

**STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS**

*Audit Report*

For the Year Ended June 30, 2009

**RONNY FOUTS**  
CERTIFIED PUBLIC ACCOUNTANT  
Melrose, New Mexico

STATE OF NEW MEXICO  
Grady Municipal Schools

**Official Roster**  
For the year ended June 30, 2009

BOARD OF EDUCATION

Bill Page.....President  
Phillip Borden ..... Vice-President  
Cooper Glover..... Secretary  
Hoyt Rush ..... Member  
Rod Bone ..... Member

SCHOOL OFFICIALS

Ted Trice..... Superintendent  
Karla Malone ..... Business Manager

STATE OF NEW MEXICO  
Grady Municipal Schools

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June 30, 2009

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

Hector Balderas, State Auditor  
And the Board of Education  
Grady Municipal School  
Grady, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund including budget comparisons, and the aggregate remaining fund information of the Grady Municipal Schools (District), as of and for the year ended June 30, 2009, which collectively comprise the Grady Municipal School's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the nonmajor governmental funds and budget comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2009, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2009 and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2009, on our consideration of Grady Municipal School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

For the year ended June 30, 2009, Grady Municipal Schools has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons of the District. The additional schedules listed as other supplementary information in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive style with a large, prominent "R" and "F".

Ronny Fouts, CPA  
Melrose, New Mexico  
October 16, 2009

## **Basic Financial Statements**





STATE OF NEW MEXICO  
 GRADY MUNICIPAL SCHOOLS  
 STATEMENT OF NET ASSETS

June 30, 2009

<b>ASSETS</b>	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 348,077
Taxes Receivable	43,938
Due from other Governments	12,579
Inventories	19,300
Non-current	
Bond Issue Costs	31,300
Capital Assets - Net	<u>5,092,984</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,548,178</u></u>
 <b>LIABILITIES</b>	
Current:	
Accounts Payable	\$ 12,579
Deferred Revenue	4,303
Accrued Interest	3,897
Debt Due Within One Year	40,000
Total Current Liabilities	<u>60,779</u>
Non-current	
Debt Due in More Than One Year	<u>315,000</u>
Total Non-current Liabilities	<u>315,000</u>
<b>TOTAL LIABILITIES</b>	<u>375,779</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,737,984
Restricted for:	
Debt Service	33,327
Capital Projects	78,409
Unrestricted	<u>322,679</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 5,172,399</u></u>

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

STATE OF NEW MEXICO  
 GRADY MUNICIPAL SCHOOLS  
 STATEMENT OF ACTIVITIES

Year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue & Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government:					
Governmental activities:					
Instruction	\$ 1,235,826	\$ -	\$ 1,235,826	\$ -	\$ -
Support Services					
Students	85,724	15,120	70,604	-	-
Instruction	22,903	-	22,903	-	-
General Administration	207,728	-	207,728	-	-
School Administration	56,408	-	56,408	-	-
Central Services	70,085	-	70,085	-	-
Operation & Maintenance of Plant	316,413	-	-	685,744	369,331
Student Transportation	227,628	-	227,628	-	-
Food service	92,741	23,348	36,709	-	(32,684)
Debt Interest Paid	15,145	-	-	-	(15,145)
<b>Total Governmental Activities</b>	<b>\$ 2,330,601</b>	<b>\$ 38,468</b>	<b>\$ 1,927,891</b>	<b>\$ 685,744</b>	<b>321,502</b>

General Revenues	
Property taxes:	
Levied for general purposes	4,206
Levied for debt service	55,389
Levied for capital projects	16,782
State aid not restricted	204,927
Unrestricted investment earnings	453
(Loss) Gain on Capital Assets Disposed	141,147
Other Local Revenues	43,127
<b>Total general revenues</b>	<b>466,031</b>
Change in net assets	787,533
Net assets beginning	4,384,866
<b>Net Assets- ending</b>	<b>\$ 5,172,399</b>

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

## **Fund Financial Statements**

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	GENERAL FUND	DEBT SERVICE SERVICE	DEBT SERVICE ED TECH	BOND BUILDING
<b>ASSETS</b>				
Cash on Deposit	\$ 207,830	\$ 31,409	\$ 5,272	\$ 5,619
Taxes Receivable	681	38,063	2,326	-
Due from other Governments	-	-	-	-
Inventories	17,465	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 225,976</b>	<b>\$ 69,472</b>	<b>\$ 7,598</b>	<b>\$ 5,619</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	639	37,520	2,326	-
<b>TOTAL LIABILITIES</b>	<b>639</b>	<b>37,520</b>	<b>2,326</b>	<b>-</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved:				
Reserved for inventory	17,465	-	-	-
Reserved for debt service	-	31,952	5,272	-
Unreserved:				
Undesignated, Reported in				
General Fund	207,872	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	5,619
<b>TOTAL FUND BALANCE</b>	<b>225,337</b>	<b>31,952</b>	<b>5,272</b>	<b>5,619</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 225,976</b>	<b>\$ 69,472</b>	<b>\$ 7,598</b>	<b>\$ 5,619</b>

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

PUBLIC SCHOOL CAPITAL OUTLAY	SB9 CAPITAL IMPROVEMENTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 72,600	\$ 25,347	\$ 348,077
-	2,868	-	43,938
-	-	12,579	12,579
-	-	1,835	19,300
<u>\$ -</u>	<u>\$ 75,468</u>	<u>\$ 39,761</u>	<u>\$ 423,894</u>
\$ -	\$ -	\$ 12,579	\$ 12,579
-	2,678	4,303	47,466
-	2,678	16,882	60,045
-	-	1,835	19,300
-	-	-	37,224
-	-	-	207,872
-	-	21,044	21,044
-	72,790	-	78,409
-	72,790	22,879	363,849
<u>\$ -</u>	<u>\$ 75,468</u>	<u>\$ 39,761</u>	<u>\$ 423,894</u>

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

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

June 30, 2009

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

Fund Balance - total governmental funds	\$ 363,849
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,092,984
Delinquent property taxes not collected within sixty days after year end are no considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	43,163
Bond issuance costs, including original issue discounts and premiums are not financial resources and , therefore, are not reported in the funds	
Bond issuance costs net of accumulated amortization	31,300
Accrued Interest	(3,897)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(355,000)</u>
Net assets of governmental activities	<u>\$ 5,172,399</u>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

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

Year ended June 30, 2009

	GENERAL FUND	DEBT SERVICE	DEBT SERVICE ED TECH	BOND BUILDING
<b>REVENUE</b>				
Federal Aid	\$ 214	\$ -	\$ -	\$ -
State Aid	1,968,841	-	-	-
Property taxes	4,092	52,514	5,272	-
interest	184	-	-	89
Other local sources	43,127	-	-	-
<b>TOTAL REVENUES</b>	<b>2,016,458</b>	<b>52,514</b>	<b>5,272</b>	<b>89</b>
<b>EXPENDITURES</b>				
Current				
Instruction	1,112,923	-	-	-
Support Services				
Students	56,673	-	-	-
Instruction	19,047	-	-	-
General Administration	202,734	523	-	-
School Administration	56,408	-	-	-
Central Services	70,085	-	-	-
Operation & Maintenance of Plant	244,737	-	-	-
Transportation of students	227,628	-	-	-
Food Service	28,737	-	-	-
Non-current				
Principal Retirement	-	40,000	-	-
Bond Interest	-	15,578	-	-
Facilities and construction	-	-	-	61,045
<b>TOTAL EXPENDITURES</b>	<b>2,018,972</b>	<b>56,101</b>	<b>-</b>	<b>61,045</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(2,514)</b>	<b>(3,587)</b>	<b>5,272</b>	<b>(60,956)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Ed Tech Debt Service	5,406	-	(5,406)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,406</b>	<b>-</b>	<b>(5,406)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,892</b>	<b>(3,587)</b>	<b>(134)</b>	<b>(60,956)</b>
<b>FUND BALANCE - JUNE 30, 2008</b>	<b>222,445</b>	<b>35,539</b>	<b>5,406</b>	<b>66,575</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ 225,337</b>	<b>\$ 31,952</b>	<b>\$ 5,272</b>	<b>\$ 5,619</b>

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

PUBLIC SCHOOL CAPITAL OUTLAY	SB9 CAPITAL IMPROVEMENTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
---------------------------------------	--------------------------------	--------------------------------	--------------------------------

\$ -	\$ -	\$ 115,743	\$ 115,957
685,744	35,706	12,314	2,702,605
-	16,398	-	78,276
-	90	90	453
-	-	38,468	81,595
685,744	52,194	166,615	2,978,886

-	-	66,203	1,179,126
685,744	49,884	29,051	85,724
-	-	3,856	22,903
-	-	-	203,257
-	-	-	56,408
-	-	-	70,085
-	-	-	244,737
-	-	-	227,628
-	-	64,004	92,741
-	-	-	40,000
-	-	-	15,578
685,744	49,884	-	796,673
685,744	49,884	163,114	3,034,860

-	2,310	3,501	(55,974)
-	-	-	-
-	-	-	-
-	2,310	3,501	(55,974)
-	70,480	19,378	419,823
\$ -	\$ 72,790	\$ 22,879	\$ 363,849



STATE OF NEW MEXICO  
 GRADY MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds \$ (55,974)

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

Change in deferred revenue related to property taxes receivable (1,899)

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. 668,297

Long Term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources for governmental funds. Neither transaction, however, has any effect on net assets.

Amortization of bond issuance cost (4,471)  
 Decrease in accrued interest payable 433  
 Principal payment on bonds 40,000

Gain on Disposal of Capital Assets 141,147

Change in Net Assets \$ 787,533

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

## Major Funds

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ 214	\$ 214
State Revenue	1,978,090	1,968,559	1,968,841	282
Property Taxes	4,207	4,207	4,071	(136)
Local Revenue	13,593	13,593	43,127	29,534
Income from Investments	-	-	184	184
<b>TOTAL REVENUE</b>	<b>1,995,890</b>	<b>1,986,359</b>	<b>\$ 2,016,437</b>	<b>\$ 30,078</b>
<b>BUDGETED CASH BALANCE</b>	<b>167,927</b>	<b>168,331</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 2,163,817</b>	<b>\$ 2,154,690</b>		

**EXPENDITURES**

<b>Current</b>				
Instruction	\$ 1,131,854	\$ 1,157,628	\$ 1,122,012	\$ 35,616
Support Services				
Students	90,881	91,470	56,673	34,797
Instruction	24,745	24,857	19,047	5,810
General Administration	227,243	225,099	202,734	22,365
School Administration	59,437	59,440	56,408	3,032
Central Services	74,570	74,988	70,085	4,903
Operation & Maintenance of Plant	280,980	282,868	244,737	38,131
Student Transportation	242,527	227,629	227,628	1
Other Support Services	343	343	-	343
Food Services	27,687	28,737	28,737	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,160,267</b>	<b>\$ 2,173,059</b>	<b>\$ 2,028,061</b>	<b>\$ 144,998</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 2,016,437
Differences budget to GAAP	
Prior Year receivable	(566)
Change in deferred taxes	(94)
Current Year receivable	681
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 2,016,458</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 2,028,061
Differences-budget to GAAP	
Change in inventory	(9,089)
Prior year warrants voided	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 2,018,972</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

Statement of Fiduciary Assets and Liabilities  
June 30, 2009

<u>ASSETS</u>	Agency Funds
Pooled Cash and Investments	<u>\$ 70,439</u>
<u>LIABILITIES</u>	
Liabilities:	
Deposits held for others	<u>\$ 70,439</u>

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

**STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Grady Municipal School (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The Grady School District was established in the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education – superintendent for of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

All governmental funds of the District follow FASB Statements and Interpretations issued in or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component unites that should be included within the reporting entity. Under provisions of this statement, the District is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue-bonded debt.

The District has no component units; defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated of the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fun types. The fund classification and description of each existing fund type follows below:

*Governmental Funds*

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund – The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompasses within other funds.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund – The Debt Service Funds are used to account for the resources for, and the payment of, principal, interest, and related costs.

**STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

Capital Project Funds – The Capital Project Funds are used to account for all resources for the acquisition of capital facilities by the District.

*Fiduciary Fund Type*

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

The District reports the following major governmental funds:

General Fund – to account for resources and expenditures that are not required to be reported in other funds. Included in the General Fund is Operational, Teacherage, Transportation and Instructional Materials.

**Debt Service Funds:**

Debt Service – to account for revenues that are generated by a tax levy based upon property values. The expenditures are for the payment of general long-term debt principal and interest.

Debt Service Educational Technology – to account for funds received from revenue for the note payment of principal, interest, and incidental cost on outstanding Educational Technology Notes.

**Capital Projects Funds:**

Bond Building – This fund was established to provide financing from local revenues for the construction and improvements to District buildings and facilities.

Public School Capital Outlay – To account for state appropriated revenue allocated by the public school capital outlay council in compliance with sections 22-24-6, NMSA, 1978. These funds were paid direct by the PSCOC during the year but have been accounted for in these financial statements.

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

**Measurement Focus and Basis of Accounting**

*Government-Wide Financial Statements (GWFS)*

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include charges to users or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

*Fund Financial Statement (FFS)*

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for un-matured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year, therefore are not accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses are recognized at the time the underlying events occur.)

Basis of Budgeting

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Formal budgetary integration is employed as a management control device during the year. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department (PED) an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions, and amendments to the estimated budgets fixed by the local school board to recognize actual cash balance and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of the District shall make any expenditure or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the district and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations laps at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

#### Cash and Cash Equivalents

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

The District is authorized under the provision of Chapter 6, Article 10, NMSA 1978, to deposit its money in banks, savings and loan association and/or credit unions whose accounts are insured by an agency of the United States.

#### Investments



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All money not immediately necessary for the public uses of the District may be invested in:

1. bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
2. securities that are issued by the United States Government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States Government; or
3. in contracts with bank, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1<sup>st</sup>. Tax notices are sent by the County Treasurer to property owners by November 1<sup>st</sup> of each year to be paid in whole or in two installments by November 10<sup>th</sup> and April 10<sup>th</sup> of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service, and Senate Bill Nine Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Capital Assets

Capital assets, which include property, plant and equipment, computers and software, are reported in the applicable governmental-wide financial statements. Such assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The District has no internally developed and the costs of library books are not considered to be material, therefore they are not capitalized and depreciated. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized as constructed. Other costs incurred for repairs and maintenance are expensed as incurred. The District is a Phase 3 entity not required to report infrastructure assets prior to

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7/1/2003 and has elected to report infrastructure prospectively beginning in the year 2009. To this point the District has acquired no new infrastructure.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50-68 years
Equipment	5-25 years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short-Term Debt

Short-term debt results from borrowing characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments
- Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity, which has been segregated for specific purposes.

Unreserved fund balance indicates that portion of fund equity, which is available for budgeting in future periods.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

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Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when the resources are received by the District before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 90 days of the fiscal year end.

Compensated Absences

The District contracts all employees on an annual basis. A terminated employee is paid through the date of dismissal in accordance with their contract. Due to this practice, there are no compensated absences accrued.

Estimates

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

**II. Cash and Investments**

The District is required by New Mexico State Statute (Section 6-10-17) to be 0% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

	Wells Fargo Clovis, NM
Total amount of deposits on June 30, 2009	
Grady Operational Schools	\$ 424,625
Grady Federal & State Projects	17,739
Grady Activity Fund	71,200
Total deposited	\$ 513,564
Less: FDIC coverage	(513,564)
	\$ -
50% collateral requirement (as per Section 6-10-17, NMSA 1978)	-
Pledges securities	
Federal Reserve - KC	-
Over (under)	-

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$0 of the government's bank balance of \$513,564 was exposed to custodial credit risk as follows:

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Insured	\$	513,564
Uninsured and collateral held by pledging bank's trust department not in District's name	\$	-
	<u>\$</u>	<u>513,564</u>

**III. Taxes Receivable**

	<u>General Fund</u>	<u>Major Funds</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Property taxes receivable				
Current	\$ 42	\$ 733	\$ -	\$ 775
Delinquent	639	42,524	0	43,163
Total property tax receivable	<u>\$ 681</u>	<u>\$ 43,257</u>	<u>\$ -</u>	<u>\$ 43,938</u>

**IV. Deferred Revenues**

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2009:

	<u>Deferred Property Tax</u>	<u>Deferred Federal Grants</u>	<u>Totals</u>
General Fund	\$ 639	\$ -	\$ 639
Major Funds	42,524	-	42,524
Nonmajor Funds	-	4,303	4,303
Total	<u>\$ 43,163</u>	<u>\$ 4,303</u>	<u>\$ 47,466</u>

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**V. Changes in Capital Assets**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 51,441	\$ -	\$ -	\$ 51,441
Total assets not being depreciated	51,441	-	-	51,441
Capital Assets Being Depreciated:				
Buildings & Improvements	3,815,407	1,064,166	-	4,879,573
Equipment	954,467	64,013	10,271	1,008,209
Construction in Progress	2,228,111	732,660	1,064,166	1,896,605
Total Assets being Depreciated	6,997,985	1,860,839	1,074,437	7,784,387
Less accumulated depreciation for:				
Buildings & Improvements	2,234,648	71,676	116,660	2,189,664
Equipment & Furniture	531,238	56,700	34,758	553,180
Total Accumulated depreciation	2,765,886	128,376	151,418	2,742,844
Total Assets being depreciated, net	4,232,099	1,732,463	923,019	5,041,543
Capital Assets, Net	\$ 4,283,540	\$ 1,732,463	\$ 923,019	\$ 5,092,984

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 56,700
O & M of Plant	71,676
Total depreciation expense	<u>\$ 128,376</u>

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**VI. Long-Term Debt**

A summary of activity in the long-term debt is as follows:

	<u>Balance 06/30/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/09</u>	<u>Amount Due within 1 Year</u>
Governmental activities:					
Bonds and notes payable:					
General Obligation Bond	\$ 395,000	\$ -	\$ 40,000	\$ 355,000	\$ 40,000
<b>Total Bonds Payable</b>	<u>\$ 395,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 355,000</u>	<u>\$ 40,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds.

**General Obligations Bonds.**

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District building and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
2003	4/5/2003	\$ 140,000	3.5% to 4.4%	\$ 105,000
2007	4/15/2007	300,000	3.5% to 4.10	250,000
				<u>\$ 355,000</u>

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 40,000	\$ 14,072	\$ 54,072
2011	45,000	12,449	57,449
2012	45,000	10,603	55,603
2013	50,000	8,743	58,743
2014	50,000	6,698	56,698
2015 to 2018	<u>125,000</u>	<u>7,834</u>	<u>132,834</u>
<b>Totals</b>	<u>\$ 355,000</u>	<u>\$ 60,399</u>	<u>\$ 415,399</u>

**VII. Pension Plan**

*Plan Description* - Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost sharing multiple employer defined benefit retirement plan. The plan provides for

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retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87505.

*Funding Policy* - Plan members are required to contribute 7.825% of their gross salary. Grady Municipal Schools is required to contribute 10.9% of the gross covered salary. Effective July 1, 2009, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the Grady Municipal Schools are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Grady Municipal School's contributions to ERB for the fiscal years ending June 30, 2009, 2008 and 2007, were \$222,506, \$203,296 and \$184,378, respectively, which equal the amount of the required contributions for each fiscal year.

**VIII. Retiree Health Care Act Contributions**

*Plan Description* – Grady Municipal Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post employment 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 Retiree Health Care Act on the person's behalf, unless that person retired on or before July 1, 1995, in which event the time period for contributions becomes the time between July 1, 1990, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

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

*Funding Policy* – The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority member 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](http://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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

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

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

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Grady Municipal School's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$14,796, \$14,114 and \$13,449, respectively, which equal the required contributions for each year.

**IX. Risk Management**

The District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, error and omissions, injuries to employees and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Amounts of settlements have not exceeded insurance coverage for the past three years. The District pays annual premiums to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage
- Crime

**X. Surety Bond**

A surety bond as required by Section 12-6-7 NMSA 1978 Compilation and the New Mexico State Auditor Rule NMAC 2.2.2 covers the officials and certain employees of the District.

**XI. Joint Powers Agreements**

Only July 17, 2002 the District entered into a joint powers agreement with the Public School Capital Outlay Council, pursuant to the Joint Powers Agreement Act, Section 11-1-1 through 11-1-7, NMSA 1978. The agreement is to define and develop guidelines to identify outstanding serious deficiencies in public school buildings and grounds, to develop a methodology for prioritizing projects that will correct the deficiencies, and enter into contracts to correct the deficiencies. The Deficiencies Correction Unit is empowered to work with the district to validate, oversee all aspects of contracts, and provide oversight and management of construction of those prioritized projects to correct outstanding deficiencies. The agreement terminated on June 30, 2009. The District shall account for all purchased or completed work as assets of the District in the fiscal year in which purchased or installed. The District has audit responsibility.

**XII. Regional Education Cooperative**

A joint powers agreement was entered into with the Regional Education Cooperative No. 6, (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

There are ten schools that participate in the REC; they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, Grady, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC paid expenditures of \$30,444 on behalf of the Grady Municipal School District for the year ending June 30, 2009. The District recognizes the revenue and expenditures in the financial statements.

The REC is audited and reported separately from the District but the information is included in this report. The financial reporting information may be obtained at the Regional Education Cooperative No. 6 located at 1500 South Avenue K, Station 9, Portales, New Mexico 88130.



## **SUPPLEMENTAL INFORMATION**



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STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - DEBT SERVICE FUND - 41000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Taxes	\$ 55,578	\$ 55,578	\$ 52,325	\$ (3,253)
Investment Income	-	-	-	-
<b>TOTAL REVENUE</b>	<u>55,578</u>	<u>55,578</u>	<u>\$ 52,325</u>	<u>\$ (3,253)</u>
BUDGETED CASH BALANCE	<u>55,035</u>	<u>55,035</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 110,613</u>	<u>\$ 110,613</u>		
<b>EXPENDITURES</b>				
Current				
General Administration	\$ 556	\$ 556	\$ 523	\$ 33
Debt Service				
Principal Retirement	40,000	40,000	40,000	-
Bond Interest	15,578	15,578	15,578	-
Non-operating Reserves	54,479	54,479	-	54,479
<b>TOTAL EXPENDITURES</b>	<u>\$ 110,613</u>	<u>\$ 110,613</u>	<u>\$ 56,101</u>	<u>\$ 54,512</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 52,325
Differences budget to GAAP	
Prior Year receivable	(34,999)
Change in deferred taxes	(2,875)
Current Year receivable	38,063
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 52,514</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 56,101
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 56,101</u>

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

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STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - ED TECH DEBT SERVICE FUND - 43000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Taxes	\$ -	\$ -	\$ 5,272	\$ 5,272
Investment Income	-	-	-	-
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>	<b>\$ 5,272</b>	<b>\$ 5,272</b>
<b>BUDGETED CASH BALANCE</b>	<b>5,408</b>	<b>5,408</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 5,408</b>	<b>\$ 5,408</b>		
<b>EXPENDITURES</b>				
Current				
General Administration	\$ -	\$ -	\$ -	\$ -
Debt Service				
Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Non-operating Reserves	5,408	5,408	-	5,408
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,408</b>	<b>\$ 5,408</b>	<b>\$ -</b>	<b>\$ 5,408</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 5,272
Differences budget to GAAP	
Prior Year receivable	(7,598)
Change in deferred taxes	5,272
Current Year receivable	2,326
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 5,272</b>

**Uses/Outflows of Resources**

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

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - CAPITAL PROJECTS - BOND BUILDING FUND -31100

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Sale of Bonds	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	89	89
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>	<b>\$ 89</b>	<b>\$ 89</b>
BUDGETED CASH BALANCE	75,152	75,152		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 75,152</b>	<b>\$ 75,152</b>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ 75,152	\$ 75,152	\$ 61,045	\$ 14,107
<b>TOTAL EXPENDITURES</b>	<b>\$ 75,152</b>	<b>\$ 75,152</b>	<b>\$ 61,045</b>	<b>\$ 14,107</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 89
Differences budget to GAAP	
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 89</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 61,045
Differences-budget to GAAP	
Prior year accounts payable	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 61,045</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET - GENERAL FUNDS

June 30, 2009

	OPERATIONAL TEACHERAGE TRANSPORTATION		
	11000	12000	13000
<b>ASSETS</b>			
Cash on Deposit	\$ 190,341	\$ 2,207	\$ 2,700
Taxes Receivable	681	-	-
Internal balances	-	-	-
Due from other Governments	-	-	-
Inventories	17,465	-	-
<b>TOTAL ASSETS</b>	<b>\$ 208,487</b>	<b>\$ 2,207</b>	<b>\$ 2,700</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenue	639	-	-
<b>TOTAL LIABILITIES</b>	<b>639</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
Fund Balance			
Reserved:			
Reserved for inventory	17,465	-	-
Reserved for debt service			
Unreserved:			
Designated, Reported in			
General Fund	190,383	2,207	2,700
Special Revenue Funds			
Capital Projects Funds	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>207,848</b>	<b>2,207</b>	<b>2,700</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 208,487</b>	<b>\$ 2,207</b>	<b>\$ 2,700</b>

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

INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
-------------------------------------	--------------------------

\$ 12,582	\$ 207,830
-	681
-	-
-	-
-	17,465
<u>\$ 12,582</u>	<u>\$ 225,976</u>

\$ -	\$ -
-	639
<u>-</u>	<u>639</u>

-	17,465
12,582	207,872
-	-
<u>12,582</u>	<u>225,337</u>
<u>\$ 12,582</u>	<u>\$ 225,976</u>

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

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

Year ended June 30, 2009

	OPERATIONAL TEACHERAGE TRANSPORTATION		
	11000	12000	13000
<b>REVENUE</b>			
Federal Aid	\$ 214	\$ -	\$ -
State Aid	1,725,005	-	227,629
Property taxes	4,092	-	-
Interest	184	-	-
Other local sources	41,127	2,000	-
<b>TOTAL REVENUES</b>	<b>1,770,622</b>	<b>2,000</b>	<b>227,629</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	1,108,741	-	-
<b>Support Services</b>			
Students	56,673	-	-
Instruction	18,920	-	-
General Administration	202,734	-	-
School Administration	56,408	-	-
Central Services	70,085	-	-
Operation & Maintenance of Plant	244,297	440	-
Transportation of students	-	-	227,628
Food Service	28,737	-	-
<b>Non-current</b>			
Principal Retirement	-	-	-
Bond Interest	-	-	-
Facilities and construction	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,786,595</b>	<b>440</b>	<b>227,628</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(15,973)</b>	<b>1,560</b>	<b>1</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from Ed Tech Debt Service	5,406	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,406</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(10,567)</b>	<b>1,560</b>	<b>1</b>
<b>FUND BALANCE - JUNE 30, 2008</b>	<b>218,415</b>	<b>647</b>	<b>2,699</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ 207,848</b>	<b>\$ 2,207</b>	<b>\$ 2,700</b>

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

INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
\$ -	\$ 214
16,207	1,968,841
-	4,092
-	184
-	43,127
<u>16,207</u>	<u>2,016,458</u>
4,182	1,112,923
-	56,673
127	19,047
-	202,734
-	56,408
-	70,085
-	244,737
-	227,628
-	28,737
-	-
-	-
<u>4,309</u>	<u>2,018,972</u>
11,898	(2,514)
-	5,406
<u>-</u>	<u>5,406</u>
11,898	2,892
684	222,445
<u>12,582</u>	<u>225,337</u>
<u>\$ 12,582</u>	<u>\$ 225,337</u>



STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - OPERATIONAL - 11000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ 214	\$ 214
State Revenue	1,724,674	1,724,674	1,725,005	331
Property Taxes	4,207	4,207	4,071	
Local Revenue	11,193	11,193	41,127	29,934
Income from Investments	-	-	184	184
<b>TOTAL REVENUE</b>	<b>1,740,074</b>	<b>1,740,074</b>	<b>\$ 1,770,601</b>	<b>\$ 30,663</b>
<b>BUDGETED CASH BALANCE</b>	<b>167,000</b>	<b>167,000</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 1,907,074</b>	<b>\$ 1,907,074</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 1,121,084	\$ 1,141,447	\$ 1,117,830	\$ 23,617
Support Services				
Students	90,881	91,470	56,673	34,797
Instruction	24,096	24,098	18,920	5,178
General Administration	227,243	225,099	202,734	22,365
School Administration	59,437	59,440	56,408	3,032
Central Services	74,570	74,988	70,085	4,903
Operation & Maintenance of Plant	278,183	279,821	244,297	35,524
Other Support Services	343	343	-	343
Food Services	27,687	28,737	28,737	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,903,524</b>	<b>\$ 1,925,443</b>	<b>\$ 1,795,684</b>	<b>\$ 129,759</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1,770,601
Differences budget to GAAP	
Prior Year receivable	(566)
Change in deferred taxes	(94)
Current Year receivable	681
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 1,770,622</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,795,684
Differences-budget to GAAP	
Change in inventory	(9,089)
Prior year warrants voided	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 1,786,595</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - TEACHERAGE - 12000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Rents and leases	\$ 2,400	\$ 2,400	\$ 2,000	\$ (400)
<b>TOTAL REVENUE</b>	<b>2,400</b>	<b>2,400</b>	<b>2,000</b>	<b>(400)</b>
BUDGETED CASH BALANCE	397	647		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 2,797</b>	<b>\$ 3,047</b>		
<b>EXPENDITURES</b>				
Current				
Operation & Maintenance of Plant	\$ 2,797	\$ 3,047	\$ 440	\$ 2,607
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,797</b>	<b>\$ 3,047</b>	<b>\$ 440</b>	<b>\$ 2,607</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 2,000
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 2,000</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 440
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 440</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - TRANSPORTATION - 13000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ 242,527	\$ 227,629	\$ 227,629	\$ -
<b>TOTAL REVENUE</b>	<u>242,527</u>	<u>227,629</u>	<u>\$ 227,629</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 242,527</u>	<u>\$ 227,629</u>		
<b>EXPENDITURES</b>				
Current				
Student Transportation	\$ 242,527	\$ 227,629	\$ 227,628	\$ 1
<b>TOTAL EXPENDITURES</b>	<u>\$ 242,527</u>	<u>\$ 227,629</u>	<u>\$ 227,628</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)	\$ 227,629
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 227,629</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 227,628
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 227,628</u>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - INSTRUCTIONAL MATERIALS - 14000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ 10,889	\$ 16,256	\$ 16,207	\$ (49)
<b>TOTAL REVENUE</b>	<b>10,889</b>	<b>16,256</b>	<b>16,207</b>	<b>(49)</b>
BUDGETED CASH BALANCE	530	684		
<b>TOTAL REVENUE &amp; CASH</b>	<b>11,419</b>	<b>16,940</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 10,770	\$ 16,181	\$ 4,182	\$ 11,999
Support Services				
Instruction	649	759	127	632
<b>TOTAL EXPENDITURES</b>	<b>11,419</b>	<b>16,940</b>	<b>4,309</b>	<b>12,631</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 16,207
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>16,207</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 4,309
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>4,309</b>

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

## **Non-Major Funds**

## **NON MAJOR FUNDS**

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

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

**TITLE I** – to account for the federal assistance provided to the District for the improvement of educational opportunities to deprived children. (Authority, PL 103-382)

**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.

**IDEA B PRESCHOOL** – 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 Law 105-17.

**TITLE II** – to account for a federal grant restricted to the operation and maintenance of the Eisenhower Mathematics and Science Education state grant program to enhance math and science education in public schools. Authority for the creation of this fund is ESEA of 1965, Title II, Part A, Public Law 100-297, as amended; Public Law 101-589, reauthorized by Public Law 103-382.

**TITLE IV** – to account for a federal grant restricted to the establishment and implementation of substance abuse education and prevention programs in the elementary and secondary schools. Authority for fund creation DFS & C Act of 1986, Title V, Part B; ESEA as amended; Public Laws 99-750, 100-297, 100-690, 101-226 and 101-647, Public Law 103-382.

**TITLE I – STIMULUS** – to account for federal assistance provided to the district for the improvement of educational opportunities to deprived children. (Authority, Title I Grant)

**TITLE V** – to account for the federal assistance provided to the District for specialized improvements of educational opportunities to disadvantaged children. (Authority, PL 100-297)

**IMPACT AID SPECIAL EDUCATION** – to account for federal funds received and expended from the Impact Aid grant.

**RURAL EDUCATION ACHIEVEMENT PROGRAM**– to account for monies received to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning. Authority for this program is contained in Title VI, Part B of the Elementary and Secondary Education Act of 1965, (ESEA), as amended by Public Law 107-110.

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

**BREAKFAST FOR ELEMENTARY** – to account for state appropriation revenue to provide breakfast meals for elementary students in the district. ( Authority by the Grant Provisions)

**TECH APPROPRIATION** – to account for a grant designated to strengthen learning in the field of technology.

LIBRARY SB 301 BONDS - This fund is used to provide supplementary library books for the library of the district.

LIBRARY BOOK FUND – This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public school and juvenile detention libraries statewide.

PUBLIC SCHOOL CAPITAL OUTLAY– to account for state appropriated revenue allocated by the public school capital outlay council in compliance with sections 22-24-6, NMSA, 1978.

SB-9 CAPITAL IMPROVEMENTS9 – to account for the receipt of local proceeds form a mill levy on ad valorem/property taxes and state matching funds. These are to be expended for capital outlay projects and maintenance.

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2009

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	IDEA-B ENTITLEMENT 24106	IDEA-B PRESCHOOL 24109
<b>ASSETS</b>					
Cash on Deposit	\$ 10,566	\$ 6,044	\$ -	\$ -	\$ -
Due from other Governments	-	-	-	9,505	-
Inventories	1,835	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 12,401</b>	<b>\$ 6,044</b>	<b>\$ -</b>	<b>\$ 9,505</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 9,505	\$ -
Internal balances	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,505</b>	<b>-</b>
<b>FUND BALANCE</b>					
Fund Balance					
Reserved:					
Reserved for inventory	1,835	-	-	-	-
Unreserved:					
Designated for subsequent year expenditures	10,566	6,044	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>12,401</b>	<b>6,044</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 12,401</b>	<b>\$ 6,044</b>	<b>\$ -</b>	<b>\$ 9,505</b>	<b>\$ -</b>

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



TITLE I STIMULUS 24201	IMPACT AID SPECIAL EDUCATION 25145	RURAL EDUCATION ACHIEVEMENT PROGRAM 25233	TECHNOLOGY FOR EDUCATION 27117	LIBRARY BOOK FUND 27549	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ 4,434	\$ -	\$ 3,923	\$ 380	\$ 25,347
3,074	-	-	-	-	12,579
-	-	-	-	-	1,835
<u>\$ 3,074</u>	<u>\$ 4,434</u>	<u>\$ -</u>	<u>\$ 3,923</u>	<u>\$ 380</u>	<u>\$ 39,761</u>
\$ 3,074	\$ -	\$ -	\$ -	\$ -	\$ 12,579
-	-	-	-	-	-
-	-	-	3,923	380	4,303
<u>3,074</u>	<u>-</u>	<u>-</u>	<u>3,923</u>	<u>380</u>	<u>16,882</u>
-	-	-	-	-	1,835
-	4,434	-	-	-	21,044
-	4,434	-	-	-	22,879
<u>\$ 3,074</u>	<u>\$ 4,434</u>	<u>\$ -</u>	<u>\$ 3,923</u>	<u>\$ 380</u>	<u>\$ 39,761</u>

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	IDEA-B ENTITLEMENT 24106	IDEA -B PRESCHOOL 24109
<b>REVENUES</b>					
Federal Aid	\$ 36,709	\$ -	\$ 26,305	\$ 29,051	\$ 1,393
State Aid	-	-	-	-	-
Local revenues	23,348	15,120	-	-	-
Interest	45	45	-	-	-
<b>TOTAL REVENUES</b>	<b>60,102</b>	<b>15,165</b>	<b>26,305</b>	<b>29,051</b>	<b>1,393</b>
<b>EXPENDITURES</b>					
Current					
Instruction	-	13,416	26,305	-	1,393
Support Services					
Students	-	-	-	29,051	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Service	58,539	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>58,539</b>	<b>13,416</b>	<b>26,305</b>	<b>29,051</b>	<b>1,393</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,563</b>	<b>1,749</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE- JUNE 30, 2008</b>	<b>10,838</b>	<b>4,295</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ 12,401</b>	<b>\$ 6,044</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

SAFE & DRUG FREE 24157	TITLE I STIMULUS 24201	IMPACT AID SPECIAL EDUCATION 25145	RURAL EDUCATION ACHIEVEMENT PROGRAM 25233	TECHNOLOGY FOR EDUCATION 27117	BREAKFAST FOR ELEMENTARY 27155	LIBRARY SB 301 BONDS 27170	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 1,500	\$ 3,074	\$ 189	\$ 17,522	\$ -	\$ -	\$ -	\$ 115,743
-	-	-	-	2,993	5,465	3,856	12,314
-	-	-	-	-	-	-	38,468
-	-	-	-	-	-	-	90
1,500	3,074	189	17,522	2,993	5,465	3,856	166,615
1,500	3,074	-	17,522	2,993	-	-	66,203
-	-	-	-	-	-	-	29,051
-	-	-	-	-	-	3,856	3,856
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,465	-	64,004
1,500	3,074	-	17,522	2,993	5,465	3,856	163,114
-	-	189	-	-	-	-	3,501
-	-	4,245	-	-	-	-	19,378
\$ -	\$ -	\$ 4,434	\$ -	\$ -	\$ -	\$ -	\$ 22,879

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - FOOD SERVICE - 21000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Aid	\$ 28,500	\$ 28,500	\$ 33,640	\$ 5,140
Local Revenue	20,000	20,000	23,348	3,348
Interest on Investments	1,783	1,783	45	(1,738)
<b>TOTAL REVENUE</b>	<b>50,283</b>	<b>50,283</b>	<b>\$ 57,033</b>	<b>\$ 6,750</b>
<b>BUDGETED CASH BALANCE</b>	<b>3,406</b>	<b>7,325</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 53,689</b>	<b>\$ 57,608</b>		
<b>EXPENDITURES</b>				
Current				
Food Service	53,689	57,608	55,575	2,033
<b>TOTAL EXPENDITURES</b>	<b>\$ 53,689</b>	<b>\$ 57,608</b>	<b>\$ 55,575</b>	<b>\$ 2,033</b>

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

<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 57,033
Differences budget to GAAP		
Commodities received		3,069
<b>Total Revenues (GAAP Basis)</b>		<b>\$ 60,102</b>
 <b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 55,575
Differences-budget to GAAP		
Change in Inventories		(105)
Commodities Used		3,069
<b>Total Expenditures (GAAP Basis)</b>		<b>\$ 58,539</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - ATHLETICS - 22000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Fees from activities	\$ 15,000	\$ 15,000	\$ 15,120	\$ 120
Investment income	-	-	45	45
<b>TOTAL REVENUE</b>	<u>15,000</u>	<u>15,000</u>	<u>\$ 15,165</u>	<u>\$ 165</u>
BUDGETED CASH BALANCE	<u>3,122</u>	<u>4,295</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 18,122</u>	<u>\$ 19,295</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 18,122	\$ 19,295	\$ 13,416	\$ 5,879
<b>TOTAL EXPENDITURES</b>	<u>\$ 18,122</u>	<u>\$ 19,295</u>	<u>\$ 13,416</u>	<u>\$ 5,879</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 15,165
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 15,165</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 13,416
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 13,416</u>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE I -24101

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 23,968	\$ 29,933	\$ 26,821	\$ (3,112)
TOTAL REVENUE	23,968	29,933	26,821	(3,112)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 23,968	\$ 29,933		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 23,628	\$ 29,933	\$ 26,305	\$ 3,628
Support Services				
Students	-	-	-	-
TOTAL EXPENDITURES	\$ 23,628	\$ 29,933	\$ 26,305	\$ 3,628

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 26,821
Differences budget to GAAP	
Prior Year Receivable	(516)
Due from other governments	-
Current Year deferral	
Total Revenues (GAAP Basis)	\$ 26,305

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 26,305
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 26,305

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - IDEA - ENTITLEMENT - 24106

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 30,315	\$ 39,101	\$ 19,546	\$ (19,555)
<b>TOTAL REVENUE</b>	<b>30,315</b>	<b>39,101</b>	<b>19,546</b>	<b>(19,555)</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>30,315</b>	<b>39,101</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Students	30,315	39,101	29,051	10,050
<b>TOTAL EXPENDITURES</b>	<b>30,315</b>	<b>39,101</b>	<b>29,051</b>	<b>10,050</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 19,546
Differences budget to GAAP	
Prior Year deferral	-
Current Year Receivable	9,505
<b>Total Revenues (GAAP Basis)</b>	<b>29,051</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 29,051
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>29,051</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - IDEA - PRESCHOOL -24109

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 1,475	\$ 2,519	\$ 1,843	\$ (676)
TOTAL REVENUE	1,475	2,519	1,843	(676)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 1,475	\$ 2,519		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 1,475	\$ 2,519	\$ 1,393	\$ 1,126
Support Services				
Students	-	-	-	-
TOTAL EXPENDITURES	\$ 1,475	\$ 2,519	\$ 1,393	\$ 1,126

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1,843
Differences budget to GAAP	
Prior Year Receivable	(450)
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ 1,393

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,393
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 1,393

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



STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE V - 24150

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ 680	\$ 680
TOTAL REVENUE	-	-	<u>\$ 680</u>	<u>\$ 680</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
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)	\$ 680
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
Prior year due from other governments	(680)
Current Year Due from other governments	-
Total Revenues (GAAP Basis)	<u>\$ -</u>

**Uses/Outflows of Resources**

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

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE II - 24154

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 5,305	\$ 9,829	\$ -	\$ (9,829)
TOTAL REVENUE	5,305	9,829	-	(9,829)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 5,305	\$ 9,829		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 5,305	\$ 9,829	\$ -	\$ 9,829
Support Services				
General Administration	-	-	-	-
TOTAL EXPENDITURES	\$ 5,305	\$ 9,829	\$ -	\$ 9,829

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	-
Prior Year deferral	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ -

**Uses/Outflows of Resources**

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

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - SAFE & DRUG FREE - 24157

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 1,500	\$ 1,500	\$ -
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,500</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 1,500	\$ 1,500	\$ -
Support Services				
Instruction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ -</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1,500
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
Prior year due from other governments	-
Current Year Due from other governments	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 1,500</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,500
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 1,500</u>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE I - STIMULUS -24201

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 6,587	\$ -	\$ (6,587)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>6,587</u>	<u>\$ -</u>	<u>\$ (6,587)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 6,587</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 6,587	\$ 3,074	\$ 3,513
Support Services				
Students	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 6,587</u>	<u>\$ 3,074</u>	<u>\$ 3,513</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	
Prior Year Receivable	-
Current Year Receivable	3,074
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 3,074</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 3,074
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 3,074</u>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND -IMPACT AID SPECIAL EDUCATION - 25145

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 4,245	\$ 189	\$ (4,056)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>4,245</b>	<b>189</b>	<b>(4,056)</b>
<b>BUDGETED CASH BALANCE</b>				
	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>-</b>	<b>4,245</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 4,245	\$ -	\$ 4,245
Support Services				
Instruction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>4,245</b>	<b>-</b>	<b>4,245</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 189
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 189</b>

**Uses/Outflows of Resources**

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

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND -RURAL EDUCATION ACHIEVEMENT PROGRAM - 25233

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 17,522	\$ 17,522	\$ -
<b>TOTAL REVENUE</b>	<b>-</b>	<b>17,522</b>	<b>17,522</b>	<b>-</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 17,522</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 17,522	\$ 17,522	\$ -
Support Services				
Instruction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 17,522</b>	<b>\$ 17,522</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 17,522
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 17,522</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 17,522
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 17,522</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TECHNOLOGY FOR EDUCATION- 27117

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 6,916	\$ 4,388	\$ (2,528)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>6,916</u>	<u>4,388</u>	<u>(2,528)</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 6,916</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 6,916	\$ 2,993	\$ 3,923
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 6,916</u>	<u>\$ 2,993</u>	<u>\$ 3,923</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 4,388
Differences budget to GAAP	
Prior Year Deferral	2,528
Current Year Deferral	(3,923)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 2,993</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 2,993
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 2,993</u>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - BREAKFAST FOR ELEMENTARY - 27155

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 5,465	\$ 5,465	\$ -
TOTAL REVENUE	-	5,465	<u>5,465</u>	<u>-</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 5,465</u>		
EXPENDITURES				
Current				
Food Service	\$ -	\$ 5,465	\$ 5,465	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 5,465</u>	<u>\$ 5,465</u>	<u>\$ -</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 5,465
Differences budget to GAAP	
Prior Year Deferral	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 5,465</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 5,465
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 5,465</u>

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



STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TECH APPROPRIATION - 27165

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ -	\$ 10,909	\$ 10,909
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 10,909</u>	<u>\$ 10,909</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	<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)	\$ 10,909
Differences budget to GAAP	
Prior Year Receivable	(10,909)
Current Year Receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ -</u>

**Uses/Outflows of Resources**

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

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - LIBRARY SB 301 BONDS - 27170

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 3,857	\$ 6,798	\$ 2,941
TOTAL REVENUE	-	3,857	6,798	2,941
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 3,857		
EXPENDITURES				
Current				
Support Services				
Instruction	\$ -	\$ 3,857	\$ 3,856	\$ 1
TOTAL EXPENDITURES	\$ -	\$ 3,857	\$ 3,856	\$ 1

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 6,798
Differences budget to GAAP	
Prior Year Receivable	(2,942)
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ 3,856

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 3,856
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 3,856

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - LIBRARY BOOK FUND - 27549

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ -	\$ 380	\$ 380	\$ -
TOTAL REVENUE	-	380	380	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 380		
<b>EXPENDITURES</b>				
Current				
Support Services				
Instruction	\$ -	\$ 380	\$ -	\$ 380
TOTAL EXPENDITURES	\$ -	\$ 380	\$ -	\$ 380

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 380
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Deferral	(380)
Total Revenues (GAAP Basis)	\$ -

**Uses/Outflows of Resources**

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

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - CAPITAL PROJECTS - SB-9 CAPITAL IMPROVEMENTS FUND - 31700

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
<b>Local Revenue</b>				
Taxes	\$ 16,888	\$ 16,888	\$ 16,292	\$ (596)
Refunds Reimbursements			-	
Investment Income	-	-	90	90
<b>TOTAL LOCAL REVENUE</b>	<b>16,888</b>	<b>16,888</b>	<b>16,382</b>	<b>(506)</b>
<b>State Revenue</b>				
State flowthrough	34,116	36,674	35,706	
<b>TOTAL FEDERAL REVENUE</b>	<b>34,116</b>	<b>36,674</b>	<b>35,706</b>	
<b>TOTAL REVENUE</b>	<b>51,004</b>	<b>53,562</b>	<b>\$ 52,088</b>	<b>\$ (506)</b>
<b>BUDGETED CASH BALANCE</b>	<b>50,600</b>	<b>104,512</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 101,604</b>	<b>\$ 158,074</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Facilities and construction	\$ 101,604	\$ 158,074	\$ 49,884	\$ 108,190
<b>TOTAL EXPENDITURES</b>	<b>\$ 101,604</b>	<b>\$ 158,074</b>	<b>\$ 49,884</b>	<b>\$ 108,190</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 52,088
Differences budget to GAAP	
Prior Year receivable	(2,378)
Change in deferred taxes	(384)
Current Year receivable	2,868
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 52,194</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 49,884
Differences-budget to GAAP	
Prior year accounts payable	\$ -
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 49,884</b>

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

STATE OF NEW MEXICO  
GRADY MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - CAPITAL PROJECTS - PUBLIC SCHOOL CAPITAL OUTLAY - 31200

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue				
PSCOC Awards	\$ 710,476	\$ 710,476	\$ 685,744	\$ (24,732)
Investment Income	-	-	-	-
TOTAL REVENUE	<u>710,476</u>	<u>710,476</u>	<u>\$ 685,744</u>	<u>\$ (24,732)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 710,476</u>	<u>\$ 710,476</u>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ 710,476	\$ 710,476	\$ 685,744	\$ 24,732
TOTAL EXPENDITURES	<u>\$ 710,476</u>	<u>\$ 710,476</u>	<u>\$ 685,744</u>	<u>\$ 24,732</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 685,744
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 685,744</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 685,744
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 685,744</u>

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

## **OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
 GRADY MUNICIPAL SCHOOLS  
 Fiduciary Funds  
 Schedule of Changes in Assets and Liabilities - All Agency Funds  
 For the year ended June 30, 2009

	Balance June 30, 2008	Receipts	Disbursements	Balance June 30, 2009
<b>ASSETS</b>				
Cash on deposit	\$ 67,527	\$ 115,308	\$ 112,396	\$ 70,439
Pooled Cash and Investments	\$ 67,527	\$ 115,308	\$ 112,396	\$ 70,439
<b>LIABILITIES</b>				
Deposits held for others	\$ 67,527	\$ 115,308	\$ 112,396	\$ 70,439
Class of 2007	\$ -	\$ -	\$ -	\$ -
Class of 2008	106	-	106	-
Class of 2009	7,770	8,523	16,243	50
Class of 2010	1,932	19,374	11,337	9,969
Class of 2011	3,455	2,302	-	5,757
Class of 2012	1,009	167	-	1,176
Class of 2013	741	148	116	773
Class of 2014	214	90	-	304
Class of 2015	-	1,753	670	883
Class of 2016	-	-	-	-
Class of 2017	-	-	-	-
Class of 2018	-	-	-	-
Elementary	177	582	603	156
Accelerated Reading Program	711	386	980	117
Activity Cash	400	100	100	400
Box Tops	965	-	500	465
Boys Athletics	1,583	2,517	2,729	1,371
Cafeteria	249	-	-	249
Cheerleaders	3,784	5,972	9,363	393
Custodian/ maintenance	2,713	-	2,588	125
Elem Cheerleaders	394	302	652	44
Faculty	680	840	814	706
Fellowship of Christian Athletics	158	-	-	158
Football	3,135	3,128	1,473	4,790
Future Farmers of America	532	23,765	23,575	722
FFA Travel	138	768	-	906
FFA Tool Donations	439	95	95	439
Girls Athletics	3,030	2,351	1,579	3,802
Honor Society	174	-	-	174
Journalism / Marketing	2,642	8,658	9,675	1,625
Leadership Class	59	-	-	59
Library	476	2,726	2,706	496
NMAA State Tourney	-	-	-	-
Rodeo Club	188	-	-	188
Senior Class 2006 and past	321	106	166	261
Special Education	122	-	-	122
Student and Community	96	2,515	2,402	209
Student Council	1,006	515	1,021	500
Trophy Case	488	-	-	488
Uniform account	424	-	221	203
Contributions and Donations	5,000	8,500	7,597	5,903
401 A Broadway	9,839	3,000	250	12,589
401 B Broadway	9,818	1,800	1,165	10,453
Rental Deposit Account	1,000	1,000	800	1,200
Grady Booster Club	1,559	13,325	12,670	2,214
	<u>\$ 67,527</u>	<u>\$ 115,308</u>	<u>\$ 112,396</u>	<u>\$ 70,439</u>

STATE OF NEW MEXICO  
 GRADY MUNICIPAL SCHOOLS  
 Cash Reconciliation  
 June 30, 2009

	Beginning Cash	Receipts	Distributions	Other
GRADY MUNICIPAL SCHOOLS				
Operational Account	\$ 210,018	\$ 1,770,601	\$ (1,795,684)	\$ 5,406
Teacherage	647	2,000	(440)	-
Transportation	2,699	227,629	(227,628)	-
Instructional Materials	684	16,207	(4,309)	-
Food Services	9,108	57,033	(55,575)	-
Athletics	4,295	15,165	(13,416)	-
Student Activities	67,527	115,308	(112,396)	-
Federal Flowthrough	-	63,209	(61,322)	(1,887)
Federal Direct	4,245	17,711	(17,522)	-
State Flowthrough	2,528	27,940	(12,314)	(13,851)
Bond Building Fund	66,575	89	(61,045)	-
Public School Capital Outlay	-	-	-	-
Special Capital Outlay State	-	-	-	-
Capital Improvement SB-9	70,396	52,088	(49,884)	-
Debt Service	35,185	52,325	(56,101)	-
Ed Tech Debt Service	5,406	5,272	-	(5,406)
<b>Total Grady Municipal Schools</b>	<b>\$ 479,313</b>	<b>\$ 2,422,577</b>	<b>\$ (2,467,636)</b>	<b>\$ (15,738)</b>

Account Name	Account Type	Bank Name	Bank Amount
Grady Municipal Schools			
Operational	Checking	Wells Fargo	\$ 275,088
Teacherage	Checking	Wells Fargo	2,207
Transportation	Checking	Wells Fargo	2,700
Instructional Material	Checking	Wells Fargo	13,097
Food Services	Checking	Wells Fargo	10,589
Athletic Fund	Checking	Wells Fargo	6,044
Student Activities	Checking	Wells Fargo	68,914
Booster Club	Checking	Wells Fargo	2,286
Federal Funds	Checking	Wells Fargo	13,436
State Grants	Checking	Wells Fargo	4,303
Capital Projects	Checking	Wells Fargo	5,619
Senate Bill 9	Checking	Wells Fargo	72,600
Debt Service	Checking	Wells Fargo	31,409
Ed Tech Debt Service	Checking	Wells Fargo	5,272
<b>Total Grady Municipal Schools</b>			<b>\$ 513,564</b>
<b>Total Bank Balances</b>			<b>\$ 513,564</b>
Reconciling Items			(95,048)
Report Balance			<b>\$ 418,516</b>



Net Cash end of Period	Adjustments to the report	Total Cash on Report
\$ 190,341	\$ -	\$ 190,341
2,207	-	2,207
2,700	-	2,700
12,582	-	12,582
10,566	-	10,566
6,044	-	6,044
70,439	-	70,439
-	-	-
4,434	-	4,434
4,303	-	4,303
5,619	-	5,619
-	-	-
-	-	-
72,600	-	72,600
31,409	-	31,409
5,272	-	5,272
<u>\$ 418,516</u>	<u>\$ -</u>	<u>\$ 418,516</u>

**8ONNY FOUTS**  
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Melrose, NM 88124

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

Hector Balderas, State Auditor  
Grady Municipal Schools and  
Board of Education  
Grady, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the combining and individual funds presented as supplemental information of the agency as of and for the year ended June 30, 2009, and have issued our report thereon dated October 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grady Municipal School financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive style with a large initial 'R'.

Ronny Fouts, CPA  
Melrose, New Mexico  
October 16, 2009

STATE OF NEW MEXICO  
Grady Municipal Schools

**Schedule of Findings and Responses**  
For the Year Ended June 30, 2009

SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unqualified opinion on the financial statements of Grady Municipal Schools.
2. No instances of noncompliance material to the financial statements of Grady Municipal Schools were disclosed during the audit.
3. The District did not expend \$500,000 in federal awards, and was therefore not subject to OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDING

None

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Ronny Fouts, CPA with substantial assistance from District personnel.

STATE OF NEW MEXICO  
Grady Municipal Schools

**Exit Conference**  
For the Year Ended June 30, 2009

EXIT CONFERENCE

The contents of this report were discussed with Ted Trice, Superintendent, Bill Page, Board President, Phillip Borden, Board Vice President, Karla Malone, Business Manager, and Ronny Fouts, CPA on October 16, 2009

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive style with a large, sweeping initial "R".

Ronny Fouts, CPA  
Melrose, New Mexico  
October 16, 2009