
STATE OF NEW MEXICO
Grady Municipal School
June 30, 2011

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2011
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, 2011

Board of Education

Bill Page	President
Phillip Borden	Vice-President
Rod Bone	Secretary
Quinton Wood	Member
Wade Edwards	Member

School Officials

Ted Trice	Superintendent
Karla Malone	Business Manager

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Table of Contents
June 30, 2011

	<u>Page</u>
Introductory Section:	
Official Roster	i
Table of Contents	ii-iv
Financial Section:	1
Independent Auditor's Report	3-4
Basic Financial Statements:	5
Government-wide Financial Statements:	
Statement of Net Assets	7
Statement of Activities	8-9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10-11
Reconciliation of the Total Fund Balance from Balance Sheet Governmental Funds to the Total Net Assets on the Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14-15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
General Fund - Operational - 11000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	17
General Fund - Teacherage - 12000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	18
General Fund - Transportation - 13000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	19
General Fund - Instructional Material - 14000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	20
Statement of Fiduciary Assets and Liabilities - Agency Funds	21
Notes to Financial Statements	23-40
Supplementary Information Related to Major Funds:	41

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Table of Contents
June 30, 2011

	Page
Capital Projects Funds:	
Capital Project Fund - Senate Bill Nine - 31700 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	43
Debt Service Funds:	
Debt Service Fund - Debt Service - 41000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	44
Supplementary Information Related to Non-major Governmental Funds:	45
All Nonmajor Governmental Funds - Combining Balance Sheet	51-53
All Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	54-57
Special Revenue Fund - Food Service - 21000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	58
Special Revenue Fund - Athletics - 22000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	59
Special Revenue Fund - IASA Title I - 24101 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	60
Special Revenue Fund - IDEA-B Entitlement - 24106 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	61
Special Revenue Fund - IDEA-B Preschool - 24109 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	62
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)	63
Special Revenue Fund - IDEA-B Entitlement Stimulus - 24206 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	64
Special Revenue Fund - IDEA-B Preschool Stimulus - 24209 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	65

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Table of Contents
June 30, 2011

Special Revenue Fund - Elementary School Breakfast - 24290 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	66
Special Revenue Fund - Impact Aid Special Education - 25145 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	67
Special Revenue Fund - Rural Education Achievement Program - 25233 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	68
Special Revenue Fund - State Equalization Guarantee - 25250 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	69
Special Revenue Fund - Education Job Fund - 25255 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	70
Special Revenue Fund - Dual Credit Instructional Materials - 27103 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	71
Special Revenue Fund - GO Student Library Funds - 27105 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	72
Special Revenue Fund - Technology for Education - 27117 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	73
Special Revenue Fund - State Directed Activities - 27200 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	74
Supplementary Information Related Agency Funds:	75
Agency Funds - Statement of Changes in Assets and Liabilities	79
Agency Funds - Activity - Statement of Changes in Assets and Liabilities	80
Other Supplemental Information:	81
Cash Reconciliation - All Funds	82-83
Compliance Section:	85
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	87-88
Schedule of Findings and Responses	89

Financial Section

This Page Intentionally Blank

Independent Auditor's Report

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 for the general fund of the Grady Municipal School District (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the District's nonmajor governmental, and the budgetary comparisons for the major capital project fund, major debt service fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 with 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 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, 2011, 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, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund and debt service fund, 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 September 15, 2011 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, 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.

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 a part of, the basic financial statements and budgetary comparisons presented as supplemental information.

My audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. 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 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
September 15, 2011

Basic Financial Statements

This Page Intentionally Blank

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Statement of Net Assets
June 30, 2011

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 248,610
Receivables:	
Taxes - current	1,681
Taxes - delinquent taxes	2,873
Due from other governments	592
Other accounts receivable	41
Inventories	<u>16,357</u>
Total current assets	<u>270,154</u>
Noncurrent assets:	
Bond issue costs, net	22,358
Capital assets, net	<u>4,997,624</u>
Total non current assets	<u>5,019,982</u>
Total assets	<u>\$ 5,290,136</u>
<u>LIABILITIES AND NET ASSETS</u>	
Current liabilities:	
Accounts payable	6,113
Deferred revenue	-
Current portion of long term debt	<u>45,000</u>
Total current liabilities	<u>51,113</u>
Noncurrent liabilities:	
Bonds and notes	<u>225,000</u>
Total noncurrent liabilities	<u>225,000</u>
Total liabilities	<u>276,113</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	4,727,624
Nonspendable	16,357
Restricted for:	
Special revenue fund	13,356
Capital projects	47,876
Debt service	23,884
Unrestricted	<u>184,926</u>
Total net assets	<u>5,014,023</u>
Total liabilities and net assets	<u>\$ 5,290,136</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, 2011

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 1,196,173	\$ 11,676	\$ 171,630	\$ -
Support services:				
Students	88,720	8,115	20,727	-
Instruction	19,868	-	1,195	-
General administration	209,041	-	-	-
School administration	57,423	-	-	-
Central services	66,496	-	-	-
Operation & maintenance of plant	407,926	3,000	13,636	-
Student transportation	194,953	-	194,958	-
Operation of non-instructional services:				
Food services operations	85,245	14,455	37,083	-
Other support services	2,130	-	-	-
Capital outlay	30,445	-	-	64,875
Amortization	4,471	-	-	-
Debt Service:				
Interest	8,627	-	-	-
Total governmental activities	<u>\$ 2,371,518</u>	<u>\$ 37,246</u>	<u>\$ 439,229</u>	<u>\$ 64,875</u>

General revenues:
 Property Tax
 General purposes
 Debt service
 Capital projects
 Local and county
 State
 Federal

Total general revenues

Change in net assets

Net assets, beginning
 Prior period adjustment

Net assets, ending

The accompanying notes are an integral part of these financial statements

Net Program
 [Expense]
 Revenues
Governmental
Activities
Total

\$ (1,012,867)

(59,878)

(18,673)

(209,041)

(57,423)

(66,496)

(391,290)

5

(33,707)

(2,130)

34,430

(4,471)

(8,627)

(1,830,168)

4,175

57,504

16,703

37,451

1,283,579

373,085

1,772,497

(57,671)

5,064,349

7,345

\$ 5,014,023

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Balance Sheet
Governmental Funds
June 30, 2011

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
ASSETS				
Cash and cash equivalents	\$ 147,439	\$ 6,673	\$ 10	\$ 11,581
Accounts receivable:				
Taxes - current	89	-	-	-
Taxes - delinquent taxes	155	-	-	-
Due from other governments	-	-	-	-
Other accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Inventory	16,357	-	-	-
Total assets	<u>\$ 164,040</u>	<u>\$ 6,673</u>	<u>\$ 10</u>	<u>\$ 11,581</u>
LIABILITIES				
Cash on deposit overdrawn				
Accounts payable	6,022	75	-	-
Inter fund payable	-	-	-	-
Deferred revenue	155	-	-	-
Total liabilities	<u>6,177</u>	<u>75</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	16,357	-	-	-
Restricted for:				
Special Revenue Funds	-	-	-	-
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Unrestricted	141,506	6,598	10	11,581
Total fund balance	<u>157,863</u>	<u>6,598</u>	<u>10</u>	<u>11,581</u>
Total liabilities and fund balances	<u>\$ 164,040</u>	<u>\$ 6,673</u>	<u>\$ 10</u>	<u>\$ 11,581</u>

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

Senate Bill - 9 Capital Outlay 31700	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ 47,522	\$ 22,662	\$ 12,723	\$ 248,610
358	1,234	-	1,681
620	2,098	-	2,873
-	-	592	592
-	-	41	41
-	-	-	-
-	-	-	16,357
<u>\$ 48,500</u>	<u>\$ 25,994</u>	<u>\$ 13,356</u>	<u>\$ 270,154</u>
4	12	-	-
-	-	-	6,113
620	2,098	-	-
<u>624</u>	<u>2,110</u>	<u>-</u>	<u>2,873</u>
-	-	-	8,986
-	-	-	16,357
-	-	13,356	13,356
47,876	-	-	47,876
-	23,884	-	23,884
-	-	-	159,695
<u>47,876</u>	<u>23,884</u>	<u>13,356</u>	<u>261,168</u>
<u>\$ 48,500</u>	<u>\$ 25,994</u>	<u>\$ 13,356</u>	<u>\$ 270,154</u>

This Page Intentionally Blank

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL

Reconciliation of the Balance Sheet
 All Governmental Funds to the
 Statement of Net Assets
 June 30, 2011

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

Fund balance - total governmental funds		\$	261,168
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			2,873
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			
Capital assets	\$	8,081,951	
Accumulated depreciation		<u>(3,084,327)</u>	4,997,624
Bond issuance costs, including original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds			
Bond issue cost		26,829	
Amortization of bond issue cost		<u>(4,471)</u>	22,358
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds			<u>(270,000)</u>
Net assets of governmental activities		\$	<u><u>5,014,023</u></u>

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the year ended June 30, 2011

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
Revenues:				
Local and county sources	\$ 40,598	\$ 3,000	\$ -	\$ -
State sources	1,307,267	-	194,958	4,791
Federal sources	373,085	-	-	-
Total revenues	<u>1,720,950</u>	<u>3,000</u>	<u>194,958</u>	<u>4,791</u>
Expenditures:				
Current operating:				
Instruction	1,042,536	-	-	5,608
Support services				
Students	46,620	-	-	-
Instruction	18,673	-	-	-
General administration	203,513	-	-	-
School administration	57,423	-	-	-
Central services	66,496	-	-	-
Operation & maintenance of plant	223,688	809	-	-
Student transportation	-	-	194,953	-
Other support services	2,130	-	-	-
Operation of non-instructional services				
Food services operations	28,772	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>1,689,851</u>	<u>809</u>	<u>194,953</u>	<u>5,608</u>
Excess (deficiency) of revenues over expenditures	31,099	2,191	5	(817)
Other financing sources (uses):				
Operating transfer	(592)	-	-	-
Repayment of loans	-	-	-	-
Total other financing sources (uses)	<u>(592)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	30,507	2,191	5	(817)
Fund balance, beginning of year	127,356	4,407	5	12,398
Restatement	-	-	-	-
Fund balance, restated	<u>127,356</u>	<u>4,407</u>	<u>5</u>	<u>12,398</u>
Fund balance, end of year	<u>\$ 157,863</u>	<u>\$ 6,598</u>	<u>\$ 10</u>	<u>\$ 11,581</u>

The accompanying notes are an integral part of these financial statements

Senate Bill - 9 Capital Outlay 31700	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ 24,576	\$ 55,406	\$ 26,626	\$ 150,206
64,875	-	107,874	1,679,765
-	-	107,918	481,003
<u>89,451</u>	<u>55,406</u>	<u>242,418</u>	<u>2,310,974</u>
-	-	140,667	1,188,811
-	-	41,509	88,129
-	-	1,195	19,868
162	554	-	204,229
-	-	-	57,423
-	-	-	66,496
-	-	13,636	238,133
-	-	-	194,953
-	-	-	2,130
-	-	55,459	84,231
101,543	-	-	101,543
-	45,000	-	45,000
-	12,449	-	12,449
<u>101,705</u>	<u>58,003</u>	<u>252,466</u>	<u>2,303,395</u>
(12,254)	(2,597)	(10,048)	7,579
-	-	592	-
-	-	-	-
-	-	592	-
(12,254)	(2,597)	(9,456)	7,579
60,130	26,481	19,077	249,854
-	-	3,735	3,735
60,130	26,481	22,812	253,589
<u>\$ 47,876</u>	<u>\$ 23,884</u>	<u>\$ 13,356</u>	<u>\$ 261,168</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, 2011

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

Net change in fund balances - total governmental funds		\$	7,579
<p>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.</p>			
			2,873
<p>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.</p>			
Capital outlays	\$	71,098	
Depreciation expense		<u>(183,572)</u>	
			(112,474)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>			
Principal payment on bond			45,000
Amortization of bond issuance cost			<u>(4,471)</u>
Accrued interest			<u>3,822</u>
Change in Net Assets of Governmental Activities		\$	<u><u>(57,671)</u></u>

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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 30,002	\$ 30,002	\$ 40,593	\$ 10,591
State sources	1,320,496	1,283,615	1,307,267	23,652
Federal sources	415,000	415,000	373,085	(41,915)
Total revenues	<u>1,765,498</u>	<u>1,728,617</u>	<u>1,720,945</u>	<u>(7,672)</u>
Expenditures:				
Current operating:				
Instruction	1,128,215	1,079,173	1,038,992	40,181
Support services:				
Students	69,233	53,465	46,620	6,845
Instruction	20,369	20,369	18,673	1,696
General administration	217,243	224,209	203,563	20,646
School administration	58,995	58,530	57,423	1,107
Central services	72,263	72,273	66,496	5,777
Operation & maintenance of plant	253,952	255,952	220,194	35,758
Student transportation	-	-	-	-
Other support services	-	3,462	2,130	1,332
Operation of non-instructional services				
Food services operations	29,750	29,750	28,772	978
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,850,020</u>	<u>1,797,183</u>	<u>1,682,863</u>	<u>114,320</u>
Excess (deficiency) of revenues over(under) expenditures	(84,522)	(68,566)	38,082	106,648
Other financing sources (uses):				
Operating transfers	-	-	(592)	(592)
Designated cash	84,522	68,566	-	(68,566)
Total other financing sources (uses)	<u>84,522</u>	<u>68,566</u>	<u>(592)</u>	<u>(69,158)</u>
Net change in fund balances	-	-	37,490	37,490
Cash balance, beginning of year	-	-	109,949	109,949
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,439</u>	<u>\$ 147,439</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 37,490	
Adjustment to revenues for accruals & other deferrals			5	
Adjustment to expenditures for payables, prepaids & other accruals			(6,988)	
Net change in fund balance (GAAP Basis)			<u>\$ 30,507</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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	6,307	7,407	734	6,673
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>6,307</u>	<u>7,407</u>	<u>734</u>	<u>6,673</u>
Excess (deficiency) of revenues over(under) expenditures	(3,307)	(4,407)	2,266	6,673
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	<u>3,307</u>	<u>4,407</u>	<u>-</u>	<u>(4,407)</u>
Total other financing sources (uses)	<u>3,307</u>	<u>4,407</u>	<u>-</u>	<u>(4,407)</u>
Net change in fund balances	-	-	2,266	2,266
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>4,407</u>	<u>4,407</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,673</u>	<u>\$ 6,673</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 2,266	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			<u>(75)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 2,191</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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	198,283	194,958	194,958	-
Federal sources	-	-	-	-
Total revenues	<u>198,283</u>	<u>194,958</u>	<u>194,958</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	198,283	194,963	194,953	10
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>198,283</u>	<u>194,963</u>	<u>194,953</u>	<u>10</u>
Excess (deficiency) of revenues over(under) expenditures	-	(5)	5	10
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	5	-	(5)
Total other financing sources (uses)	<u>-</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
Net change in fund balances	-	-	5	5
Cash balance, beginning of year	-	-	5	5
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 5	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ 5</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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	4,426	4,426	4,791	365
Federal sources	-	-	-	-
Total revenues	<u>4,426</u>	<u>4,426</u>	<u>4,791</u>	<u>365</u>
Expenditures:				
Current operating:				
Instruction	13,582	17,097	5,882	11,215
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>13,582</u>	<u>17,097</u>	<u>5,882</u>	<u>11,215</u>
Excess (deficiency) of revenues over(under) expenditures	(9,156)	(12,671)	(1,091)	11,580
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	<u>9,156</u>	<u>12,671</u>	<u>-</u>	<u>(12,671)</u>
Total other financing sources (uses)	<u>9,156</u>	<u>12,671</u>	<u>-</u>	<u>(12,671)</u>
Net change in fund balances	-	-	(1,091)	(1,091)
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>12,672</u>	<u>12,672</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,581</u>	<u>\$ 11,581</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (1,091)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			<u>274</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (817)</u>	

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
June 30, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>78,629</u>
Total assets	\$ <u><u>78,629</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ <u>78,629</u>
Total liabilities	\$ <u><u>78,629</u></u>

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

This Page Intentionally Blank

Notes to Financial Statements

This Page Intentionally Blank

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 School Municipal 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 Fund (11000) (12000) (13000) (14000)

The General Fund consists of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage Fund is to provide teachers affordable housing to entice them to teach there. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

Capital Projects Funds:

Senate Bill Nine (31700)

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Debt Service Funds:

Debt Service (41000)

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.

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 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for un-matured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

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

Revenue Recognition for Grants

Eligibility requirements for government-mandated and voluntary non-exchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts and RECs).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

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. Salaries for the twelve month employee's payroll are 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 School Budget and Finance Analysis Unit (SBFAU) 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 SBFAU 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 SBFAU 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 SBFAU.

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 SBFAU.
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 and Quay 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 is considered "measurable and available" and accordingly, is recorded as revenue in the government fund statements during the year ended June 30, 2011. 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.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Service Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

Capital expenditures made on the school district's building construction projects by the NM Public School Facilities Authority are appropriately included in the school district's capital assets disclosures and financial statements.

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:

<u>Assets</u>	<u>Years</u>
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. There are no outstanding Capital Leases.

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

Unavailable fund balance indicates that portion of fund equity is not spendable such as inventory.

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

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

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transaction, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

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 60 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 \$1,555,143 in state equalization guarantee distributions during the year ended June 30, 2011.

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, 2011			
Grady Municipal School Operational	\$ 331,200	\$ -	Checking
Grady Municipal School Activity	77,397	-	Checking
Grady Municipal School Booster Club	-	3,969	Checking
Total deposited	<u>408,597</u>	<u>3,969</u>	
Less FDIC coverage	<u>(250,000)</u>	<u>(3,969)</u>	
Total uninsured public funds	<u>158,597</u>	<u>-</u>	
50% collateral requirement as per Section 6-10-17, NMSA 1978	<u>79,299</u>		
Pledged securities			
Fed Natl Mtg Assn Pool	<u>(388,195)</u>		
Over (under)	<u>\$ (308,897)</u>	<u>\$</u>	

Pledged Collateral: FN 831549, pledge receipt no. PL-0000942, CUI SP 31407HZN9, maturity date 5/1/2036, market value \$101,341 held at Federal Reserve Bank, not in the District's name.

Pledged Collateral: FN 891158, pledge receipt no. PL-0000942, CUI SP 31410MB33, maturity date 5/1/2036, market value \$260,611 held at Federal Reserve Bank, not in the District's name.

Pledged Collateral: FN 985111, pledge receipt no. PL-0000942, CUI SP 31415PKY3, maturity date 7/1/2038, market value \$26,343 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, 2011, \$158,597 of the District's bank balance of \$412,566 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 158,597
Uninsured and collateral held by pledging bank's trust department in the Districts name	-
Total custodial credit risk	<u>\$ 158,597</u>

Note 3. Accounts Receivable

	General Fund	Debt Service Fund	SB-9 Fund	Non-major Governmental Funds	Totals
Property tax receivable					
Current	\$ 89	\$ 1,234	\$ 358	\$ -	\$ 1,681
Delinquent	155	2,098	620	-	2,873
Accounts receivable	-	-	-	41	41
Due from grantor					
Preschool IDEA B	-	-	-	592	592
Totals	<u>\$ 244</u>	<u>\$ 3,332</u>	<u>\$ 978</u>	<u>\$ 633</u>	<u>\$ 5,187</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. For the year ended June 30, 2011 there was no deferred revenue.

Note 5. Transfers

The District records temporary transfers to enable funds to operate until grant monies are received. 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. The balances for the year ended June 30, 2011 is as follows:

	Transfer Out	Transfer In	Total
Operational	\$ 592	\$ -	\$ 592
Preschool IDEA B	-	(592)	(592)
Totals	<u>\$ 592</u>	<u>\$ (592)</u>	<u>\$ -</u>

Note 6. Changes in Capital Assets

A summary of changes in capital assets follows:

STATE OF NEW MEXICO
 Grady Municipal School
 Notes To Financial Statement
 June 30, 2011

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 22,627	\$ -	\$ -	\$ 22,627
Construction in progress	1,851,035	-	(1,851,035)	-
Total assets not being depreciated	<u>\$ 1,873,662</u>	<u>\$ -</u>	<u>\$ (1,851,035)</u>	<u>\$ 22,627</u>
Capital assets being depreciated				
Buildings and improvements	\$ 5,272,977	\$ 1,922,133	\$ 363	\$ 7,195,473
Equipment	864,351	-	(500)	863,851
Total assets being depreciated	<u>6,137,328</u>	<u>1,922,133</u>	<u>(137)</u>	<u>8,059,324</u>
Less accumulated depreciation				
Buildings and improvements	(2,309,419)	(130,772)	-	(2,440,191)
Equipment	(599,221)	(52,800)	7,885	(644,136)
Total accumulated depreciation	<u>(2,908,640)</u>	<u>(183,572)</u>	<u>7,885</u>	<u>(3,084,327)</u>
Total capital assets being depreciated, net	<u>3,228,688</u>	<u>1,738,561</u>	<u>7,748</u>	<u>4,974,997</u>
Governmental activity capital assets, net	<u>\$ 5,102,350</u>	<u>\$ 1,738,561</u>	<u>\$ (1,843,287)</u>	<u>\$ 4,997,624</u>

Depreciation expense was charged to governmental activities as follows:

Support services - instruction	\$ 7,362
Support services - student support	591
Support service - general administration	4,812
Operation maintenance of plant	169,793
Food service operation	1,014
	<u>\$ 183,572</u>

Bond issue cost was amortized as follows:

Bond issue cost	\$ 44,713
Accumulated amortization	<u>(22,355)</u>
Net bond issue cost	<u>\$ 22,358</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	Due in One Year
2003	4/5/2003	\$ 140,000	3.5% to 4.4%		\$ 75,000	\$ 15,000
2007	4/15/2007	\$ 300,000	3.5% to 4.10%		\$ 195,000	\$ 30,000
					<u>\$ 270,000</u>	<u>\$ 45,000</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, 2011, including interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
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	60,000	2,618	62,618
2017-2020	15,000	578	15,578
	<u>\$ 270,000</u>	<u>\$ 33,878</u>	<u>\$ 303,878</u>

Note 8. Pension Plan – Educational Retirement Board

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, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB’s website at www.nmerb.org.

Funding Policy. Effective July 1, 2010 through June 30, 2011, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9%

of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less

annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$235,720, \$234,340, and \$222,506, respectively, which equal the amount of the required contributions for each fiscal year.

Note 9. Post-Employment Benefits – State Retiree Health Care Plan

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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

(2) For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 2.084% of each participating employee's annual salary, and each participating employee was required to contribute 1.042% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contributions rates for both employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	2.292%	1.146%
FY13	2.500%	1.250%

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

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

The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$29,018, \$22,512 and \$14,796, respectively, which equal the required contributions for the each year.

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, 2011 was \$3,680.

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 School District

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. Final payment was made during the year ending June 30, 2011.

NOTE 16. Subsequent Accounting Standard Pronouncements

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. That Statement supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. Statement 6 is effective for financial statements for periods beginning after December 15, 2011, with early application encouraged. The objective of this statement is to provide non-conflicting pronouncements between FASB and GASB. The District is reviewing the effects of the implementation of this statement.

In June 2011, the GASB issued Statement No. 63, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* which is effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an

acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The District is reviewing the effects of the implementation of this statement.

NOTE 17. Prior Period Adjustment

A prior period adjustment was made to correct the net assets on the government wide financial statements. The carrying value of the capital assets was increased \$363 and accumulated depreciation was reduced \$6,982. Technology for Education PED fund wide fund balance was increased \$3,735 to correct the prior years deferred revenue.

Supplementary Information Related to
Major Governmental Funds

This Page Intentionally Blank

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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 15,419	\$ 15,419	\$ 24,555	\$ 9,136
State sources	37,858	68,920	1,385	(67,535)
Federal sources	-	-	-	-
Total revenues	<u>53,277</u>	<u>84,339</u>	<u>25,940</u>	<u>(58,399)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	155	180	161	19
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	63,122	146,837	40,936	105,901
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>63,277</u>	<u>147,017</u>	<u>41,097</u>	<u>105,920</u>
Excess (deficiency) of revenues over(under) expenditures	(10,000)	(62,678)	(15,157)	47,521
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	10,000	62,678	-	(62,678)
Total other financing sources (uses)	<u>10,000</u>	<u>62,678</u>	<u>-</u>	<u>(62,678)</u>
Net change in fund balances	-	-	(15,157)	(15,157)
Cash balance, beginning of year	-	-	62,679	62,679
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,522</u>	<u>\$ 47,522</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (15,157)	
Adjustment to revenues for accruals & other deferrals			21	
Adjustment to expenditures for payables, prepaids & other accruals			2,882	
Net change in fund balance (GAAP Basis)			<u>\$ (12,254)</u>	

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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 58,025	\$ 58,025	\$ 55,232	\$ (2,793)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>58,025</u>	<u>58,025</u>	<u>55,232</u>	<u>(2,793)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	31,481	31,481	553	30,928
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	45,000	45,000	45,000	-
Interest	12,450	12,450	12,449	1
Total expenditures	<u>88,931</u>	<u>88,931</u>	<u>58,002</u>	<u>30,929</u>
Excess (deficiency) of revenues over(under) expenditures	(30,906)	(30,906)	(2,770)	28,136
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	30,906	30,906	-	(30,906)
Total other financing sources (uses)	<u>30,906</u>	<u>30,906</u>	<u>-</u>	<u>(30,906)</u>
Net change in fund balances	-	-	(2,770)	(2,770)
Cash balance, beginning of year	-	-	25,432	25,432
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,662</u>	<u>\$ 22,662</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (2,770)	
Adjustment to revenues for accruals & other deferrals			173	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (2,597)</u>	

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

Supplementary Information Related to
Non-Major Governmental Funds

This Page Intentionally Blank

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.

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

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.

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

This Page Intentionally Blank

NONMAJOR GOVERNMENTAL FUNDS

Elementary School Breakfast

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.

Education Jobs Fund

The Education Jobs Fund (Ed Jobs) program is a new Federal program that provides \$10 billion in assistance to States to save or create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

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).

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.

State Directed Activities

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

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Food Service 21000	Athletics 22000	IASA Title I 24101	IDEA - B Entitlement 24106
ASSETS				
Cash and cash equivalents	\$ 5,370	\$ 939	\$ -	\$ -
Accounts receivable				
Taxes - current	-	-	-	-
Taxes - delinquent	-	-	-	-
Due from other governments	-	-	-	-
Other accounts receivable	41	-	-	-
Inventory	-	-	-	-
Total assets	\$ 5,411	\$ 939	\$ -	\$ -
LIABILITIES				
Cash on deposit overdrawn	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted for:				
General fund	-	-	-	-
Special revenue funds	5,411	939	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total fund balance	5,411	939	-	-
Total liabilities and fund balance	\$ 5,411	\$ 939	\$ -	\$ -

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

IDEA - B Preschool 24109	Teacher / Principal Training & Recruiting 24154	IDEA - B Entitlement Stimulus 24206	IDEA - B Preschool Stimulus 24209	Elementary School Breakfast 24290	Impact Aid Special Education 25145
\$ -	\$ -	\$ -	\$ -	-	4,434
-	-	-	-	-	-
-	-	-	-	-	-
592	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,434</u>
\$ -	\$ -	\$ -	\$ -	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
592	-	-	-	-	4,434
-	-	-	-	-	-
-	-	-	-	-	-
<u>592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,434</u>
<u>\$ 592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,434</u>

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Rural Education Achievement Program 25233	State Equalization Guarantee 25250	Education Job Fund 25255	Dual Credit Instructional Materials 27103
<u>ASSETS</u>				
Cash and cash equivalents	-	-	-	-
Accounts receivable				
Taxes - current	-	-	-	-
Taxes - delinquent	-	-	-	-
Due from other governments	-	-	-	-
Other accounts receivable	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Cash on deposit overdrawn				
Accounts payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Non-spendable	-	-	-	-
Restricted for:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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.

Go Student Library Funds 2008-2012 27105	Technology for Education PED 27117	State Directed Activities 27200	Total Non-major Governmental Funds
-	1,980	-	12,723
-	-	-	-
-	-	-	-
-	-	-	592
-	-	-	41
-	-	-	-
<u>\$ -</u>	<u>\$ 1,980</u>	<u>\$ -</u>	<u>13,356</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	1,980	-	13,356
-	-	-	-
-	-	-	-
-	1,980	-	13,356
<u>\$ -</u>	<u>\$ 1,980</u>	<u>\$ -</u>	<u>\$ 13,356</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, 2011

	Food Service 21000	Athletics 22000	IASA Title I 24101	IDEA - B Entitlement 24106
Revenues:				
Local and county sources	\$ 14,455	\$ 12,171	\$ -	\$ -
State sources	-	-	-	-
Federal sources	33,183	-	31,174	20,727
Total revenues	<u>47,638</u>	<u>12,171</u>	<u>31,174</u>	<u>20,727</u>
Expenditures:				
Current operating:				
Instruction	-	16,543	31,174	-
Support services				
Students	-	-	-	20,727
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	51,559	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>51,559</u>	<u>16,543</u>	<u>31,174</u>	<u>20,727</u>
Excess (deficiency) revenues over expenditures	(3,921)	(4,372)	-	-
Other financing sources (uses):				
Operating transfer	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(3,921)	(4,372)	-	-
Fund balance, beginning	9,332	5,311	-	-
Restatement	-	-	-	-
Fund balance, restated	<u>9,332</u>	<u>5,311</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,411</u>	<u>\$ 939</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	IDEA - B Entitlement Stimulus 24206	IDEA - B Preschool Stimulus 24209	Elementary School Breakfast 24290	Impact Aid Special Education 25145
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
<u>1,575</u>	<u>2,453</u>	<u>14,858</u>	<u>48</u>	<u>3,900</u>	<u>-</u>
<u>1,575</u>	<u>2,453</u>	<u>14,858</u>	<u>48</u>	<u>3,900</u>	<u>-</u>
1,575	2,453	14,858	48	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,900	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,575</u>	<u>2,453</u>	<u>14,858</u>	<u>48</u>	<u>3,900</u>	<u>-</u>
-	-	-	-	-	-
<u>592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
592	-	-	-	-	-
-	-	-	-	-	4,434
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,434</u>
<u>\$ 592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,434</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, 2011

	Rural Education Achievement Program 25233	State Equalization Guarantee 25250	Education Job Fund 25255	Dual Credit Instructional Materials 27103
Revenues:				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	18,944	13,636	36,726	432
Federal sources	-	-	-	-
Total revenues	18,944	13,636	36,726	432
Expenditures:				
Current operating:				
Instruction	18,944	-	36,726	432
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	13,636	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	18,944	13,636	36,726	432
Excess (deficiency) revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfer	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Restatement	-	-	-	-
Fund balance, restated	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

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

Go Student Library Funds 2008-2012 27105	Technology for Education PED 27117	State Directed Activities 27200	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ 26,626
1,195	-	36,941	107,874
-	-	-	107,918
<u>1,195</u>	<u>-</u>	<u>36,941</u>	<u>242,418</u>
-	1,755	16,159	140,667
-	-	20,782	41,509
1,195	-	-	1,195
-	-	-	-
-	-	-	-
-	-	-	13,636
-	-	-	-
-	-	-	-
-	-	-	55,459
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,195</u>	<u>1,755</u>	<u>36,941</u>	<u>252,466</u>
-	(1,755)	-	(10,048)
-	-	-	592
-	-	-	592
-	(1,755)	-	(9,456)
-	-	-	19,077
-	3,735	-	3,735
-	3,735	-	22,812
<u>\$ -</u>	<u>\$ 1,980</u>	<u>\$ -</u>	<u>\$ 13,356</u>

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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 16,500	\$ 16,500	\$ 14,414	\$ (2,086)
State sources	-	-	-	-
Federal sources	34,000	34,000	29,503	(4,497)
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>43,917</u>	<u>(6,583)</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	54,886	59,045	47,093	11,952
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>54,886</u>	<u>59,045</u>	<u>47,093</u>	<u>11,952</u>
Excess (deficiency) of revenues over(under) expenditures	(4,386)	(8,545)	(3,176)	5,369
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	4,386	8,545	-	(8,545)
Total other financing sources (uses)	<u>4,386</u>	<u>8,545</u>	<u>-</u>	<u>(8,545)</u>
Net change in fund balances	-	-	(3,176)	(3,176)
Cash balance, beginning of year	-	-	8,546	8,546
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,370</u>	<u>\$ 5,370</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (3,176)	
Adjustment to revenues for accruals & other deferrals			3,721	
Adjustment to expenditures for payables, prepaids & other accruals			(4,466)	
Net change in fund balance (GAAP Basis)			<u>\$ (3,921)</u>	

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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 14,000	\$ 14,000	\$ 12,171	\$ (1,829)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>12,171</u>	<u>(1,829)</u>
Expenditures:				
Current operating:				
Instruction	19,495	20,796	18,028	2,768
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>19,495</u>	<u>20,796</u>	<u>18,028</u>	<u>2,768</u>
Excess (deficiency) of revenues over(under) expenditures	(5,495)	(6,796)	(5,857)	939
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	<u>5,495</u>	<u>6,796</u>	<u>-</u>	<u>(6,796)</u>
Total other financing sources (uses)	<u>5,495</u>	<u>6,796</u>	<u>-</u>	<u>(6,796)</u>
Net change in fund balances	-	-	(5,857)	(5,857)
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>6,796</u>	<u>6,796</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 939</u>	<u>\$ 939</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (5,857)	
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>\$ (4,372)</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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	22,454	44,657	31,174	(13,483)
Total revenues	<u>22,454</u>	<u>44,657</u>	<u>31,174</u>	<u>(13,483)</u>
Expenditures:				
Current operating:				
Instruction	22,454	44,657	31,174	13,483
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>22,454</u>	<u>44,657</u>	<u>31,174</u>	<u>13,483</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
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	-	-	-	-
Cash balance, beginning of year	-	-	-	-
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 - 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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	25,555	33,969	20,727	(13,242)
Total revenues	<u>25,555</u>	<u>33,969</u>	<u>20,727</u>	<u>(13,242)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	25,555	33,969	20,727	13,242
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>25,555</u>	<u>33,969</u>	<u>20,727</u>	<u>13,242</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
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	-	-	-	-
Cash balance, beginning of year	-	-	-	-
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 - 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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	1,486	2,951	983	(1,968)
Total revenues	<u>1,486</u>	<u>2,951</u>	<u>983</u>	<u>(1,968)</u>
Expenditures:				
Current operating:				
Instruction	1,486	2,951	1,575	1,376
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>1,486</u>	<u>2,951</u>	<u>1,575</u>	<u>1,376</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	(592)	(592)
Other financing sources (uses):				
Operating transfers	-	-	592	592
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>592</u>	<u>592</u>
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
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			592	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ 592</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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	5,213	5,213	2,453	(2,760)
Total revenues	<u>5,213</u>	<u>5,213</u>	<u>2,453</u>	<u>(2,760)</u>
Expenditures:				
Current operating:				
Instruction	5,213	5,213	2,453	2,760
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>5,213</u>	<u>5,213</u>	<u>2,453</u>	<u>2,760</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
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	-	-	-	-
Cash balance, beginning of year	-	-	-	-
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 - 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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	14,858	14,858	-
Total revenues	-	14,858	14,858	-
Expenditures:				
Current operating:				
Instruction	-	14,858	14,858	-
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	-	14,858	14,858	-
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	-	-	-	-
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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	48	48	-
Total revenues	-	48	48	-
Expenditures:				
Current operating:				
Instruction	-	48	48	-
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	-	48	48	-
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	-	-	-	-
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 - Elementary School Breakfast - 24290
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	3,900	3,900	-
Total revenues	-	3,900	3,900	-
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	-	3,900	3,900	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	3,900	3,900	-
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	-	-	-	-
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 - 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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	4,435	4,435	-	4,435
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>4,435</u>	<u>4,435</u>	<u>-</u>	<u>4,435</u>
Excess (deficiency) of revenues over(under) expenditures	(4,435)	(4,435)	-	4,435
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	<u>4,435</u>	<u>4,435</u>	<u>-</u>	<u>(4,435)</u>
Total other financing sources (uses)	<u>4,435</u>	<u>4,435</u>	<u>-</u>	<u>(4,435)</u>
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	<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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	18,944	18,944	-
Federal sources	-	-	-	-
Total revenues	-	18,944	18,944	-
Expenditures:				
Current operating:				
Instruction	-	18,944	18,944	-
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	-	18,944	18,944	-
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	-	-	-	-
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 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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	13,577	13,631	16,786	3,155
Federal sources	-	-	-	-
Total revenues	13,577	13,631	16,786	3,155
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	13,577	13,636	13,636	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	13,577	13,636	13,636	-
Excess (deficiency) of revenues over(under) expenditures	-	(5)	3,150	3,155
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	5	-	(5)
Total other financing sources (uses)	-	5	-	(5)
Net change in fund balances	-	-	3,150	3,150
Cash balance, beginning of year	-	-	(3,150)	(3,150)
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 - Education Job Fund - 25255
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	36,727	36,726	(1)
Federal sources	-	-	-	-
Total revenues	-	36,727	36,726	(1)
Expenditures:				
Current operating:				
Instruction	-	36,727	36,726	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	-	36,727	36,726	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	-	-	-	-
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 - 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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	432	432	-
Federal sources	-	-	-	-
Total revenues	-	432	432	-
Expenditures:				
Current operating:				
Instruction	-	432	432	-
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	-	432	432	-
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	-	-	-	-
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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	7,733	1,195	(6,538)
Federal sources	-	-	-	-
Total revenues	-	7,733	1,195	(6,538)
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	7,733	1,195	6,538
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	-	7,733	1,195	6,538
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	-	-	-	-
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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	-	3,735	1,755	1,980
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>3,735</u>	<u>1,755</u>	<u>1,980</u>
Excess (deficiency) of revenues over(under) expenditures	-	(3,735)	(1,755)	1,980
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	3,735	-	(3,735)
Total other financing sources (uses)	<u>-</u>	<u>3,735</u>	<u>-</u>	<u>(3,735)</u>
Net change in fund balances	-	-	(1,755)	(1,755)
Cash balance, beginning of year	-	-	3,735	3,735
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,980</u>	<u>\$ 1,980</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (1,755)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (1,755)</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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	38,441	36,941	(1,500)
Federal sources	-	-	-	-
Total revenues	-	38,441	36,941	(1,500)
Expenditures:				
Current operating:				
Instruction	-	17,500	16,159	1,341
Support services:				
Students	-	20,941	20,782	159
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	-	38,441	36,941	1,500
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	-	-	-	-
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.

Supplementary Information
Related to Fiduciary Funds

This Page Intentionally Blank

AGENCY FUNDS

Activity Trust Fund

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

This Page Intentionally Blank

STATE OF NEW MEXICO
 GRADY MUNICIPAL SCHOOL

Agency Funds
 Statement of Changes in Assets and Liabilities
 June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Student activity groups	\$ 80,899	\$ 146,100	\$ 148,370	\$ 78,629
Total assets	<u>\$ 80,899</u>	<u>\$ 146,100</u>	<u>\$ 148,370</u>	<u>\$ 78,629</u>
<u>LIABILITIES</u>				
Funds handled on behalf of:				
Student activity groups	\$ 80,899	\$ 146,100	\$ 148,370	\$ 78,629
Total liabilities	<u>\$ 80,899</u>	<u>\$ 146,100</u>	<u>\$ 148,370</u>	<u>\$ 78,629</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, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Class of 2011	\$ 16,822	\$ 19,674	\$ 36,496	\$ -
Class of 2012	1,364	16,985	5,608	12,741
Class of 2013	848	3,330	2,669	1,509
Class of 2014	387	683	508	562
Class of 2015	940	111	158	893
Class of 2016	101	204	-	305
Class of 2017	-	2,469	2,278	191
Elementary	163	801	378	586
Accelerated Reading	184	410	354	240
Board Training	400	1,095	1,095	400
Box Top	927	187	-	1,114
Boys Athletic	2,297	4,080	4,112	2,265
Cafeteria	224	-	-	224
Cheerleaders	393	-	154	239
Choir/Music	-	145	135	10
Custodian / Maintenance	125	-	-	125
Elementary Cheer	56	695	676	75
Faculty	676	110	354	432
Fellowship of Christian Athletes	158	-	-	158
Football	4,491	3,050	4,435	3,106
Football Junior High	1,470	3,985	4,220	1,235
FFA	3,920	23,155	20,529	6,546
FFA Travel	94	-	-	94
FFA Tool Donation	439	-	-	439
Girls Athletics	5,643	7,253	9,763	3,133
Honor Society	174	-	-	174
Journalism	310	8,837	9,027	120
Leadership Class	59	-	-	59
Library	670	18	-	688
Little League Baseball	-	207	-	207
Rodeo Club	188	-	-	188
Senior Class 2009 and Past	289	376	-	665
Special Education	122	-	-	122
Student / Community	256	2,430	2,209	477
Student Council	486	143	329	300
Technology ENMR	4,390	-	2,775	1,615
Thermostat Project	1,000	-	-	1,000
Trophy Case	488	-	-	488
Uniforms	203	-	-	203
401 A Broadway	15,589	2,970	4,333	14,226
401 B Broadway	8,758	4,248	4,403	8,603
Rental Deposit	1,050	-	-	1,050
EPAC	-	22,803	14,455	8,348
Grady Booster Club	4,745	15,646	16,917	3,474
	<u>\$ 80,899</u>	<u>\$ 146,100</u>	<u>\$ 148,370</u>	<u>\$ 78,629</u>
LIABILITIES				
Due to student groups	\$ 80,899	\$ 146,100	\$ 148,370	\$ 78,629
	<u>\$ 80,899</u>	<u>\$ 146,100</u>	<u>\$ 148,370</u>	<u>\$ 78,629</u>

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

Other Supplemental Information

STATE OF NEW MEXICO
GRADY MUNICIPAL SCHOOL

Cash Reconciliation - All Funds
For the year ended June 30, 2011

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>
Grady Municipal School				
Operational	\$ 109,949	\$ 1,720,945	\$ (1,682,863)	\$ (592)
Teacherage	4,407	3,000	(734)	-
Transportation	5	194,958	(194,953)	-
Instructional Materials	12,672	4,791	(5,882)	-
Food Services	8,546	43,917	(47,093)	-
Athletics	6,796	12,171	(18,028)	-
Federal Flowthrough	-	74,143	(74,735)	592
Federal Direct	1,284	72,456	(69,306)	-
State Flowthrough	3,735	38,568	(40,323)	-
Capital Improvement SB-9	62,679	25,940	(41,097)	-
Debt Service	25,432	55,232	(58,002)	-
	<u>235,505</u>	<u>2,246,121</u>	<u>(2,233,016)</u>	<u>-</u>
Total Governmental Funds				
Student Activities	76,154	130,454	(131,453)	-
Booster Club	4,745	15,646	(16,917)	-
	<u>80,899</u>	<u>146,100</u>	<u>(148,370)</u>	<u>-</u>
Total Grady Municipal School	<u>\$ 316,404</u>	<u>\$ 2,392,221</u>	<u>\$ (2,381,386)</u>	<u>\$ -</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Grady Municipal School			
Operational	Checking	Wells Fargo	\$ 226,325
Teacherage	Checking	Wells Fargo	6,423
Transportation	Checking	Wells Fargo	35
Instructional Materials	Checking	Wells Fargo	13,795
Food Services	Checking	Wells Fargo	5,785
Athletics	Checking	Wells Fargo	814
Federal Flowthrough	Checking	Wells Fargo	(218)
Federal Direct	Checking	Wells Fargo	4,434
State Flowthrough	Checking	Wells Fargo	1,980
Bond Building	Checking	Wells Fargo	-
Capital Improvement SB-9	Checking	Wells Fargo	49,165
Debt Service	Checking	Wells Fargo	22,662
Student Activities	Checking	Wells Fargo	77,397
Booster Club	Checking	Citizens Bank	3,969
			<u>\$ 412,566</u>
Total Grady Municipal School			

Total bank balances	\$ 412,566
Reconciling items - outstanding deposits	470
Reconciling items - outstanding checks	<u>(85,797)</u>
Report balance	<u>\$ 327,239</u>

<u>Net Cash End of Period</u>	<u>Adjustments to the Report</u>	<u>Total Cash on Report</u>
\$ 147,439	\$ -	\$ 147,439
6,673	-	6,673
10	-	10
11,581	-	11,581
5,370	-	5,370
939	-	939
-	-	-
4,434	-	4,434
1,980	-	1,980
47,522	-	47,522
<u>22,662</u>	<u>-</u>	<u>22,662</u>
248,610	-	248,610
75,155	-	75,155
<u>3,474</u>	<u>-</u>	<u>3,474</u>
<u>\$ 327,239</u>	<u>\$ -</u>	<u>\$ 327,239</u>

This Page Intentionally Blank

Compliance Section

This Page Intentionally Blank

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 financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Grady Municipal School District (District), as of and for the year ended June 30, 2011, and have issued my report thereon dated September 15, 2011. 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 District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, others within the entity, the 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 PC
September 15, 2011

STATE OF NEW MEXICO
Grady Municipal School

Schedule of Findings and Responses
June 30, 2011

Prior Year Audit Findings

		<u>Status</u>
2010-1	Audit report late	Resolved

Current Year Audit Findings

None

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, Phillip Borden, Board Vice President, Karla Malone, Business Manager, and Sandra Rush, CPA, in an exit conference on November 3, 2011.

