	NEW MEXICO AUTISM PROJECT.	PRESCHOOL	EARLY INTERVENTION
REVENUE				
Federal Programs	\$ -	\$ 9,174	\$ 26,577	\$ -
State Programs	-	-	-	-
State Equalization	-	-	-	-
Interest Earnings	51	-	-	-
Private/Direct Grants	-	-	-	-
Charges for Services	-	-	-	-
Fees	59,035	-	-	-
Donations	-	-	-	-
Sale of Property	-	-	-	-
Miscellaneous	-	-	-	-
Indirect Cost	-	-	-	-
Rent and Royalties	-	-	-	-
Local Property Taxes	-	-	-	-
Refund of Prior Year's Expenditures	156	-	-	-
TOTAL REVENUES	<u>59,242</u>	<u>9,174</u>	<u>26,577</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	52,661	4,079	-	-
Support Services				
Support Services-Students	-	5,095	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	26,577	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>52,661</u>	<u>9,174</u>	<u>26,577</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	6,581	-	-	-
Other Financing Sources (uses)				
Refunds to PED	-	-	-	-
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	6,581	-	-	-
FUND BALANCE				
as of June 30, 2014	42,567	-	-	-
Restatement	895	-	-	-
Restated Balance	<u>43,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
as of June 30, 2015	<u><u>\$ 50,043</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.

SPECIAL REVENUE

IDEA B RISK POOL	RURAL & LOW INCOME SCHOOLS	TITLE I SCHOOL IMPROVEMENTS	IMPACT AID SPECIAL EDUCATION	IMPACT AID INDIAN EDUCATION	TITLE XIX MEDICAID 3-21 YEARS
\$ 449	\$ 29,837	\$ 9	\$ 50,792	\$ 76,102	\$ 24,931
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
449	29,837	9	50,792	76,102	24,931
-	29,261	-	18,692	431	-
449	-	-	40,122	72,623	61,999
-	-	-	-	-	-
-	576	-	2,227	2,836	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
449	29,837	-	61,041	75,890	61,999
-	-	9	(10,249)	212	(37,068)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9	(10,249)	212	(37,068)
-	-	-	43,885	67,858	50,476
-	-	-	-	-	-
-	-	-	43,885	67,858	50,476
\$ -	\$ -	\$ 9	\$ 33,636	\$ 68,070	\$ 13,408

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
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	SPECIAL REVENUE			
	CHILD & ADULT FOOD PROGRAM	INDIAN ED FORMULA	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2012 GO BOND LIBRARY FUND SB-66
REVENUE				
Federal Programs	\$ 2,166	\$ 72,050	\$ -	\$ -
State Programs	-	-	6,930	7,738
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Private/Direct Grants	-	-	-	-
Charges for Services				
Fees	-	-	-	-
Donations	-	-	-	-
Sale of Property	-	-	-	-
Miscellaneous	-	-	-	-
Indirect Cost				
Rent and Royalties				
Local Property Taxes				
Refund of Prior Year's Expenditures				
TOTAL REVENUES	<u>2,166</u>	<u>72,050</u>	<u>6,930</u>	<u>7,738</u>
EXPENDITURES				
Current				
Instruction	2,144	-	6,930	-
Support Services				
Support Services-Students	-	72,050	-	-
Support Services-Instruction	-	-	-	7,738
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	-	-	-	-
TOTAL EXPENDITURES	<u>2,144</u>	<u>72,050</u>	<u>6,930</u>	<u>7,738</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	22	-	-	-
Other Financing Sources (uses)				
Refunds to PED	-	-	-	-
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	22	-	-	-
FUND BALANCE				
as of June 30, 2014	9,506	4,307	-	-
Restatement	-	(4,307)	-	-
Restated Balance	9,506	-	-	-
FUND BALANCE				
as of June 30, 2015	<u>\$ 9,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE

NEW MEXICO READS TO LEAD	ROBOT SYSTEMS FOR MATH COMPETITIONS	ROBOTICS 2013	PRE K INITIATIVE	INDIAN EDUCATION ACT
\$ -	\$ -	\$ -	\$ -	\$ -
74,619	21,228	-	128,824	24,693
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>74,619</u>	<u>21,228</u>	<u>-</u>	<u>128,824</u>	<u>24,693</u>
72,138	21,228	-	94,786	24,693
-	-	-	-	-
-	-	-	-	-
2,481	-	-	-	-
-	-	-	4,038	-
-	-	-	-	-
-	-	-	-	-
-	-	-	30,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>74,619</u>	<u>21,228</u>	<u>-</u>	<u>128,824</u>	<u>24,693</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
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	SPECIAL REVENUE			
	BREAKFAST FOR ELEMENTARY STUDENTS	KINDERGARTEN THREE PLUS AFTER SCHOOL	AFTER SCHOOL ENRICHMENT	NM GROWN FRESH FRUITS & VEGETABLES
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	5,301	187,572	37,241	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Private/Direct Grants	-	-	-	-
Charges for Services				
Fees	-	-	-	-
Donations	-	-	-	-
Sale of Property	-	-	-	-
Miscellaneous	-	-	-	-
Indirect Cost				
Rent and Royalties				
Local Property Taxes				
Refund of Prior Year's Expenditures				
TOTAL REVENUES	5,301	187,572	37,241	-
EXPENDITURES				
Current				
Instruction	-	153,301	37,241	-
Support Services				
Support Services-Students	-	8,688	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	13,138	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	1,682	-	-
Student Transportation	-	10,763	-	-
Other Support Services	-	-	-	-
Food Services-Operations	5,301	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	5,301	187,572	37,241	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
Other Financing Sources (uses)				
Refunds to PED	-	-	-	-
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
as of June 30, 2014	-	-	-	-
Restatement	-	-	-	-
Restated Balance	-	-	-	-
FUND BALANCE				
as of June 30, 2015	\$ -	\$ -	\$ -	\$ -

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

SPECIAL REVENUE					DEBT SERVICE		
NEXT GENERATION ASSESSMENT	SUICIDE PREVENTION	GRADS	GRADS INSTRUCTION	GRADS PLUS	ED TECH DEBT SERVICE	TOTAL NON MAJOR FUNDS	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,087	
-	2,464	3,000	6,500	10,655	-	516,765	
-	-	-	-	-	-	-	
-	-	-	-	-	-	51	
-	-	-	-	-	-	-	
-	-	-	-	-	-	59,035	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	322	322	
-	2,464	3,000	6,500	10,655	322	868,416	
-	2,464	3,000	6,500	4,685	-	534,234	
-	-	-	-	-	-	261,026	
-	-	-	-	-	-	7,738	
-	-	-	-	-	3	34,700	
-	-	-	-	4,500	-	21,676	
-	-	-	-	-	-	-	
-	-	-	-	-	-	1,682	
-	-	-	-	-	-	40,763	
-	-	-	-	-	-	-	
-	-	-	-	-	-	5,301	
-	-	-	-	-	-	-	
-	2,464	3,000	6,500	9,185	3	907,120	
-	-	-	-	1,470	319	(38,704)	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	1,470	319	(38,704)	
-	-	894	4,050	5,289	512	229,344	
-	-	-	-	-	-	(3,412)	
-	-	894	4,050	5,289	512	225,932	
\$ -	\$ -	\$ 894	\$ 4,050	\$ 6,759	\$ 831	\$ 187,228	

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--ATHLETICS

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ -	\$ 32,420	\$ 59,025	\$ 26,605
Donations/Gifts	-	-	10	10
Interest Income	-	-	51	51
Refunds	-	-	156	156
TOTAL REVENUE	-	32,420	\$ 59,242	\$ 26,822
Cash Balance Budgeted	38,897	38,897		
TOTAL REVENUE & CASH	\$ 38,897	\$ 71,317		
EXPENDITURES				
Current				
Instruction	\$ 38,897	\$ 71,317	\$ 52,661	\$ 18,656
TOTAL EXPENDITURES	\$ 38,897	\$ 71,317	\$ 52,661	\$ 18,656

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 59,242
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	\$ 59,242

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 52,661
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 52,661

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--NEW MEXICO AUTISM PROJECT

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 9,418	\$ 10,267	\$ 849
TOTAL REVENUE	<u>-</u>	<u>9,418</u>	<u>\$ 10,267</u>	<u>\$ 849</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 9,418</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 4,176	\$ 4,079	\$ 97
Support Services				
Support Services-Students	-	5,242	5,095	147
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 9,418</u>	<u>\$ 9,174</u>	<u>\$ 244</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 10,267
Differences-Budget to GAAP	
Prior Year Tax Receivables	(1,093)
Total Revenues (GAAP Basis)	<u>\$ 9,174</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 9,174
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 9,174</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 REVEUE FUND--IDEA B PRESCHOOL

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 23,919	\$ 26,578	\$ 22,683	\$ (3,895)
TOTAL REVENUE	<u>23,919</u>	<u>26,578</u>	<u>\$ 22,683</u>	<u>\$ (3,895)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 23,919</u>	<u>\$ 26,578</u>		
EXPENDITURES				
Current				
Instruction	\$ 23,919	\$ 26,578	\$ 26,577	\$ 1
TOTAL EXPENDITURES	<u>\$ 23,919</u>	<u>\$ 26,578</u>	<u>\$ 26,577</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)	\$ 22,683
Differences-Budget to GAAP	
Current Year Receivable	7,346
Prior Year Receivable	(3,452)
Total Revenues (GAAP Basis)	<u>\$ 26,577</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 26,577
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 26,577</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--IDEA-B RISK POOL

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 449	\$ -	\$ (449)
TOTAL REVENUE	<u>\$ -</u>	<u>\$ 449</u>	<u>\$ -</u>	<u>\$ (449)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 449</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ -	\$ 449	\$ 449	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 449</u>	<u>\$ 449</u>	<u>\$ -</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	449
Total Revenues (GAAP Basis)	<u>\$ 449</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 449
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 449</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--RURAL & LOW INCOME SCHOOLS

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 39,517	\$ 57,983	\$ 26,706	\$ (31,277)
TOTAL REVENUE	<u>39,517</u>	<u>57,983</u>	<u>\$ 26,706</u>	<u>\$ (31,277)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 39,517</u>	<u>\$ 57,983</u>		
EXPENDITURES				
Current				
Instruction	\$ 38,152	\$ 55,927	\$ 29,261	\$ 26,666
Support Services				
Support Services-General Administration	1,365	2,056	576	1,480
TOTAL EXPENDITURES	<u>\$ 39,517</u>	<u>\$ 57,983</u>	<u>\$ 29,837</u>	<u>\$ 28,146</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 26,706
Differences-Budget to GAAP	
Current Year Receivable	13,761
Prior Year Receivable	(10,630)
Total Revenues (GAAP Basis)	<u>\$ 29,837</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 29,837
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 29,837</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 SCHOOL IMPROVEMENT

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 5,663	\$ 5,663
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>5,663</u>	<u>5,663</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 5,663
Differences-Budget to GAAP	
Prior Year Receivable	(5,654)

Total Revenues (GAAP Basis)

\$ 9

Uses/outflows of resources

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

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 17,268	\$ 50,792	\$ 33,524
TOTAL REVENUE	<u>-</u>	<u>17,268</u>	<u>\$ 50,792</u>	<u>\$ 33,524</u>
Cash Balance Budgeted	<u>42,584</u>	<u>43,884</u>		
TOTAL REVENUE & CASH	<u>\$ 42,584</u>	<u>\$ 61,152</u>		
EXPENDITURES				
Current				
Instruction	\$ 17,839	\$ 18,802	\$ 18,692	\$ 110
Support Services				
Support Services-Students	23,171	40,123	40,122	1
Support Services-General Administration	1,574	2,227	2,227	-
TOTAL EXPENDITURES	<u>\$ 42,584</u>	<u>\$ 61,152</u>	<u>\$ 61,041</u>	<u>\$ 111</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 50,792
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 50,792</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 61,041
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 61,041</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 - IMPACT AID INDIAN EDUCATION

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 10,879	\$ 76,102	\$ 65,223
TOTAL REVENUE	<u>-</u>	<u>10,879</u>	<u>\$ 76,102</u>	<u>\$ 65,223</u>
Cash Balance Budgeted	<u>52,803</u>	<u>67,858</u>		
TOTAL REVENUE & CASH	<u>\$ 52,803</u>	<u>\$ 78,737</u>		
EXPENDITURES				
Current				
Instruction	\$ 619	\$ 1,919	\$ 432	\$ 1,487
Support Services				
Support Services-Students	52,184	73,977	72,622	1,355
Support Services-General Administration	-	2,841	2,836	5
TOTAL EXPENDITURES	<u>\$ 52,803</u>	<u>\$ 78,737</u>	<u>\$ 75,890</u>	<u>\$ 2,847</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 76,102
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 76,102</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 75,890
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 75,890</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 XIX MEDICAID 3 TO 21

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 19,147	\$ 24,931	\$ 5,784
TOTAL REVENUE	<u>-</u>	<u>19,147</u>	<u>24,931</u>	<u>5,784</u>
Cash Balance Budgeted	<u>12,877</u>	<u>50,476</u>		
TOTAL REVENUE & CASH	<u>\$ 12,877</u>	<u>\$ 69,623</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ 12,877	\$ 69,623	\$ 61,999	\$ 7,624
TOTAL EXPENDITURES	<u>\$ 12,877</u>	<u>\$ 69,623</u>	<u>\$ 61,999</u>	<u>\$ 7,624</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 24,931
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 24,931</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 61,999
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 61,999</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 - CHILD & ADULT FOOD PROGRAM

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 3,500	\$ 2,166	\$ (1,334)
TOTAL REVENUE	<u>-</u>	<u>3,500</u>	<u>\$ 2,166</u>	<u>\$ (1,334)</u>
Cash Balance Budgeted	<u>9,252</u>	<u>9,252</u>		
TOTAL REVENUE & CASH	<u>\$ 9,252</u>	<u>\$ 12,752</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,252	\$ 12,752	\$ 2,144	\$ 10,608
TOTAL EXPENDITURES	<u>\$ 9,252</u>	<u>\$ 12,752</u>	<u>\$ 2,144</u>	<u>\$ 10,608</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,166
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 2,166</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,144
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,144</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 - INDIAN ED FORMULA GRANT

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 75,902	\$ 72,050	\$ (3,852)
TOTAL REVENUE	<u>-</u>	<u>75,902</u>	<u>72,050</u>	<u>(3,852)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 75,902</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ -	\$ 75,902	\$ 72,050	\$ 3,852
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 75,902</u>	<u>\$ 72,050</u>	<u>\$ 3,852</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 72,050
Differences-Budget to GAAP	

Total Revenues (GAAP Basis)	<u>\$ 72,050</u>
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Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 72,050
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 72,050</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 - 2009 DUAL CREDIT INSTRUCTIONAL MATERIALS

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 6,930	\$ 12,426	\$ 5,496
TOTAL REVENUE	<u>-</u>	<u>6,930</u>	<u>12,426</u>	<u>5,496</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,930</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 6,930	\$ 6,930	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6,930</u>	<u>\$ 6,930</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,426
Differences-Budget to GAAP	
Current Year Receivable	(5,496)
Total Revenues (GAAP Basis)	<u>\$ 6,930</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,930
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,930</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 - 2012 G.O. BOND STUDENT LIBRARY

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 8,640	\$ 8,925	\$ 285
TOTAL REVENUE	<u>-</u>	<u>8,640</u>	<u>8,925</u>	<u>285</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 8,640</u>		
EXPENDITURES				
Current				
Support Services				
Support Services-Instruction	\$ -	\$ 8,640	\$ 7,738	\$ 902
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 8,640</u>	<u>\$ 7,738</u>	<u>\$ 902</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 8,925
Differences-Budget to GAAP	
Property tax Receivable	
Prior Year Tax Receivables	
Current Year Receivable	7,738
Prior Year Receivable	(8,925)
Total Revenues (GAAP Basis)	<u>\$ 7,738</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 7,738
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 7,738</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 - NEW MEXICO READS TO LEAD

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 97,500	\$ 97,500	\$ 96,943	\$ (557)
TOTAL REVENUE	<u>97,500</u>	<u>97,500</u>	<u>\$ 96,943</u>	<u>\$ (557)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 97,500</u>	<u>\$ 97,500</u>		
EXPENDITURES				
Current				
Instruction	\$ 96,525	\$ 95,019	\$ 72,138	\$ 22,881
Support Services				
Support Services-General Administration	975	2,481	2,481	-
TOTAL EXPENDITURES	<u>\$ 97,500</u>	<u>\$ 97,500</u>	<u>\$ 74,619</u>	<u>\$ 22,881</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 96,943
Differences-Budget to GAAP	
Property tax Receivable	
Prior Year Tax Receivables	(24,533)
Current Year Receivable	2,209
Total Revenues (GAAP Basis)	<u>\$ 74,619</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 74,619
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 74,619</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--ROBOT SYSTEMS FOR MATH COMPETITIONS

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 21,228	\$ -	\$ (21,228)
TOTAL REVENUE	<u>-</u>	<u>21,228</u>	<u>-</u>	<u>(21,228)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 21,228</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 21,228	\$ 21,228	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 21,228</u>	<u>\$ 21,228</u>	<u>\$ -</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	21,228
Total Revenues (GAAP Basis)	<u>\$ 21,228</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 21,228
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 21,228</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--PREK INITIATIVE

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 129,000	\$ 129,000	\$ 114,325	\$ (14,675)
TOTAL REVENUE	<u>129,000</u>	<u>129,000</u>	<u>\$ 114,325</u>	<u>\$ (14,675)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 129,000</u>	<u>\$ 129,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 117,027	\$ 94,886	\$ 94,786	\$ 100
Support Services				
Support Services-General Administration	1,290	75	-	75
Support Services-School Administration	-	4,039	4,038	1
Student Transportation	10,683	30,000	30,000	-
TOTAL EXPENDITURES	<u>\$ 129,000</u>	<u>\$ 129,000</u>	<u>\$ 128,824</u>	<u>\$ 176</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 114,325
Differences-Budget to GAAP	
Current Year Receivable	14,499
Total Revenues (GAAP Basis)	<u>\$ 128,824</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 128,824
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 128,824</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--INDIAN EDUCATION ACT

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 25,000	\$ 17,622	\$ 7,378
TOTAL REVENUE	<u>-</u>	<u>25,000</u>	<u>17,622</u>	<u>7,378</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 25,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 25,000	\$ 24,693	\$ 307
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 25,000</u>	<u>24,693</u>	<u>307</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 17,622
Differences-Budget to GAAP	
Prior Year Tax Receivables	(17,622)
Current Year Receivable	24,693
Total Revenues (GAAP Basis)	<u>\$ 24,693</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 24,693
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 24,693</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--BREAKFAST FOR ELEMENTARY STUDENTS

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 5,301	\$ 1,547	\$ 3,754
TOTAL REVENUE	<u>-</u>	<u>5,301</u>	<u>1,547</u>	<u>3,754</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 5,301</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 5,301	\$ 5,301	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 5,301</u>	<u>\$ 5,301</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,547
Differences-Budget to GAAP	
Current Year Receivable	3,754
Total Revenues (GAAP Basis)	<u>\$ 5,301</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 5,301
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 5,301</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--KINDERGARTEN THREE PLUS

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 285,881	\$ 188,556	\$ 184,660	\$ 3,896
TOTAL REVENUE	<u>285,881</u>	<u>188,556</u>	<u>\$ 184,660</u>	<u>\$ 3,896</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 285,881</u>	<u>\$ 188,556</u>		
EXPENDITURES				
Current				
Instruction	\$ 208,423	\$ 153,373	\$ 153,301	\$ 72
Support Services				
Support Services-Students	23,081	9,471	8,688	783
Support Services-School Administration	19,907	13,162	13,138	24
Operation & Maintenance of Plant	7,848	1,787	1,682	105
Student Transportation	26,622	10,763	10,763	-
TOTAL EXPENDITURES	<u>\$ 285,881</u>	<u>\$ 188,556</u>	<u>\$ 187,572</u>	<u>\$ 984</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 184,660
Current Year Receivable	2,912
Total Revenues (GAAP Basis)	<u>\$ 187,572</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 187,572
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 187,572</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--AFTER SCHOOL ENRICHMENT PROGRAM

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 50,000	\$ 8,964	\$ 41,036
TOTAL REVENUE	<u>-</u>	<u>50,000</u>	<u>8,964</u>	<u>41,036</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 50,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 50,000	\$ 37,241	\$ 12,759
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 37,241</u>	<u>\$ 12,759</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 8,964
Current Year Receivable	28,277
Prior Year Receivable	
Total Revenues (GAAP Basis)	<u>\$ 37,241</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 37,241
Inventory Adjustment	
Total Expenditures (GAAP Basis)	<u>\$ 37,241</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 - SUICIDE PREVENTION

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 4,500	\$ 4,500
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 4,500</u>	<u>\$ 4,500</u>
Cash Balance Budgeted	-	3,138		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,138</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 3,138	\$ 2,464	\$ 674
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 3,138</u>	<u>\$ 2,464</u>	<u>\$ 674</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,500
Differences-Budget to GAAP	
Current Year Deferral	(5,174)
Prior Year Deferral	3,138
Total Revenues (GAAP Basis)	<u>\$ 2,464</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,464
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,464</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 - GRADS

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 3,000	\$ 3,000	\$ -
TOTAL REVENUE	<u>-</u>	<u>3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 3,000	\$ 3,000	\$ -
Support Services				
Support Services-Students	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,000
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 3,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,000</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 - GRADS INSTRUCTION

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 6,500	\$ 6,500	\$ -
TOTAL REVENUE	<u>-</u>	<u>6,500</u>	<u>6,500</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,500</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 6,500	\$ 6,500	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,500
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 6,500</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,500
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,500</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--GRADS PLUS

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 12,000	\$ 10,655	\$ (1,345)
TOTAL REVENUE	<u>-</u>	<u>12,000</u>	<u>10,655</u>	<u>(1,345)</u>
Cash Balance Budgeted	-	5,289		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 17,289</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 12,789	\$ 4,685	\$ 8,104
Support Services				
Support Services-School Administration	-	4,500	4,500	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 17,289</u>	<u>\$ 9,185</u>	<u>\$ 8,104</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 10,655
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 10,655</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 9,185
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 9,185</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)
ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND--ED TECH DEBT SERVICE

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ -	\$ -	\$ 322	\$ 322
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>322</u>	<u>322</u>
Cash Balance Budgeted	-	512		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 512</u>		
EXPENDITURES				
Current				
Support Services				
Support Services-General Administration	\$ -	\$ 250	\$ 3	\$ 247
Debt Service Reserve	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 3</u>	<u>\$ 247</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 322
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 322</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3</u>

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

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

June 30, 2015

	Operational	Transportation	Instructional Materials	TOTALS
ASSETS				
Cash on Deposit	\$ 3,108,787	\$ 1	\$ 51,618	\$ 3,160,406
Due from Other Funds	590,241	-	-	590,241
Due from other Agencies	-	-	-	-
Property Tax Receivable	7,247	-	-	7,247
Inventory	-	-	-	-
TOTAL ASSETS	\$ 3,706,275	\$ 1	\$ 51,618	\$ 3,757,894
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Inter Agency Payable	1,200	-	-	1,200
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	1,200	-	-	1,200
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	7,247	-	-	7,247
Unearned Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,247	-	-	7,247
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted:				
Transportation	-	1	-	1
Instructional Materials	-	-	51,618	51,618
Capital Projects Funds	-	-	-	-
Debt Service	-	-	-	-
Cafeteria	-	-	-	-
Athletics	-	-	-	-
Special Revenue Funds	-	-	-	-
Unassigned	3,697,828	-	-	3,697,828
TOTAL FUND BALANCE	3,697,828	1	51,618	3,749,447
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,706,275	\$ 1	\$ 51,618	\$ 3,757,894

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, 2015

	Operational	Transportation	Instructional Materials	TOTALS
REVENUE				
Federal Programs	\$ 394,178	\$ -	\$ -	\$ 394,178
State Programs	-	820,215	144,561	964,776
State Equalization	14,798,695	-	-	14,798,695
Interest Earnings	3,642	-	-	3,642
Private/Direct Grants	-	-	-	-
Charges For Services	-	-	-	-
Fees	46,368	-	-	46,368
Donations	-	-	-	-
Sale of Property	-	-	-	-
Miscellaneous	-	-	-	-
Indirect Cost	51,470	-	-	51,470
Rent and Royalties	75,158	-	-	75,158
Refund of Prior Year's Expenditures	11,800	-	-	11,800
Forest Reserve	110,847	-	-	110,847
Sale of Bond Proceeds	-	-	-	-
Premium on Bond Sale	-	-	-	-
Local Property Taxes	223,836	-	-	223,836
TOTAL REVENUES	15,715,994	820,215	144,561	16,680,770
EXPENDITURES				
Current				
Instruction	8,164,526	-	108,192	8,272,718
Support Services	-	-	-	-
Support Services-Students	1,233,171	-	-	1,233,171
Support Services-Instruction	444,022	-	-	444,022
Support Services-General Administration	397,401	-	-	397,401
Support Services-School Administration	1,091,311	-	-	1,091,311
Central Services	548,615	-	-	548,615
Operation & Maintenance of Plant	2,169,624	-	-	2,169,624
Student Transportation	-	820,214	-	820,214
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	14,048,670	820,214	108,192	14,977,076
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,667,324	1	36,369	1,703,694
Other Financing Sources (uses)				
Refunds to PED	-	-	-	-
Transfer IN (OUT)	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balances	1,667,324	1	36,369	1,703,694
FUND BALANCE				
as of June 30, 2014	2,030,504	-	15,249	2,045,753
Restatement	-	-	-	-
Restated Balance	2,030,504	-	15,249	2,045,753
FUND BALANCE as of June 30, 2015	\$ 3,697,828	\$ 1	\$ 51,618	\$ 3,749,447

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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 220,038	\$ 220,038	\$ 223,836	\$ 3,798
Fees Activities	2,200	2,200	1,585	(615)
Fees-Users	25,000	25,000	44,783	19,783
Interest Income	2,500	2,500	3,642	1,142
State Equalization	14,641,102	14,641,102	14,798,695	157,593
Impact Aid	506,084	506,084	304,413	(201,671)
Rent	65,000	65,000	75,000	10,000
Access Board	-	-	89,765	89,765
Refunds	-	-	11,800	11,800
Royalties	-	-	158	158
Indirect Cost - (DFG)	1,300	1,300	-	(1,300)
Indirect Cost - (Flow Through Grants)	24,000	24,000	51,470	27,470
Forest Reserve	-	-	110,847	110,847
TOTAL REVENUE	15,487,224	15,487,224	\$ 15,715,994	\$ 228,770
Cash Balance Budgeted	1,197,928	1,197,928		
TOTAL REVENUE & CASH	\$ 16,685,152	\$ 16,685,152		
EXPENDITURES				
Current				
Instruction	\$ 9,225,048	\$ 9,200,048	\$ 8,164,524	\$ 1,035,524
Support Services				
Support Services-Students	1,524,175	1,485,229	1,233,171	252,058
Support Services-Instruction	386,331	450,277	444,022	6,255
Support Services-General Administration	554,336	554,336	397,401	156,935
Support Services-School Administration	1,144,606	1,144,606	1,091,311	53,295
Central services	626,272	626,272	548,615	77,657
Operation & Maintenance of Plant	2,349,950	2,349,950	2,199,006	150,944
Other Support Services	874,434	874,434	-	874,434
TOTAL EXPENDITURES	\$ 16,685,152	\$ 16,685,152	\$ 14,078,050	\$ 2,607,102

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 15,715,994
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>15,715,994</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 14,078,050
Differences-budget to GAAP	
Accounts Payable	(29,380)
Total Expenditures (GAAP Basis)	<u>\$ 14,048,670</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--TRANSPORTATION FUND

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Sources	\$ 746,165	\$ 820,215	\$ 820,215	-
TOTAL REVENUE	<u>746,165</u>	<u>820,215</u>	<u>\$ 820,215</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 746,165</u>	<u>\$ 820,215</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 746,165	\$ 820,215	\$ 820,214	\$ 1
TOTAL EXPENDITURES	<u>\$ 746,165</u>	<u>\$ 820,215</u>	<u>\$ 820,214</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)	\$ 820,215
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 820,215</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 820,214
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 820,214</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--INSTRUCTIONAL MATERIALS FUND

Year Ended June 30, 2015

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Refunds	\$ -	\$ -	\$ 491	\$ 491
State Sources	104,254	144,071	144,070	(1)
TOTAL REVENUE	<u>104,254</u>	<u>144,071</u>	<u>\$ 144,561</u>	<u>\$ 490</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 104,254</u>	<u>\$ 144,071</u>		
EXPENDITURES				
Current				
Instruction	\$ 104,254	\$ 159,321	\$ 108,192	\$ 51,129
TOTAL EXPENDITURES	<u>\$ 104,254</u>	<u>\$ 159,321</u>	<u>\$ 108,192</u>	<u>\$ 51,129</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 144,561
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 144,561</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 108,192
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 108,192</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 - SENATE BILL 9

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,273,991	\$ 1,273,991	\$ 1,288,827	\$ 14,836
Interest Income	2,000	2,000	2,286	286
State Flow Through Grants	-	45,667	45,667	-
TOTAL REVENUE	<u>\$ 1,275,991</u>	<u>\$ 1,321,658</u>	<u>\$ 1,336,780</u>	<u>\$ 15,122</u>
Cash Balance Budgeted	<u>2,149,752</u>	<u>2,149,752</u>		
TOTAL REVENUE & CASH	<u>\$ 3,425,743</u>	<u>\$ 3,471,410</u>		
EXPENDITURES				
Current				
Support Services				
Support Services-General Administration	\$ 12,800	\$ 14,800	\$ 12,888	\$ 1,912
Acquisition & Construction	3,412,943	3,456,610	1,309,606	2,147,004
TOTAL EXPENDITURES	<u>\$ 3,425,743</u>	<u>\$ 3,471,410</u>	<u>\$ 1,322,494</u>	<u>\$ 2,148,916</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,336,780
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 1,336,780</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,322,494
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,322,494</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, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	\$ 1,500	\$ 1,500	\$ 2,190	\$ 690
TOTAL REVENUE	<u>1,500</u>	<u>1,500</u>	<u>\$ 2,190</u>	<u>\$ 690</u>
Cash Balance Budgeted	<u>2,085,148</u>	<u>2,085,148</u>		
TOTAL REVENUE & CASH	<u>\$ 2,086,648</u>	<u>\$ 2,086,648</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 2,086,648	\$ 2,086,648	\$ 217,113	\$ 1,869,535
TOTAL EXPENDITURES	<u>\$ 2,086,648</u>	<u>\$ 2,086,648</u>	<u>\$ 217,113</u>	<u>\$ 1,869,535</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,190
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 2,190</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 217,113
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 217,113</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)
ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND

Year Ended June 30, 2015

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 3,672,149	\$ 3,672,149	\$ 3,843,083	\$ 170,934
Interest Income	500	500	1,837	1,337
TOTAL REVENUE	<u>3,672,649</u>	<u>3,672,649</u>	<u>\$ 3,844,920</u>	<u>\$ 172,271</u>
Cash Balance Budgeted	<u>2,855,593</u>	<u>2,855,593</u>		
TOTAL REVENUE & CASH	<u>\$ 6,528,242</u>	<u>\$ 6,528,242</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 38,000	\$ 40,000	\$ 38,431	\$ 1,569
Principal	2,825,000	2,825,000	2,825,000	-
Interest and Finance Charges	847,149	847,149	847,149	-
Other Debt Service	2,818,093	2,816,093	1,685	2,814,408
TOTAL EXPENDITURES	<u>\$ 6,528,242</u>	<u>\$ 6,528,242</u>	<u>\$ 3,712,265</u>	<u>\$ 2,815,977</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,844,920
Differences-Budget to GAAP	
Property tax Receivable	-
Prior Year Tax Receivables	-
Total Revenues (GAAP Basis)	<u>\$ 3,844,920</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,712,265
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,712,265</u>

The accompanying footnotes 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, 2015

	<u>BALANCE</u> <u>06/30/2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>06/30/2015</u>
High School	\$ 121,242	\$ 129,042	\$ 137,911	\$ 112,373
Middle School	34,688	38,429	40,552	32,565
Nob Hill Elementary	7,861	16,444	17,243	7,062
Sierra Vista Elementary	13,851	55,655	51,311	18,195
White Mountain Elementary	41,145	84,132	88,070	37,207
Scholarships	16,731	1,491	500	17,722
Total	<u>\$ 235,518</u>	<u>\$ 325,193</u>	<u>\$ 335,587</u>	<u>\$ 225,124</u>

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

<u>US DEPARTMENT OF EDUCATION</u>	<u>FEDERAL</u>	<u>PASS</u>	<u>PROGRAM</u>
<u>Passed through New Mexico Public Education</u>	<u>CFDA</u>	<u>THROUGH</u>	<u>EXPENDITURES</u>
<u>Department</u>	<u>NUMBER</u>	<u>GRANTOR</u>	<u>NUMBER</u>
Impact Aid	84.041	11000	\$ 304,413
Title I <1>	84.010	24101	532,054
Idea B Entitlement <1>	84.027	24106	512,287
NM Autism Project <1>	84.027	24108	9,174
Idea B Preschool <1>	84.027	24109	26,577
Idea B Risk Pool <1>	84.027	24120	449
Teacher/Principal Training	84.367	24154	143,506
Rural & Low Income Schools	84.358	24160	29,837
Impact Aid Special Ed	84.041	25145	61,041
Impact Aid Indian Ed	84.041	25147	75,891
Title XIX Medicaid	93.778	25153	62,000
Indian Education	84.060	25184	<u>72,050</u>
Total Department of Education			<u>1,829,279</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
<u>Passed Through New Mexico Public Education</u>			
<u>Department</u>			
Forest Reserve	10.665	11000	110,846
Child and Adult Care Food Program	10.558	25171	2,145
National School Lunch	10.555	21000	848,871
School Food Commodity Distribution Program	10.559	21000	<u>40,982</u>
Total Department of Agriculture			<u>1,002,844</u>
<u>TOTAL FEDERAL AWARDS EXPENDITURES</u>			<u>\$ 2,832,123</u>
<1> Major Program			
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			\$ 2,874,812
Access Board (E-Rate)			(89,765)
Change in Fund Balance			<u>47,076</u>
			<u>\$ 2,832,123</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 \$40,982 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, 2015

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED BANK BALANCE	COLLATERAL REQUIRED	COLLATERAL PLEDGED	SECURITY DEFICIT	UNINSURED & UNCOLLATERALIZED DEPOSITS
BBVA BANK	<u>\$ 13,186,425</u>	<u>\$ 250,000</u>	<u>\$ 12,936,425</u>	<u>\$ 6,468,213</u>	<u>\$ 10,500,000</u>	<u>\$ -</u>	<u>\$ 2,436,425</u>

COLLATERAL	CUSIP #	MATURITY	CREDIT AMOUNT
LETTER OF CREDIT #73614		12/18/15	\$ 2,000,000
LETTER OF CREDIT #74943		01/21/16	1,000,000
LETTER OF CREDIT #78590		05/11/16	500,000
LETTER OF CREDIT #73065		12/01/15	7,000,000
			-
			<u>\$ 10,500,000</u>

LETTER OF CREDITS ISSUED BY
 FEDERAL HOME LOAN BANK
 ATLANTA, GEORGIA

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

BANK SUMMARY

June 30, 2015

BANK	ACCT TYPE	FUND	BANK BALANCE	DEPOSITS IN TRANSIT	OUTSTANDING CHECKS	CASH BALANCE
BBVA COMPASS	* CHK	OPERATIONAL	* \$ 3,342,307	\$ 136	\$ 29,699	\$ 3,312,744
	* CHK	FOOD SERVICES	* 354,934	-	152,600	202,334
	* CHK	CAPITAL IMPROVEMENTS SB-9	* 2,670,789	-	6,049	2,664,740
	* CHK	CAPITAL PROJECTS	* 2,023,811	-	-	2,023,811
	* CHK	DEBT SERVICE	3,680,404	-	-	3,680,404
	* CHK	ATHLETICS	51,223	-	1,180	50,043
	* CHK	PAYROLL CLEARING	837,432	-	835,353	2,079
	* CHK	NOB HILL EARLY CHILDHOOD	7,216	-	154	7,062
	* CHK	SIERRA VISTA	18,195	-	-	18,195
	* CHK	WHITE MOUNTAIN ELEMENTARY	37,254	-	47	37,207
	* CHK	RUIDOSO MIDDLE SCHOOL	32,685	-	120	32,565
	* CHK	RUIDOSO HIGH SCHOOL	112,453	-	80	112,373
		SCHOLARSHIP	17,722	-	-	17,722
TOTAL BBVA COMPASS			<u>\$ 13,186,425</u>	<u>\$ 136</u>	<u>\$ 1,025,282</u>	<u>\$ 12,161,279</u>

* interest bearing

CASH PER FINANCIAL STATEMENTS	\$ 11,936,155
AGENCY CASH	225,124
	-
	<u>\$ 12,161,279</u>

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2015

	Operational	Transportation	Food Services	Athletics	Federal Projects	Local & State
Audited Net Cash						
JUNE 30, 2014	\$ 1,928,771	\$ 638	\$ 206,035	\$ 42,567	\$ 215,891	\$ 14,226
	-	-	-	-	-	-
CASH BALANCE						
JUNE 30, 2014	1,928,771	638	206,035	42,567	215,891	14,226
Add: Prior year void checks	-	-	-	895	-	-
2014-2015 Revenue	15,716,176	820,215	955,221	59,242	1,284,924	515,733
Loans In	392,163	-	-	-	484,931	105,310
Deposit in Error	1,200	-	-	-	-	-
	-	-	-	-	-	-
	16,109,539	820,215	955,221	60,137	1,769,855	621,043
TOTAL AVAILABLE CASH	18,038,310	820,853	1,161,256	102,704	1,985,746	635,269
Less:						
2014-2015 Expenditures	14,077,263	820,214	958,429	52,661	1,527,012	515,293
Loans Out	590,241	-	-	-	289,920	102,243
Accrued Payroll	263,918	638	493	-	31,276	855
Paid Back To PED	-	-	-	-	-	-
Returned Check	180	-	-	-	-	-
	14,931,602	820,852	958,922	52,661	1,848,208	618,391
NET CASH, JUNE 30, 2015	3,106,708	1	202,334	50,043	137,538	16,878
Accrued Payroll	-	-	-	-	-	-
Payroll Clearing Cash	2,079	-	-	-	-	-
TOTAL CASH JUNE 30, 2015	<u>\$ 3,108,787</u>	<u>\$ 1</u>	<u>\$ 202,334</u>	<u>\$ 50,043</u>	<u>\$ 137,538</u>	<u>\$ 16,878</u>

SB-9	Ed Tech Debt Service	Debt Service	Instructional Materials	Bond Building	Total
\$ 2,650,454	\$ 512	\$ 3,546,919	\$ 15,249	\$ 2,238,734	\$ 10,859,996
-	-	-	-	-	-
2,650,454	512	3,546,919	15,249	2,238,734	10,859,996
1,336,780	322	3,844,920	144,561	2,190	24,680,284
-	-	-	-	-	982,404
-	-	-	-	-	1,200
-	-	-	-	-	-
1,336,780	322	3,844,920	144,561	2,190	25,664,783
3,987,234	834	7,391,839	159,810	2,240,924	36,524,779
-	-	-	-	-	-
1,322,494	3	3,712,265	108,192	217,113	23,310,939
-	-	-	-	-	982,404
-	-	-	-	-	297,180
-	-	-	-	-	-
-	-	-	-	-	180
1,322,494	3	3,712,265	108,192	217,113	24,590,703
-	-	-	-	-	-
2,664,740	831	3,679,574	51,618	2,023,811	11,934,076
-	-	-	-	-	-
-	-	-	-	-	2,079
<u>\$ 2,664,740</u>	<u>\$ 831</u>	<u>\$ 3,679,574</u>	<u>\$ 51,618</u>	<u>\$ 2,023,811</u>	<u>\$ 11,936,155</u>

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS
SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY
Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2015

	<u>2015</u>
Proportion of the net pension liability	0.34672%
Proportionate share of the net pension liability	\$ 19,782,901
Covered Employee Payroll	\$ 9,556,814
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.00%
Plan fiduciary net position as a percentage of total pension liability	66.54%

*The amounts presented were determined as of June 30, This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS
 SCHEDULE OF CONTRIBUTIONS Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2015

	<u>2015</u>
Contractually required contribution	\$ 1,345,438
Contributions in relation to the contractually required contribution	\$ 1,345,438
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 2,461,685
Contributions as a percentage of covered-employee payroll	54.66%

*The amounts presented were determined as of June 30, This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION: SCHEDULE OF THE PROPORTIONATE
SHARE OF NET PENSION LIABILITY and SCHEDULE OF CONTRIBUTIONS Educational
Retirement Board (ERB) Pension Plan

JUNE 30, 2015

Changes of benefit terms The COLA and retirement eligibility benefits changes in recent years are described in the **Benefits Provided** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

Changes of assumptions.

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.75% to 4.25%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Minor changes to demographic assumptions
- d. Population growth per year from 0.75% to 0.50%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%

See also the **Actuarial Assumptions** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS
VENDOR SCHEDULE

JUNE 30, 2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Award Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded
#1 2014-15SY Financial Advisory Services	RFP/ Rejected 4/2/14	N/A	N/A	N/A	N/A
#2 2014-15SY - Financial Advisory Services	RFP	Woodard, Cowen & CO	86358	N/A	Woodard, Cowen & CO, PO Box 445, Portales, NM 88130 Manning Accounting & Consulting Services, LLC, PO Box 736, Kirkland, NM 87417 Hinkle Landers, CPA, 2500 9th St. NW, Albuquerque, NM 87102
#3 2014-15SY Diagnostic/ Consultant Services	RFP	Lauren Nelson	59257.34	N/A	Lauren Nelson, PO Box 2552, Ruidoso, NM 88355
		Diana Billingley	10000	N/A	Diana Billingley, PO Box 987, Alto, NM 88312
		Gloria Pafford	33365	N/A	Gloria Pafford, PO Box 36, Glenco, NM 88336
#4 2014-15SY - Food Service Management Company	RFP	Summit Food Service Management LLC	570796.03	N/A	Summit Food Service Management LLC, 1751 West Country RD B, Suite 300, Roseville, MN 55113
#5 2014-15SY - Networking Cabling/ ERATE	RFP	Rejected/ Selected a CES Vendor	N/A	N/A	N/A
	Sole Source	Lincoln Transportation	\$896,923	N/A	Lincoln Transportation

In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
N/A	N/A	N/A
Y	N	Contractor shall conduct a financial & compliance audit of the applicable statemetns & schedule of the agency for the period covering three fical years 2013-14, 2014-15, 2015-16.
Y	N	
Y	N	Provide district with speech/language pathology services for 2014-15SY.
Y	N	Provide district with educational diagnostic services for 2014-15SY.
Y	N	Bid received late/unopened.
Y	N	Provide District with food service management services for the period covering three fiscal years 2014-15, 2015-16, & 2016-17.
N/A	N/A	N/A
N/A	N/A	All student transportation including regular to and from

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* (No Material Weaknesses; Significant Deficiencies and Reportable Instances of Noncompliance and Other Matters Identified)

Independent Auditor's Report

Mr. Tim Keller
New Mexico State Auditor
School Board
Ruidoso Municipal Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the Ruidoso Municipal Schools (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify certain deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned cost that we consider to be significant deficiencies. 2011-001

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items 2011-001.

The District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned cost. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Woodard, Cowen & Co." The signature is written in dark ink on a white background.

Woodard, Cowen, & Company
Portales, New Mexico
November 16, 2015

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Mr. Timothy Keller, State Auditor
School Board
Ruidoso Municipal Schools
Ruidoso, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Ruidoso Municipal Schools' (the District) 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 District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Woodard, Cowen & Co." The signature is written in dark ink and is positioned above the typed name of the firm.

Woodard, Cowen & Company

Portales, New Mexico

November 16, 2015

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2015

PRIOR YEAR AUDIT FINDINGS – Ruidoso Municipal Schools

2012-001 Expenditures exceed budget – Significant Deficiency and compliance (Repeated and Revised)

Statement of Condition: The following fund and function line had expenditures that exceed the budget for that function: Debt Services –Support Services - \$460.

Recommendation: District personnel in charge of maintaining budget data should budget an additional amount to cover the county fee for collecting and disbursing the District's property tax.

Status: Resolved.

2011-001 – Deposits not made within 24 hours – Significant deficiency and compliance

Statement of Condition: During the testing of activity fund deposits, 13 of the 43 deposits tested for compliance with the 24hour were not in compliance. All the deposits originated from the high school In addition, management brought to the attention of the auditors a deposit which was made eight days late and under suspicious circumstances. The deposit was outside of the scope of the audit (September 26, 2014, which is after the period being audited). The District's management and the auditors obtained permission to expand the scope of the audit for activity fund deposits. Upon review of activity fund deposits subsequent to year end, the auditors noted two deposits made from the same source during the eight days the deposit in question should have been deposited. The additional audit work also revealed three more deposits in violation of the 24hour rule out of 13 deposits tested as well as other issues discussed in finding 2014-002.

Recommendation: All funds should be deposited with 24 hours or one banking day. Funds that must remain on District property due the bank being closed should be in a secure place to prevent theft or destruction.

Status: Repeated and revised.

2014-001 – Receipting of funds – Significant deficiency and compliance

Statement of Condition: During the review of the activity fund receipting process for the fiscal year ended and the expanded scope described in finding 2014-001, the auditors noted an inconsistency in the receipting from the source of activity deposits. For the fiscal year under audit it was noted that none of the fourteen deposits appear to have proper receipting from the source of the funds. All of these deposits came from one particular activity at the high school. There were no count sheets or documentation supporting the source, denomination, or amount being deposited. For the period in the expanded scope, thirteen deposits were tested that consisted of 48 receipts. Thirty-five of those receipts were completed and signed by students with no documentation of supervisory review. One receipt with a student signature was noted to have been corrected with a "write over" because the student's first name was misspelled. No explanation was given for this which led the auditor to wonder whether the student actually completed the receipt.

Recommendation: Policies and procedures in place reflect existing state regulations, standard administrative procedures and generally accepted accounting practices. As with other funds, business officials should coordinate and implement all policies and rules pertaining to the supervision and administration of student activity funds in schools. This should be accordance with established policies and rules set forth in the district administrative procedures that have been approved by the governing boards. Personnel should then adhere to these policies and procedures.

Status: Resolved.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (continued)

June 30, 2015

2014-002 – Athletic ticket sales and collection – Significant deficiency and compliance

Statement of Condition: The sequentially numbered tickets used for athletic events are not being inventoried. There is no documentation of the beginning and ending numbers of the tickets used during the year. It was also noted that there were gaps in the ending ticket number from one event to the beginning ticket number of the next event. Management was told that the District staff who was handling the tickets destroyed the remaining tickets. This was done without management's knowledge or consent.

Recommendation: Ticket inventory needs to be moved to and maintained by someone other than the one charged with handling ticket sales and gate collections.

Status: Resolved.

2014-003 – Athletic event season passes – Significant deficiency and compliance

Statement of Condition: There no control over the printing, sales, and collection of money from the sale of season athletic passes. Season pass collections did not reconcile to the number of passes that appear to be sold. Season passes are printed from the high school without any control of the number printed.

Recommendation: The production and sale of season passes needs centralized control. An accurate list of sales and collections should be maintained and reconciled to deposits.

Status: Resolved.

2014-004 – Sam's Club Membership – Significant deficiency

Statement of Condition: People other than authorized District employees had Sam's Club memberships under the District's name. The individuals included school employees not authorized to make Sam's purchases, District employee family members, and a past board member. The auditor's did review the Sam's and Wal-Mart purchases and noted that the District did not pay for any authorized items nor was the tax-exempt status taken advantage of.

Recommendation: District management should strictly restrict the access to the Sam's membership.

Status: Resolved.

Late audit report 2014-005 significant deficiency and non-compliance

Statement of condition: The June 30, 2014 audit report was not received by the Office of the State Auditor by the November 15, 2014 deadline.

Recommendation: Management should continue with its retraining and reorganization efforts to strengthen the control structure and environment of the District. This way the District will be able to complete its audits without additional work and examination.

Status: Resolved.

STATE OF NEW MEXICO
 RUIDOSO MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2015

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unmodified
Significant Deficiencies on GAGAS	2011-001
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	Title I #84.010 IDEA – B Cluster #84.027
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unmodified
II. FEDERAL PROGRAM FINDINGS:	None

III. FINANCIAL STATEMENT FINDINGS:

2011-001 – Deposits not made within 24 hours – Significant deficiency (control and compliance)

Statement of Condition: During the testing of bank deposits, three deposits totaling \$750 out of 29 deposits tested from the high school, one deposit for \$75 out of 28 deposits tested from the middle school, and one deposit for \$30 out of 33 deposits tested from the elementary were not in compliance. This is an improvement over the prior year where a 16 out of 56 deposits tested were not in compliance with the 24-hour rule.

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.

Cause: Funds collected by District staff were not submitted to the campus secretary in time to be deposited with the 24 hour period.

Effect: The purpose of the 24hour rule is to limit the vulnerability of fund to theft or loss. The longer funds sit on District property there is an increased chance of theft or loss. In addition, some activities are dependent on having funds available in the bank to pay for fund raising or operating expenditures. Funds kept in the office are not available for expenditures.

Recommendation: All funds should be deposited with 24 hours or one banking day. Funds that must remain on District property due the bank being closed should be in a secure place to prevent theft or destruction. Management should continue monitoring the process and continue training District staff.

Response: The process of collecting and depositing funds has improved. The district's Director of Finance will monitor this process and enforce compliance with district policy and state requirements. Management is actively monitoring the cash deposits. Cash deposits are reported and reviewed by the central office daily and reported to the Director of Finance.

STATE OF NEW MEXICO
RUIDOSO MUNICIPAL SCHOOLS

June 30, 2015

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 16, 2015. In attendance at the 7:30 am meeting were George Bickert, Ed.D, Superintendent; Shane Holder, School Board Secretary; and Caron Snow, Director of Finance. John McKinley, Jr. CPA represented our firm at this meeting. Also in attendance was audit committee member Luther Light, parent.