
STATE OF NEW MEXICO
Grady Municipal School
June 30, 2010

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2010
With Independent Auditor's Report Thereon

Sandra Rush
Certified Public Accountant, PC

1101 E Llano Estacado
Clovis, New Mexico 88101

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Official Roster
For the year ended June 30, 2010

Board of Education

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

School Officials

Ted Trice	Superintendent
Karla Malone	Business Manager

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

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Financial Section

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Independent Auditor's Report

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of Grady Municipal School District

Mr. Balderas and Members of the Board

I have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund of the Grady Municipal School District (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the District's nonmajor governmental funds, and budgetary comparisons for the major Capital Project Funds, Debt Service Funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements based on my audit.

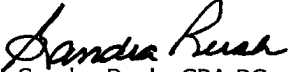
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my 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, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2010, and the respective changes in financial position, thereof and the 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*, I have also issued my report dated November 23, 2010 on my consideration of the District's internal control over financial reporting and on my 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 my 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 my audit.

For the year ended June 30, 2010 the District 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.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grady Municipal Schools' basic financial statements, the combining and individual fund financial statements, and the budgetary comparison statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic and each of the nonmajor governmental fund financial statements, and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Sandra Rush, CPA PC
November 23, 2010

Basic Financial Statements

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STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 238,655
Receivables:	
Taxes - current	1,481
Taxes - delinquent taxes	4,138
Due from other governments	3,150
Inventories	<u>19,428</u>
Total current assets	<u>266,852</u>
Noncurrent assets:	
Bond issue costs, net	26,829
Capital assets, net	<u>5,102,350</u>
Total non current assets	<u>5,129,179</u>
Total assets	<u>\$ 5,396,031</u>
<u>LIABILITIES AND NET ASSETS</u>	
Current liabilities:	
Cash on deposit overdrawn	\$ 3,150
Accounts payable	5,975
Accrued interest	3,822
Deferred revenue	3,735
Current portion of long term debt	<u>40,000</u>
Total current liabilities	<u>56,682</u>
Noncurrent liabilities:	
Bonds and notes	<u>275,000</u>
Total noncurrent liabilities	<u>275,000</u>
Total liabilities	<u>331,682</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	4,787,350
Unrestricted	<u>(276,999)</u>
Total net assets	<u>5,064,349</u>
Total liabilities and net assets	<u>\$ 5,396,031</u>

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

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Statement of Activities
For the year ended June 30, 2010

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 1,227,422	\$ 10,100	\$ 274,932	\$ -
Support services:				
Students	64,485	16,131	-	-
Instruction	57,003	-	5,334	-
General administration	198,442	-	-	-
School administration	55,985	-	-	-
Central services	63,438	-	-	-
Operation & maintenance of plant	418,822	3,000	-	24,605
Student transportation	277,122	-	217,272	-
Operation of non-instructional services:				
Food services operations	87,766	15,762	38,171	-
Capital outlay	-	-	-	637,541
Amortization	4,471	-	-	-
Debt Service:				
Interest	13,996	-	-	-
Total governmental activities	<u>\$ 2,468,952</u>	<u>\$ 44,993</u>	<u>\$ 535,709</u>	<u>\$ 662,146</u>

General revenues:
 Taxes:
 General purposes
 Debt service
 Capital projects
 State equalization guarantee
 Miscellaneous income:
 Other local revenues
 Loss on disposal of capital assets

Total general revenues

Change in net assets

Net assets, beginning
 Restatements

Net assets, beginning restated

Net assets, ending

The accompanying notes are an integral part of these financial statements

Net Program
 [Expense]
 Revenues
Governmental
Activities
Total

\$ (942,390)

(48,354)

(51,669)

(198,442)

(55,985)

(63,438)

(391,217)

(59,850)

(33,833)

637,541

(4,471)

(13,996)

(1,226,104)

3,899

49,096

16,926

1,536,891

25,781

(12,248)

1,620,345

394,241

5,172,399

(502,291)

4,670,108

\$ 5,064,349

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Balance Sheet
Governmental Funds
June 30, 2010

	General Fund				
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000	Bond Building 31100
ASSETS					
Cash and cash equivalents	\$ 109,949	\$ 4,407	\$ 5	\$ 12,672	\$ -
Receivables:					
Taxes - current	84	-	-	-	-
Taxes - delinquent taxes	233	-	-	-	-
Due from other governments	-	-	-	-	-
Inventory	18,642	-	-	-	-
Total assets	\$ 128,908	\$ 4,407	\$ 5	\$ 12,672	\$ -
LIABILITIES					
Cash on deposit overdrawn	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,319	-	-	274	-
Deferred revenue	233	-	-	-	-
Total liabilities	1,552	-	-	274	-
FUND BALANCES					
Non-spendable	18,642	-	-	-	-
Restricted for					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
Unrestricted for					
General Fund	108,714	4,407	5	12,398	-
Total fund balance	127,356	4,407	5	12,398	-
Total liabilities & fund balances	\$ 128,908	\$ 4,407	\$ 5	\$ 12,672	\$ -

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

Public School Capital Outlay 31200	Senate Bill - 9 Capital Outlay 31700	Ed Tech Debt Service 43000	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 62,679	\$ -	\$ 25,432	\$ 23,511	\$ 238,655
-	337	-	1,060	-	1,481
-	932	-	2,973	-	4,138
-	-	-	-	3,150	3,150
-	-	-	-	786	19,428
<u>\$ -</u>	<u>\$ 63,948</u>	<u>\$ -</u>	<u>\$ 29,465</u>	<u>\$ 27,447</u>	<u>\$ 266,852</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,150	\$ 3,150
-	2,886	-	11	1,485	5,975
-	932	-	2,973	3,735	7,873
-	3,818	-	2,984	8,370	16,998
-	-	-	-	786	19,428
-	-	-	-	-	-
-	-	-	-	18,291	18,291
-	60,130	-	-	-	60,130
-	-	-	26,481	-	26,481
-	-	-	-	-	-
-	-	-	-	-	125,524
-	60,130	-	26,481	19,077	249,854
<u>\$ -</u>	<u>\$ 63,948</u>	<u>\$ -</u>	<u>\$ 29,465</u>	<u>\$ 27,447</u>	<u>\$ 266,852</u>

Reconciliation of Total Fund Balance from Balance Sheet Governmental Funds
to the Total Net Assets on the Statement of Net Assets:

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

Fund balances - total governmental funds \$ 249,854

Delinquent property taxes not collected within sixty days after year
end are not considered "available" revenues and are considered
to be deferred revenue in the fund financial statements, but are
considered revenue in the statement of activities 4,138

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds
Capital assets \$ 8,010,989
Accumulated depreciation (2,908,639) 5,102,350

Bond issuance costs, including original issue discounts and
premiums are not financial resources and, therefore, are not
reported in the funds
Bond issue cost 44,713
Amortization of bond issue costs (17,884) 26,829
Accrued interest payable (3,822)

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds (315,000)

Net assets of governmental activities \$ 5,064,349

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the year ended June 30, 2010

	General Fund				
	Operational 11000	Teachergage 12000	Transportation 13000	Instructional Materials 14000	Bond Building 31100
Revenues:					
Local and county	\$ 55,184	\$ 3,000	\$ 217,272	\$ -	\$ -
State	1,536,889	-	-	5,334	-
Federal	-	-	-	-	-
Total revenues	<u>1,592,073</u>	<u>3,000</u>	<u>217,272</u>	<u>5,334</u>	<u>-</u>
Expenditures:					
Current operating:					
Instruction	1,065,091	800	-	5,518	-
Support services					
Students	49,785	-	-	-	-
Instruction	18,361	-	-	-	-
General administration	191,387	-	-	-	-
School administration	55,785	-	-	-	-
Central services	62,045	-	-	-	-
Operation & maintenance of plant	166,940	-	-	-	-
Student transportation	-	-	219,967	-	-
Operation of non-instructional services					
Food services operations	25,465	-	-	-	-
Capital outlay	43,004	-	-	-	5,619
Debt Service:					
Principal payment	-	-	-	-	-
Interest payment	-	-	-	-	-
Total expenditures	<u>1,677,863</u>	<u>800</u>	<u>219,967</u>	<u>5,518</u>	<u>5,619</u>
Excess (deficiency) of revenues over expenditures	(85,790)	2,200	(2,695)	(184)	(5,619)
Other financing sources (uses):					
Operating transfers	<u>5,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>5,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(80,518)	2,200	(2,695)	(184)	(5,619)
Fund balance, beginning of year	207,848	2,207	2,700	12,582	5,619
Restatements	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance restated	207,874	2,207	2,700	12,582	5,619
Fund balance, end of year	<u>\$ 127,356</u>	<u>\$ 4,407</u>	<u>\$ 5</u>	<u>\$ 12,398</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Senate Bill - 9 Capital Outlay 31700	Ed Tech Debt Service 43000	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 16,926	\$ -	\$ 49,096	\$ 31,893	\$ 373,371
581,616	74,531	-	-	77,630	2,276,000
-	-	-	-	265,095	265,095
<u>581,616</u>	<u>91,457</u>	<u>-</u>	<u>49,096</u>	<u>374,618</u>	<u>2,914,466</u>
-	-	-	-	138,548	1,209,957
-	-	-	-	14,109	63,894
-	-	-	-	44,893	63,254
-	153	-	496	1,594	193,630
-	-	-	-	200	55,985
-	-	-	-	1,393	63,438
-	2,883	-	-	110,364	280,187
-	57,155	-	-	-	277,122
-	-	-	-	61,320	86,785
581,616	43,926	-	-	5,999	680,164
-	-	-	40,000	-	40,000
-	-	-	14,071	-	14,071
<u>581,616</u>	<u>104,117</u>	<u>-</u>	<u>54,567</u>	<u>378,420</u>	<u>3,028,487</u>
-	(12,660)	-	(5,471)	(3,802)	(114,021)
-	-	(5,272)	-	-	-
-	-	(5,272)	-	-	-
-	(12,660)	(5,272)	(5,471)	(3,802)	(114,021)
-	72,790	5,272	31,952	22,879	363,849
-	-	-	-	-	26
-	72,790	5,272	31,952	22,879	363,875
<u>\$ -</u>	<u>\$ 60,130</u>	<u>\$ -</u>	<u>\$ 26,481</u>	<u>\$ 19,077</u>	<u>\$ 249,854</u>

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL

Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the year ended June 30, 2010

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

Net change in fund balances - total governmental funds \$ (114,021)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. This amount reflects the change in delinquent tax for the fiscal year. (39,025)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlays	\$	680,164	
Depreciation expense		<u>(156,233)</u>	523,931

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal payment on bond		40,000	
Amortization of bond issuance cost		(4,471)	

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, and interest expenditure is reported when due. This amount reflects the change in accrued interest for the fiscal year.

Decrease in accrued interest payable		75	
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Loss on disposal of capital assets		<u>(12,248)</u>	
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Change in Net Assets of Governmental Activities	\$	<u>394,241</u>	
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STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 General Fund - Operational - 11000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 16,581	\$ 16,581	\$ 55,142	\$ 38,561
State sources	1,580,817	1,536,983	1,536,889	(94)
Federal sources	214	214	-	(214)
Interest	-	-	-	-
Total revenues	<u>1,597,612</u>	<u>1,553,778</u>	<u>1,592,031</u>	<u>38,253</u>
Expenditures:				
Current operating:				
Instruction	1,132,472	1,093,472	1,063,772	29,700
Support services:				
Students	71,333	53,633	49,785	3,848
Instruction	18,953	19,453	19,204	249
General administration	202,631	194,877	191,387	3,490
School administration	56,867	55,912	55,785	127
Central services	70,537	62,392	62,045	347
Operation & maintenance of plant	175,878	172,461	167,274	5,187
Student transportation	-	-	-	-
Other support services	740	740	-	740
Operation of non-instructional services				
Food services operations	36,499	34,499	25,465	9,034
Capital outlay	-	43,100	43,004	96
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,765,910</u>	<u>1,730,539</u>	<u>1,677,721</u>	<u>52,818</u>
Excess (deficiency) of revenues over(under) expenditures	(168,298)	(176,761)	(85,690)	91,071
Other financing sources (uses):				
Operating transfers	-	-	5,272	5,272
Designated cash	168,298	176,761	-	(176,761)
Total other financing sources (uses)	<u>168,298</u>	<u>176,761</u>	<u>5,272</u>	<u>(171,489)</u>
Net change in fund balances	-	-	(80,418)	(80,418)
Cash balance, beginning of year	-	-	190,341	190,341
Restatement	-	-	26	26
Cash balance, restated	<u>-</u>	<u>-</u>	<u>190,367</u>	<u>190,367</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,949</u>	<u>\$ 109,949</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (80,418)	
Adjustment to revenues for accruals & other deferrals			42	
Adjustment to expenditures for payables, prepaids & other accruals			(142)	
Net change in fund balance (GAAP Basis)			<u>\$ (80,518)</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 General Fund - Teacherage - 12000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	-	-	800	(800)
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	5,167	5,207	-	5,207
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>5,167</u>	<u>5,207</u>	<u>800</u>	<u>4,407</u>
Excess (deficiency) of revenues over(under) expenditures	(2,167)	(2,207)	2,200	4,407
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	<u>2,167</u>	<u>2,207</u>	<u>-</u>	<u>(2,207)</u>
Total other financing sources (uses)	<u>2,167</u>	<u>2,207</u>	<u>-</u>	<u>(2,207)</u>
Net change in fund balances	-	-	2,200	2,200
Cash balance, beginning of year	-	-	2,207	2,207
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>2,207</u>	<u>2,207</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,407</u>	<u>\$ 4,407</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 2,200	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ 2,200</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 General Fund - Transportation - 13000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	209,643	218,622	217,272	(1,350)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>209,643</u>	<u>218,622</u>	<u>217,272</u>	<u>(1,350)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	209,643	219,972	219,967	5
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>209,643</u>	<u>219,972</u>	<u>219,967</u>	<u>5</u>
Excess (deficiency) of revenues over(under) expenditures	-	(1,350)	(2,695)	(1,345)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	1,350	-	(1,350)
Total other financing sources (uses)	<u>-</u>	<u>1,350</u>	<u>-</u>	<u>(1,350)</u>
Net change in fund balances	-	-	(2,695)	(2,695)
Cash balance, beginning of year	-	-	2,700	2,700
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>2,700</u>	<u>2,700</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (2,695)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (2,695)</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 General Fund - Instructional Materials - 14000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	4,724	5,333	5,334	1
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	4,724	5,333	5,334	1
Expenditures:				
Current operating:				
Instruction	16,424	16,736	5,244	11,492
Support services:				
Students	-	-	-	-
Instruction	1,180	1,180	-	1,180
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	17,604	17,916	5,244	12,672
Excess (deficiency) of revenues over(under) expenditures	(12,880)	(12,583)	90	12,673
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	12,880	12,583	-	(12,583)
Total other financing sources (uses)	12,880	12,583	-	(12,583)
Net change in fund balances	-	-	90	90
Cash balance, beginning of year	-	-	12,582	12,582
Restatements	-	-	-	-
Cash balance, restated	-	-	12,582	12,582
Cash balance, end of year	\$ -	\$ -	\$ 12,672	\$ 12,672
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 90	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			(274)	
Net change in fund balance (GAAP Basis)			\$ (184)	

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

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Statement of Fiduciary Assets and Liabilities - Agency Funds

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 80,899
Total assets	<u>\$ 80,899</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 80,899
Total liabilities	<u>\$ 80,899</u>

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

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Notes to Financial Statements

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Note 1. Summary of Significant Accounting Policies

The financial statements of Grady Municipal School District (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 Municipal 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 form 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 on 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 units 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 the 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. Nor are there other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on 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 fund 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 encompassed 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.

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.

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

The District reports the following major governmental funds:

General Funds:

Operational

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

Teacherage

To account for revenues from the rental of school owned teacher housing. Expenditures from this account are for payment of utilities and maintenance of the rental units.

Transportation

To account for monies received from the State Department of Education which is used to pay for the costs associated transporting school age children.

Instructional Materials

To account for the monies received from the State Department of Education for the purpose of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students

Capital Projects Funds:

Bond Building Fund

The fund was established to provide financing from local revenue for the construction and improvements to District buildings and facilities.

Public School Capital Outlay Fund

The fund is used to account for state appropriated revenue allocated by the Public School Capital Outlay Council in compliance with Section 22-24-6 NMSA, 1978. These funds were paid 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.

Debt Service Funds:

Debt Service

The revenues 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.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information the about 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."

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 Statements (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 30 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

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 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 into 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 balances 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 lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget 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, Paragraph 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

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. Interfund activities are reported as loans, services provided reimbursements or transfers. Loans are reports as interfund receivable and payables as appropriate and are subject to elimination upon consolidation. Service provided, deemed to be at market or near market, is treated as revenue and expenditures/expense. Reimbursements are when one fund incurs a

cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

The District receives monthly income from a tax levy in Curry County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amounts remitted by the County Treasurer in July and August are considered "measurable and available" and accordingly, is recorded as revenue in the government fund statements during the year ended June 30, 2010. The information required to report property taxes at full accrual was not available during the year.

Certain Special Revenue funds are administered on a reimbursement method of funding; other fund is operated on a cash advance method of funding. The funds incurred the costs and submitted the necessary request for reimbursement or advance, respectively.

Instructional Materials

The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the New Mexico Public Education Department "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The districts are allowed to carry forward unused allocations from year to year.

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 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th 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, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year per Section 12-6-10 NMSA 1978. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Items on the capital asset listing that were capitalized under previous lower thresholds are not deleted until disposed of in accordance with applicable statute. Information Technology

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

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

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

Assets	Years
Buildings and Improvements	20 - 50 Years
Vehicles	2 - 15 Years
Equipment	2 - 15 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 borrowings 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.

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 a 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 30 days of the fiscal year end.

Compensated Absences

The District does not accrue compensated absences. A terminated employee is paid through the date of dismissal. 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.

State Equalization Guarantee

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School finance. The District received \$1,536,891 in state equalization guarantee distributions during the year ended June 30, 2010

Note 2 Cash and Investments

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

	Wells Fargo Bank Clovis, NM	Citizens Bank Clovis, NM	Type
Total amount on deposit on June 30, 2010			
Grady Municipal School Operational	\$ 387,310	\$ -	Checking
Grady Municipal School Activity	77,127	-	Checking
Grady Municipal School Booster Club	-	4,745	Checking
Total deposited	<u>464,437</u>	<u>4,745</u>	
Less FDIC coverage	<u>(250,000)</u>	<u>(4,745)</u>	
Total uninsured public funds	<u>214,437</u>	<u>-</u>	
50% collateral requirement			
as per Section 6-10-17, NMSA 1978	<u>107,219</u>		
Pledged securities			
Fed Natl Mtg Assn Pool	<u>(567,791)</u>		
Over (under)	<u>\$ (460,573)</u>	<u>\$</u>	

Pledged Collateral: FNMA, 31407HZN9, maturity date 5/1/2036, market value \$152,027, held at Federal Reserve Bank, not in the District's name

Pledged Collateral: FNMA, 31410MB33, maturity date 5/1/2036, market value \$348,064, held at Federal Reserve Bank, not in the District's name

Pledged Collateral: FNMA, 31415PKY3, maturity date 7/1/2038, market value \$36,950, held at Federal Reserve Bank, not in the District's name

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, 2010, \$214,437 of the District's bank balance of \$469,182 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 214,437
Uninsured and collateral held by pledging bank's trust department in the District's name	-
Total custodial credit risk	<u>\$ 214,437</u>

Note 3. Accounts Receivable

	General Fund	Debt Service Fund	SB-9 Fund	Other Governmental Funds	Totals
Property tax receivable					
Current	\$ 84	\$ 1,060	\$ 337	\$ -	\$ 1,481
Delinquent	233	2,973	932	-	4,138
Due from grantor					
State Equalization Guar.	-	-	-	3,150	3,150
Totals	<u>\$ 317</u>	<u>\$ 4,033</u>	<u>\$ 1,269</u>	<u>\$ 3,150</u>	<u>\$ 8,769</u>

The above receivables are deemed 100% collectible.

Note 4. 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, 2010:

	Deferred Property Tax
General Fund	\$ 233
Debt Service	2,973
SB-9	932
Totals	<u>\$ 4,138</u>

Note 5. Transfers

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. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

STATE OF NEW MEXICO
 Grady Municipal School
 Notes To Financial Statement
 June 30, 2010

	Interfund Receivable	Interfund Payable	Total
Operational	\$ 18,851	\$ -	\$ 18,851
Ed Tech Debt Service	-	(5,272)	(5,272)
Title 1	-	(1,000)	(1,000)
Entitlement	-	(9,505)	(9,505)
ARRA Title 1	-	(3,074)	(3,074)
Totals	<u>\$ 18,851</u>	<u>\$ (18,851)</u>	<u>\$ -</u>

Note 6. Changes in Capital Assets

A summary of changes in capital assets follows:

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 51,441	\$ -	\$ (28,814)	\$ 22,627
Construction in progress	1,896,605	581,616	(627,186)	1,851,035
Total assets not being depreciated	<u>\$ 1,948,046</u>	<u>\$ 581,616</u>	<u>\$ (656,000)</u>	<u>\$ 1,873,662</u>
Capital assets being depreciated				
Buildings and improvements	\$ 4,879,573	\$ 515,958	\$ (122,554)	\$ 5,272,977
Equipment	1,008,209	11,666	(155,524)	864,351
Total assets being depreciated	<u>5,887,782</u>	<u>527,624</u>	<u>(278,078)</u>	<u>6,137,328</u>
Less accumulated depreciation				
Buildings and improvements	(2,189,664)	(106,529)	(13,226)	(2,309,419)
Equipment	(553,180)	(49,704)	3,663	(599,221)
Total accumulated depreciation	<u>(2,742,844)</u>	<u>(156,233)</u>	<u>(9,563)</u>	<u>(2,908,640)</u>
Total capital assets being depreciated, net	<u>3,144,938</u>	<u>371,391</u>	<u>(287,641)</u>	<u>3,228,688</u>
Governmental activity capital assets, net	<u>\$ 5,092,984</u>	<u>\$ 953,007</u>	<u>\$ (943,641)</u>	<u>\$ 5,102,350</u>

Depreciation expense was charged to governmental activities as follows:

Support services - instruction	\$ 6,323
Support services - student support	591
Support service - general administration	4,812
Operation maintenance of plant	143,526
Food service operation	981
	<u>\$ 156,233</u>

Bond issue cost was amortized as follows:

Bond issue cost	\$ 44,713
Accumulated amortization	<u>(17,884)</u>
Net bond issue cost	<u>\$ 26,829</u>

Note 7. Long-Term Debt

A summary of activity in the Long-Term Debt is as follows:

Series	Date of Issue	Original Amount	Interest Rate	Balance
2003	4/5/2003	\$ 140,000	3.5% to 4.4%	\$ 90,000
2007	4/15/2007	\$ 300,000	3.5% to 4.10%	225,000
				<u>\$ 315,000</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 buildings 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.

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

Year Ended June 30,	Principal	Interest	Total
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	50,000	4,638	54,638
2016-2020	75,000	3,196	78,196
	<u>\$ 315,000</u>	<u>\$ 46,327</u>	<u>\$ 361,327</u>

Note 8. ERA Pension Plan

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

and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502

Funding Policy. Plan members are required to contribute 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered salary. The contribution requirements of plan members and the District are established under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District's total contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$234,340, \$222,506, and \$203,296, respectively.

Note 9. Post –Employment Benefits

The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouse, dependents, and surviving spouses and dependents with

health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into Retiree Health Care Fund and by co-payments or out-of-pocket payments to eligible retirees. Monies flow to the Retiree Health Care Fund on pay as-you-go basis from eligible employers and eligible retirees.

Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Higher Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Act, Judicial Retirement Act or the Magistrate Retirement Act. Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires before the employer's NMRHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who serve at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plan of coverage.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a publicly available audited financial report that includes postemployment benefit expenditures of premium and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., NE, Suite 104, Albuquerque, New Mexico 87107.

For the years ended June 30, 2010, 2009 and 2008 were \$15,008, \$9,864, and \$9,410, in employer contributions and \$7,504, \$4,932, \$4,704 in employee contributions respectively.

Note 10. Risk Management

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

Note 11. Non-Cash Assistance

The District receives USDA Commodities for use in sponsoring National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2010 was \$3,578.

Note 12. 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; and
- Crime

Note 13. 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.

Note 14. Memorandum of Understanding

REC

Purpose: 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 USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and Grady Municipal Schools

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school give notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed: The REC paid expenditures on behalf of the District.

Note 15. Joint Powers Agreement

On 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 these prioritized projects to correct outstanding deficiencies. The agreement terminated on June 30, 2010. The District shall account for all purchases or completed work as assets of the District in the fiscal year in which purchased or installed. The District has audit responsibility.

NOTE 16. Subsequent Accounting Standard Pronouncements

In April 2009 the Governmental Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 30, 2010. Early implementation is encouraged. The objective of this statement is to

enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The District is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements of the upcoming year.

NOTE 17. Prior Period Adjustments

A prior period adjustment was made to correct net assets on the government wide financial statements. The carrying value of the capital assets were reduced \$484,844 and accumulated depreciation was increased \$17,447. The adjustment resulted from incorrect additions and deletions to capital assets in the prior three years. The District received funding through the Public School Outlay Deficiencies Correction Unit the revenues and expenditures were not reported correctly.

SUPPLEMENTARY INFORMATION RELATED
TO MAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Capital Projects Fund - Bond Building - 31100
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	5,619	5,619	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>5,619</u>	<u>5,619</u>	<u>-</u>
Excess (deficiency) of revenues over(under) expenditures	-	(5,619)	(5,619)	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	5,619	-	(5,619)
Total other financing sources (uses)	<u>-</u>	<u>5,619</u>	<u>-</u>	<u>(5,619)</u>
Net change in fund balances	-	-	(5,619)	(5,619)
Cash balance, beginning of year	-	-	5,619	5,619
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>5,619</u>	<u>5,619</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (5,619)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (5,619)</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Capital Projects Fund - Public School Capital Outlay - 31200
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	581,616	581,616	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	581,616	581,616	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	581,616	581,616	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	581,616	581,616	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Capital Project Fund - Senate Bill Nine - 31700
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 14,988	\$ 14,988	\$ 16,779	\$ 1,791
State sources	31,380	69,238	74,531	5,293
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>46,368</u>	<u>84,226</u>	<u>91,310</u>	<u>7,084</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	150	150	150	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	53,000	51,155	1,845
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	46,347	103,676	49,926	53,750
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>46,497</u>	<u>156,826</u>	<u>101,231</u>	<u>55,595</u>
Excess (deficiency) of revenues over(under) expenditures	(129)	(72,600)	(9,921)	62,679
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	129	72,600	-	(72,600)
Total other financing sources (uses)	<u>129</u>	<u>72,600</u>	<u>-</u>	<u>(72,600)</u>
Net change in fund balances	-	-	(9,921)	(9,921)
Cash balance, beginning of year	-	-	72,600	72,600
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>72,600</u>	<u>72,600</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,679</u>	<u>\$ 62,679</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (9,921)	
Adjustment to revenues for accruals & other deferrals			147	
Adjustment to expenditures for payables, prepaids & other accruals			(2,886)	
Net change in fund balance (GAAP Basis)			<u>\$ (12,660)</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Debt Service Fund - Ed Tech Debt Service - 43000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	(5,272)	(5,272)
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	(5,272)	(5,272)
Net change in fund balances	-	-	(5,272)	(5,272)
Cash balance, beginning of year	-	-	5,272	5,272
Restatements	-	-	-	-
Cash balance, restated	-	-	5,272	5,272
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (5,272)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (5,272)	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Debt Service Fund - Debt Service - 41000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 54,071	\$ 54,071	\$ 48,579	\$ (5,492)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>54,071</u>	<u>54,071</u>	<u>48,579</u>	<u>(5,492)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	504	504	485	19
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	88,196	88,196	54,071	34,125
Interest	-	-	-	-
Total expenditures	<u>88,700</u>	<u>88,700</u>	<u>54,556</u>	<u>34,144</u>
Excess (deficiency) of revenues over(under) expenditures	(34,629)	(34,629)	(5,977)	28,652
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	34,629	34,629	-	(34,629)
Total other financing sources (uses)	<u>34,629</u>	<u>34,629</u>	<u>-</u>	<u>(34,629)</u>
Net change in fund balances	-	-	(5,977)	(5,977)
Cash balance, beginning of year	-	-	31,409	31,409
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>31,409</u>	<u>31,409</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,432</u>	<u>\$ 25,432</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (5,977)	
Adjustment to revenues for accruals & other deferrals			517	
Adjustment to expenditures for payables, prepaids & other accruals			(11)	
Net change in fund balance (GAAP Basis)			<u>\$ (5,471)</u>	

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

SUPPLEMENTARY INFORMATION RELATED
TO NON-MAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

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

Food Service

To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics

To account for revenue and expenditures associated with the District's budgeted athletic activities. NMAC 6.20.2.

IDEA-B Title I

This fund's major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; education need determine the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter 1 of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

IDEA-B Entitlement

The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

IDEA-B Preschool

The objective of the Assistance to State for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17

Teacher/Principal Training and Recruiting

The purpose of this fund is to improve the skills of teachers and the quality of instruction in mathematics and science and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act of 1965 as amended, Public Law 103-382.

Safe and Drug Free Schools and Community

The purpose of this fund is 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. The Authority for the creation of this fund is (ESEA) 1965, Title IV, Part A as amended, 20 USC 71112-7143.

NONMAJOR GOVERNMENTAL FUNDS

IASA Title I Stimulus

This fund's major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; education need determine the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter 1 of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

IDEA B Entitlement Stimulus

The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

IDEA B Preschool Stimulus

The objective of the Assistance to State for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17

Child Nutrition Stimulus

To account for revenue and expenditures from a state grant for the purpose of providing free breakfast to elementary students. The fund was created by state grant provisions.

Impact Aid Special Education

To account for federal funds designed for special education students residing on federal lands and is restricted to expenditures by the federal government. Authority for creation of this fund is Public Law 103-382, Title VII.

Rural Education Achievement Program

The objective is to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

State Equalization Guarantee

The objective is to provide funding equal to the 2006 base year to assist with the budget crises. Authority is the American Recovery and Reinvestment Act of 2009.

Dual Credit Instructional Materials

The objective is to account for the monies received from NMHU for the purpose of dual credit college enrollment for qualified high school seniors.

GO Student Library Fund

The purpose of this program is to acquire library books, equipment, and library resources for public schools libraries and juvenile detention libraries. The source of funding for this grant is General Obligation Bonds issued through the Public Education Department. The authority for creating this grant is NMSA Chapter 117, Section 10C(3).

NONMAJOR GOVERNMENTAL FUNDS

Technology for Education Act

The purpose of this grant is to assist the District to develop and implement a strategy, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Breakfast for Elementary

To account for revenue and expenditures from a state grant for the purpose of providing free breakfast to elementary students. The fund was created by state grant provisions.

State Directed Activities

To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state grant provisions.

Library Fund

To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

REC Special Revenue Funds:

21ST Century Community Learning Centers

The purpose of this fund is to account for revenues and expenditures for a collaboration of education, health, culture enrichment and social support system in rural communities. The fund was created by grant provisions. Funding passed through the regional education cooperative to the District.

State Directed Activities

The objective is to account for the IDEA B Discretionary funding passed through the regional education cooperative to the District.

Medicaid

The objective is to account for the Medicaid funding passed through the regional education cooperative to the District.

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Balance Sheet

	Food Service 21000	Athletics 22000	IASA Title I 24101	IDEA - B Entitlement 24106
ASSETS				
Cash and cash equivalents	\$ 8,546	\$ 6,796	\$ -	\$ -
Accounts receivable				
Taxes - current	-	-	-	-
Taxes - delinquent	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivable	-	-	-	-
Pre paid assets	-	-	-	-
Inventory	786	-	-	-
	<u>9,332</u>	<u>6,796</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9,332</u>	<u>\$ 6,796</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Cash on deposit overdrawn	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	1,485	-	-
Accrued salaries and benefits	-	-	-	-
Inter fund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>1,485</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>1,485</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	786	-	-	-
Restricted for:				
General fund	-	-	-	-
Special revenue funds	8,546	5,311	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<u>9,332</u>	<u>5,311</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>9,332</u>	<u>5,311</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 9,332</u>	<u>\$ 6,796</u>	<u>\$ -</u>	<u>\$ -</u>

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

IDEA - B Preschool 24109	Teacher / Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	IASA Title I Stimulus 24201	IDEA - B Entitlement Stimulus 24206	IDEA - B Preschool Stimulus 24209
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Balance Sheet

	Child Nutrition Stimulus 24218	Impact Aid Special Education 25145	Rural Education Achievement Program 25233	State Equalization Guarantee 25250
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,434	\$ -	\$ -
Accounts receivable				
Taxes - current	-	-	-	-
Taxes - delinquent	-	-	-	3,150
Due from other governments	-	-	-	-
Interfund receivable	-	-	-	-
Pre paid assets	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 4,434</u>	<u>\$ -</u>	<u>\$ 3,150</u>
LIABILITIES				
Cash on deposit overdrawn	\$ -	\$ -	\$ -	\$ 3,150
Accounts payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Inter fund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,150</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted for:				
General fund	-	-	-	-
Special revenue funds	-	4,434	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>4,434</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 4,434</u>	<u>\$ -</u>	<u>\$ 3,150</u>

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

Dual Credit Instructional Materials 27103	Go Student Library Funds 2008-2012 27105	Technology for Education PED 27117	Breakfast for Elementary 27117	State Directed Activities 27200	Library Book 27549
\$ -	\$ -	\$ 3,735	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,735	-	-	-
-	-	<u>3,735</u>	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Balance Sheet

	REC 21st Century Community Learning Center 24119	REC REC State Fund 27101	REC State Directed Activities 27200	REC Medicaid 28144
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes - current	-	-	-	-
Taxes - delinquent	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivable	-	-	-	-
Pre paid assets	-	-	-	-
Inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Cash on deposit overdrawn	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Inter fund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted for:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Total
Non-major
Governmental
Funds

\$ 23,511

-

3,150

-

-

-

786

\$ 27,447

\$ 3,150

1,485

-

-

3,735

8,370

786

-

18,291

-

-

19,077

\$ 27,447

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2010

	Food Service 21000	Athletics 22000	IASA Title I 24101	IDEA - B Entitlement 24106
Revenues:				
Local and county sources	\$ 15,762	\$ 16,131	\$ -	\$ -
State sources	-	-	-	-
Federal sources	38,171	-	21,222	28,795
Interest income	-	-	-	-
Total revenues	53,933	16,131	21,222	28,795
Expenditures:				
Current operating:				
Instruction	-	16,864	21,222	28,795
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	57,002	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	57,002	16,864	21,222	28,795
Excess (deficiency) revenues over expenditures	(3,069)	(733)	-	-
Other financing sources (uses):				
Operating transfer	-	-	-	-
Repayment of loan	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(3,069)	(733)	-	-
Fund balance, beginning	12,401	6,044	-	-
Restatements	-	-	-	-
Fund balance, restated	12,401	6,044	-	-
Fund balance, ending	<u>\$ 9,332</u>	<u>\$ 5,311</u>	<u>\$ -</u>	<u>\$ -</u>

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

IDEA - B Preschool 24109	Teacher / Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	IASA Title I Stimulus 24201	IDEA - B Entitlement Stimulus 24206	IDEA - B Preschool Stimulus 24209
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
572	3,193	464	10,030	15,976	1,112
-	-	-	-	-	-
<u>572</u>	<u>3,193</u>	<u>464</u>	<u>10,030</u>	<u>15,976</u>	<u>1,112</u>
572	3,193	464	10,030	15,976	1,112
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2010

	Child Nutrition Stimulus 24218	Impact Aid Special Education 25145	Rural Education Achievement Program 25233	State Equalization Guarantee 25250
Revenues:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	6,196	-	17,944	121,420
Interest income	-	-	-	-
Total revenues	6,196	-	17,944	121,420
Expenditures:				
Current operating:				
Instruction	-	-	17,944	7,266
Support services				
Students	-	-	-	300
Instruction	-	-	-	300
General administration	-	-	-	1,594
School administration	-	-	-	200
Central services	-	-	-	1,393
Operation & maintenance of plant	197	-	-	110,167
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	200
Capital outlay	5,999	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,196	-	17,944	121,420
Excess (deficiency) revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfer	-	-	-	-
Repayment of loan	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	4,434	-	-
Restatements	-	-	-	-
Fund balance, restated	-	4,434	-	-
Fund balance, ending	\$ -	\$ 4,434	\$ -	\$ -

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

Dual Credit Instructional Materials 27103	Go Student Library Funds 27105	Technology for Education PED 27117	Breakfast for Elementary 27117	State Directed Activities 27200	Library Book 27549
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
249	1,454	1,683	4,118	31,389	-
-	-	-	-	-	-
-	-	-	-	-	-
249	1,454	1,683	4,118	31,389	-
249	-	-	-	14,861	-
-	-	-	-	13,809	-
-	1,454	1,683	-	2,719	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,118	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
249	1,454	1,683	4,118	31,389	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2010

	REC 21st Century Community Learning Center 24119	REC REC State Fund 27101	REC State Directed Activities 27200	REC Medicaid 28144
Revenues:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	29,020	670	3,031	6,016
Federal sources	-	-	-	-
Interest income	-	-	-	-
	<u>29,020</u>	<u>670</u>	<u>3,031</u>	<u>6,016</u>
Total revenues	29,020	670	3,031	6,016
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	29,020	670	3,031	6,016
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>29,020</u>	<u>670</u>	<u>3,031</u>	<u>6,016</u>
Total expenditures	29,020	670	3,031	6,016
Excess (deficiency) revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfer	-	-	-	-
Repayment of loan	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Restatements	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, restated	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Total
Non-major
Governmental
Funds

\$ 31,893
77,630
265,095
-

374,618

138,548

14,109
44,893
1,594
200
1,393
110,364

-
-

61,320
5,999

-
-

378,420

(3,802)

-
-

-

(3,802)

22,879

-

22,879

\$ 19,077

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Food Service - 21000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 17,406	\$ 17,406	\$ 15,762	\$ (1,644)
State sources	-	-	-	-
Federal sources	32,900	32,900	34,593	1,693
Interest	-	-	-	-
Total revenues	50,306	50,306	50,355	49
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	55,750	60,872	52,375	8,497
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	55,750	60,872	52,375	8,497
Excess (deficiency) of revenues over(under) expenditures	(5,444)	(10,566)	(2,020)	8,546
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	5,444	10,566	-	(10,566)
Total other financing sources (uses)	5,444	10,566	-	(10,566)
Net change in fund balances	-	-	(2,020)	(2,020)
Cash balance, beginning of year	-	-	10,566	10,566
Restatements	-	-	-	-
Cash balance, restated	-	-	10,566	10,566
Cash balance, end of year	\$ -	\$ -	\$ 8,546	\$ 8,546
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (2,020)	
Adjustment to revenues for accruals & other deferrals			3,578	
Adjustment to expenditures for payables, prepaids & other accruals			(4,627)	
Net change in fund balance (GAAP Basis)			\$ (3,069)	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Athletics - 22000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 14,500	\$ 14,500	\$ 16,131	\$ 1,631
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>14,500</u>	<u>14,500</u>	<u>16,131</u>	<u>1,631</u>
Expenditures:				
Current operating:				
Instruction	18,997	20,544	15,379	5,165
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>18,997</u>	<u>20,544</u>	<u>15,379</u>	<u>5,165</u>
Excess (deficiency) of revenues over(under) expenditures	(4,497)	(6,044)	752	6,796
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	<u>4,497</u>	<u>6,044</u>	-	<u>(6,044)</u>
Total other financing sources (uses)	<u>4,497</u>	<u>6,044</u>	-	<u>(6,044)</u>
Net change in fund balances	-	-	752	752
Cash balance, beginning of year	-	-	6,044	6,044
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>6,044</u>	<u>6,044</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,796</u>	<u>\$ 6,796</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 752	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			<u>(1,485)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (733)</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - IASA Title I - 24101
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	21,232	22,222	990
Interest	-	-	-	-
Total revenues	-	21,232	22,222	990
Expenditures:				
Current operating:				
Instruction	-	21,232	21,222	10
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	21,232	21,222	10
Excess (deficiency) of revenues over(under) expenditures	-	-	1,000	1,000
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	1,000	1,000
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	(1,000)	(1,000)
Cash balance, restated	-	-	(1,000)	(1,000)
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 1,000	
Adjustment to revenues for accruals & other deferrals			(1,000)	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - IDEA-B Entitlement - 24106
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	37,208	38,300	1,092
Interest	-	-	-	-
Total revenues	-	37,208	38,300	1,092
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	37,208	28,795	8,413
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	37,208	28,795	8,413
Excess (deficiency) of revenues over(under) expenditures	-	-	9,505	9,505
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	9,505	9,505
Cash balance, beginning of year	-	-	(9,505)	(9,505)
Restatements	-	-	-	-
Cash balance, restated	-	-	(9,505)	(9,505)
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 9,505	
Adjustment to revenues for accruals & other deferrals			(9,505)	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - IDEA-B Preschool - 24109
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	2,591	572	(2,019)
Interest	-	-	-	-
Total revenues	-	2,591	572	(2,019)
Expenditures:				
Current operating:				
Instruction	-	2,591	572	2,019
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	2,591	572	2,019
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - IDEA-B Risk Pool - 24120
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	298	-	(298)
Interest	-	-	-	-
Total revenues	-	298	-	(298)
Expenditures:				
Current operating:				
Instruction	-	298	-	298
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	298	-	298
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Title V Part A Innovative Education Program Strategies - 24150
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	1,339	-	(1,339)
Interest	-	-	-	-
Total revenues	-	1,339	-	(1,339)
Expenditures:				
Current operating:				
Instruction	-	1,339	-	1,339
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	1,339	-	1,339
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Teacher/Principal Training and Recruiting - 24154
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	15,440	3,193	(12,247)
Interest	-	-	-	-
Total revenues	-	15,440	3,193	(12,247)
Expenditures:				
Current operating:				
Instruction	-	14,976	3,193	11,783
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	14,976	3,193	11,783
Excess (deficiency) of revenues over(under) expenditures	-	464	-	(464)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	(464)	-	464
Total other financing sources (uses)	-	(464)	-	464
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Safe and Drug Free Schools and Community - 24157
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	464	464
Interest	-	-	-	-
Total revenues	-	-	464	464
Expenditures:				
Current operating:				
Instruction	-	464	464	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	464	464	-
Excess (deficiency) of revenues over(under) expenditures	-	(464)	-	464
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	464	-	(464)
Total other financing sources (uses)	-	464	-	(464)
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - IASA Title I Stimulus - 24201
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	10,031	13,104	3,073
Interest	-	-	-	-
Total revenues	-	10,031	13,104	3,073
Expenditures:				
Current operating:				
Instruction	-	10,031	10,030	1
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	10,031	10,030	1
Excess (deficiency) of revenues over(under) expenditures	-	-	3,074	3,074
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	3,074	3,074
Cash balance, beginning of year	-	-	(3,074)	(3,074)
Restatements	-	-	-	-
Cash balance, restated	-	-	(3,074)	(3,074)
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 3,074	
Adjustment to revenues for accruals & other deferrals			(3,074)	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - IDEA-B Entitlement Stimulus - 24206
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	15,977	15,976	(1)
Interest	-	-	-	-
Total revenues	-	15,977	15,976	(1)
Expenditures:				
Current operating:				
Instruction	-	15,977	15,976	1
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	15,977	15,976	1
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - IDEA-B Preschool Stimulus - 24209
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	1,112	1,112	-
Interest	-	-	-	-
Total revenues	-	1,112	1,112	-
Expenditures:				
Current operating:				
Instruction	-	1,112	1,112	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	1,112	1,112	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Child Nutrition Stimulus - 24218
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	6,196	6,196	-
Interest	-	-	-	-
Total revenues	-	6,196	6,196	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	197	197	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	5,999	5,999	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	6,196	6,196	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Impact Aid Special Education - 25145
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	-	4,649	-	4,649
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>4,649</u>	<u>-</u>	<u>4,649</u>
Excess (deficiency) of revenues over(under) expenditures	-	(4,649)	-	4,649
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	4,649	-	(4,649)
Total other financing sources (uses)	<u>-</u>	<u>4,649</u>	<u>-</u>	<u>(4,649)</u>
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	4,434	4,434
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>4,434</u>	<u>4,434</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,434</u>	<u>\$ 4,434</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Rural Education Achievement Program - 25233
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	17,944	17,944	-
Interest	-	-	-	-
Total revenues	-	17,944	17,944	-
Expenditures:				
Current operating:				
Instruction	-	17,944	17,944	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	17,944	17,944	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - State Equalization Guarantee - 25250
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	96,246	121,425	118,270	(3,155)
Interest	-	-	-	-
Total revenues	<u>96,246</u>	<u>121,425</u>	<u>118,270</u>	<u>(3,155)</u>
Expenditures:				
Current operating:				
Instruction	7,266	7,266	7,266	-
Support services:				
Students	300	300	300	-
Instruction	300	300	300	-
General administration	400	1,595	1,594	1
School administration	200	200	200	-
Central services	200	1,394	1,393	1
Operation & maintenance of plant	87,380	110,170	110,167	3
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	200	200	200	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>96,246</u>	<u>121,425</u>	<u>121,420</u>	<u>5</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	(3,150)	(3,150)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(3,150)	(3,150)
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,150)</u>	<u>\$ (3,150)</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (3,150)	
Adjustment to revenues for accruals & other deferrals			3,150	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Dual Credit Instructional Materials - 27103
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	1,200	249	(951)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	1,200	249	(951)
Expenditures:				
Current operating:				
Instruction	-	1,200	249	951
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	1,200	249	951
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - GO Student Library Funds - 27105
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	9,187	1,454	(7,733)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	9,187	1,454	(7,733)
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	9,187	1,454	7,733
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	9,187	1,454	7,733
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Technology for Education - 27117
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	1,620	1,683	63
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	1,620	1,683	63
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	2,106	3,726	1,871	1,855
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,106	3,726	1,871	1,855
Excess (deficiency) of revenues over(under) expenditures	(2,106)	(2,106)	(188)	1,918
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	2,106	2,106	-	(2,106)
Total other financing sources (uses)	2,106	2,106	-	(2,106)
Net change in fund balances	-	-	(188)	(188)
Cash balance, beginning of year	-	-	3,923	3,923
Restatements	-	-	-	-
Cash balance, restated	-	-	3,923	3,923
Cash balance, end of year	\$ -	\$ -	\$ 3,735	\$ 3,735
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (188)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			188	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Breakfast for Elementary - 27155
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	4,118	4,118	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	4,118	4,118	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	4,118	4,118	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	4,118	4,118	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - State Directed Activities - 27200
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	36,375	31,389	(4,986)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	36,375	31,389	(4,986)
Expenditures:				
Current operating:				
Instruction	-	15,047	14,861	186
Support services:				
Students	-	16,500	13,809	2,691
Instruction	-	4,464	2,719	1,745
General administration	-	364	-	364
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	36,375	31,389	4,986
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	2,106	2,106	-	(2,106)
Total other financing sources (uses)	2,106	2,106	-	(2,106)
Net change in fund balances	2,106	2,106	-	(2,106)
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ 2,106	\$ 2,106	\$ -	\$ (2,106)
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 Special Revenue Fund - Library Book - 27549
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	380	380	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay				
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	380	380	-
Excess (deficiency) of revenues over(under) expenditures	-	(380)	(380)	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	380	-	(380)
Total other financing sources (uses)	-	380	-	(380)
Net change in fund balances	-	-	(380)	(380)
Cash balance, beginning of year	-	-	380	380
Restatements	-	-	-	-
Cash balance, restated	-	-	380	380
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (380)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			380	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 REC Special Revenue Fund - 21st Century Community Learning Centers - 24199
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	29,020	29,020
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	29,020	29,020
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	29,020	(29,020)
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	29,020	(29,020)
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 REC Special Revenue Fund - REC State Fund - 27101
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	670	670
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	670	670
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	670	(670)
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	670	(670)
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 REC Special Revenue Fund - State Directed Activities - 27200
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	3,031	3,031
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	3,031	3,031
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	3,031	(3,031)
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	3,031	(3,031)
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL
 REC Special Revenue Fund - Medicaid - 28144
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	6,016	6,016
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	6,016	6,016
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	6,016	(6,016)
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	6,016	(6,016)
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Restatements	-	-	-	-
Cash balance, restated	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

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Supplementary Information
Related to Fiduciary Funds

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AGENCY FUNDS

Activity Trust Fund

To account for funds of various student groups that is custodial in nature.

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STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL

Agency Funds
 Statement of Changes in Assets and Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Student activity groups	\$ 70,439	\$ 126,705	\$ 116,245	\$ 80,899
Total assets	<u>\$ 70,439</u>	<u>\$ 126,705</u>	<u>\$ 116,245</u>	<u>\$ 80,899</u>
<u>LIABILITIES</u>				
Funds handled on behalf of: Student activity groups	\$ 70,439	\$ 126,705	\$ 116,245	\$ 80,899
Total liabilities	<u>\$ 70,439</u>	<u>\$ 126,705</u>	<u>\$ 116,245</u>	<u>\$ 80,899</u>

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

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Agency Funds - Activity
Statement of Changes in Assets and Liabilities
June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Class of 2009	\$ 50	\$ -	\$ 50	\$ -
Class of 2010	9,969	15,161	25,130	-
Class of 2011	5,757	19,902	8,837	16,822
Class of 2012	1,176	188	-	1,364
Class of 2013	773	75	-	848
Class of 2014	304	83	-	387
Class of 2015	883	57	-	940
Class of 2016	-	1,727	1,626	101
Elementary	156	373	366	163
Accelerated Reading	117	443	376	184
Board Training	400	-	-	400
Box Top	465	491	29	927
Boys Athletic	1,371	3,696	2,770	2,297
Cafeteria	249	-	25	224
Cheerleaders	393	-	-	393
Custodian / Maintenance	125	-	-	125
Elementary Cheer	44	344	332	56
Faculty	706	150	180	676
Fellowship of Christian Athletes	158	114	114	158
Football	4,790	2,100	2,399	4,491
Football Junior High	-	1,470	-	1,470
FFA	722	27,096	23,898	3,920
FFA Travel	906	-	812	94
FFA Tool Donation	439	-	-	439
Girls Athletics	3,802	6,295	4,454	5,643
Honor Society	174	-	-	174
Journalism	1,625	6,048	7,363	310
Leadership Class	59	-	-	59
Library	496	1,948	1,774	670
NMAA State Tourney	-	2,620	2,620	-
Rodeo Club	188	-	-	188
Senior Class 2008 and Past	261	103	75	289
Special Education	122	-	-	122
Student / Community	209	2,172	2,125	256
Student Council	500	113	127	486
Technology ENMR	5,903	2,500	4,013	4,390
Thermostat Project	-	1,000	-	1,000
Trophy Case	488	-	-	488
Uniforms	203	-	-	203
401 A Broadway	12,589	3,000	-	15,589
401 B Broadway	10,453	1,300	2,995	8,758
Rental Deposit	1,200	150	300	1,050
Grady Booster Club	2,214	25,986	23,455	4,745
	<u>\$ 70,439</u>	<u>\$ 126,705</u>	<u>\$ 116,245</u>	<u>\$ 80,899</u>
Total assets	<u>\$ 70,439</u>	<u>\$ 126,705</u>	<u>\$ 116,245</u>	<u>\$ 80,899</u>
LIABILITIES				
Due to student groups	<u>\$ 70,439</u>	<u>\$ 126,705</u>	<u>\$ 116,245</u>	<u>\$ 80,899</u>
Total liabilities	<u>\$ 70,439</u>	<u>\$ 126,705</u>	<u>\$ 116,245</u>	<u>\$ 80,899</u>

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

Other Supplementary Information
Supporting Schedules
Cash Reconciliation

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Cash Reconciliation - All Funds
For the year ended June 30, 2010

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>
Grady Municipal School				
Operational	\$ 190,341	\$ 1,592,031	\$ (1,677,721)	\$ 5,272
Teachergage	2,207	3,000	(800)	-
Transportation	2,700	217,272	(219,967)	-
Instructional Materials	12,582	5,334	(5,244)	-
Food Services	10,566	50,355	(52,375)	-
Athletics	6,044	16,131	(15,379)	-
Federal Flowthrough	-	101,139	(87,560)	(13,579)
Federal Direct	4,434	17,944	(17,944)	-
State Flowthrough	4,303	38,893	(39,461)	-
Bond Building	5,619	-	(5,619)	-
Capital Improvement SB-9	72,600	91,310	(101,231)	-
Debt Service	31,409	48,579	(54,556)	-
Ed Tech Debt Service	5,272	-	-	(5,272)
	<u>348,077</u>	<u>2,181,988</u>	<u>(2,277,857)</u>	<u>(13,579)</u>
Total Governmental Funds				
Federal Direct - State Equalization Guarant	-	118,270	(121,420)	-
Student Activities	<u>70,439</u>	<u>126,705</u>	<u>(116,245)</u>	<u>-</u>
Total Grady Municipal School	<u>\$ 418,516</u>	<u>\$ 2,426,963</u>	<u>\$ (2,515,522)</u>	<u>\$ (13,579)</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Grady Municipal School			
Operational	Checking	Wells Fargo	\$ 236,978
Teachergage	Checking	Wells Fargo	4,557
Transportation	Checking	Wells Fargo	2,950
Instructional Materials	Checking	Wells Fargo	13,439
Food Services	Checking	Wells Fargo	8,600
Athletics	Checking	Wells Fargo	6,796
Federal Flowthrough	Checking	Wells Fargo	-
Federal Direct	Checking	Wells Fargo	19,285
State Flowthrough	Checking	Wells Fargo	6,594
Bond Building	Checking	Wells Fargo	-
Capital Improvement SB-9	Checking	Wells Fargo	62,679
Debt Service	Checking	Wells Fargo	25,432
Ed Tech Debt Service	Checking	Wells Fargo	-
Student Activities	Checking	Wells Fargo	77,127
Student Activities	Checking	Citizens Bank	4,745
			<u>\$ 469,182</u>

Total Grady Municipal School

Total bank balances	\$ 469,182
Reconciling items - outstanding deposits	16
Reconciling items - outstanding checks	<u>(152,794)</u>
Report balance	<u>\$ 316,404</u>

<u>Net Cash End of Period</u>	<u>Adjustments to the Report</u>	<u>Total Cash on Report</u>
\$ 109,923	\$ 26	\$ 109,949
4,407	-	4,407
5	-	5
12,672	-	12,672
8,546	-	8,546
6,796	-	6,796
-	-	-
4,434	-	4,434
3,735	-	3,735
-	-	-
62,679	-	62,679
25,432	-	25,432
-	-	-
238,629	26	238,655
(3,150)	-	(3,150)
80,899	-	80,899
\$ 316,378	\$ 26	\$ 316,404

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Compliance Section

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Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of the Grady Municipal School District

Mr. Balderas and Members of the Board

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons statement of the General Fund activities of Grady Municipal School District (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued my report thereon dated November 23, 2010. I also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the Bond Building, Public School Capital Outlay, and Capital Improvements Senate Bill Nine, and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements and the budgetary comparison statements as of and for the year ended June 30, 2010, as listed in the table of contents. I conducted my 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 my audit, I considered the Districts' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Districts' internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Districts' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis.

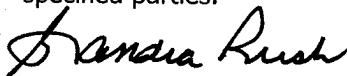
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as described above. Nor did I identify deficiencies in internal control over financial reporting that I consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Districts' financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2010-1.

The Grady Municipal School District's response to the finding identified in my audit is described in the accompanying schedule of findings and responses. I did not audit the District's response and, accordingly, I express no opinion on it.

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



Sandra Rush, CPA
November 23, 2010

Schedule of Findings and Responses
June 30, 2010

Prior Year Audit Findings

None

Current Year Audit Findings

2010-1 Audit Report Late

Condition

The June 30, 2010 audit report was not filed timely as required by the State Auditors Rule NMAC 2.2.2.9.A.

Criteria

In accordance with the State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements and other required documents are due by November 15, annually.

Cause

The audited financial statements and the required documents were not submitted by November 15, 2010. The District had difficulty receiving confirmation from the Public School Capital Outlay – Deficiencies Correction Unit of the amount of revenues and expenditures, expended on behalf of the District for the current and prior three years.

Effect

The District is not in compliance with State Auditor Rule NMAC 2.2.2.9.A, for the year ended June 30, 2010.

Recommendation

The audit report should be submitted to the State Auditor by the November 15 deadline.

Response

The District agrees

Financial Statement Preparation

The financial statements were prepared by District personnel with assistance from Sandra Rush, CPA. The financial statements remain the responsibility of the District's management.

Exit Conference

The contents of this report were discussed with, Ted Trice, Superintendent, Bill Page, Board President, Leona Powell, audit committee, and Sandra Rush, CPA, in an exit conference on November 23, 2010.