

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007**

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**TABLE OF CONTENTS**

JUNE 30, 2007

	<u>Page</u>	<u>Exhibit</u>
<b>OFFICIAL ROSTER</b> .....	iii	
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1	
<b>MANAGEMENT DISCUSSION AND ANALYSIS</b> .....	3	
<b>BASIC FINANCIAL STATEMENTS:</b> .....	13	
Statement of Net Assets .....	14	A-1
Statement of Activities .....	15	B-1
Balance Sheet - Governmental Funds .....	16	C-1
Governmental Funds - General Fund Sub Funds .....	18	C-1a
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets .....	21	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds .....	22	C-3
Governmental Funds - General Fund Sub Funds .....	24	C-3a
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	26	C-4
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual		
General Fund .....	27	C-5
Debt Services .....	28	C-6
Total Ed. Tech. Debt Services SubFund .....	29	C-7
Bond Building .....	30	C-8
<b>FIDUCIARY FUND FINANCIAL STATEMENTS:</b> .....	31	
Statement of Fiduciary Net Assets .....	33	E-1
Statement of Changes in Fiduciary Fund Net Assets .....	34	E-2
<b>NOTES TO FINANCIAL STATEMENTS</b> .....	35	
<b>SUPPLEMENTARY INFORMATION:</b> .....	83	
Non-Major Governmental Funds		
Combining Balance Sheet .....	84	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	98	H-2
Private Purpose Trust Funds		
Combining Statement of Net Assets .....	112	H-10
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	113	H-11

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**TABLE OF CONTENTS  
(Continued)**

<b>BUDGET COMPARISONS:</b> .....	115	
General Fund Sub Funds .....	117	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	118	J-1 to J-3
Special Revenue Funds: .....	121	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	126	J-4 to J-70
Capital Projects Funds: .....	195	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	196	J-71 to J-77
Schedule of Changes in Assets and Liabilities - Agency Funds .....	203	K-1
<b>FEDERAL AWARD SECTION:</b> .....	205	
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> .....	207	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	209	
Schedule of Findings and Questioned Costs .....	211	
Schedule of Status of Prior Findings .....	228	
Corrective Action Plan .....	229	
Schedule of Expenditures of Federal Awards .....	238	
Notes on Accounting Policies for Federal Awards .....	240	
Exit Conference .....	241	

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**OFFICIAL ROSTER**

**JUNE 30, 2007**

**BOARD OF EDUCATION**

<b><u>Name</u></b>	<b><u>Title</u></b>
Jennifer Viramontes	President
Craig Ford	Vice-President
Maria Saenz	Secretary
Manuela Huerta	Member
Daniel Castillo	Member

**SCHOOL OFFICIALS**

Cynthia Nava	Superintendent
Efren Yturralde	Associate Superintendent for Student Services
Steve W. Suggs	Associate Superintendent for Finance
Barbara Browder	Associate Superintendent for Human Resources
Richard Chavez	Associate Superintendent for Support Services
Yvonne Lozano	Associate Superintendent for Curriculum & Instruction

**INDEPENDENT AUDITOR'S REPORT**

Mr. Hector H. Balderas, State Auditor and  
The Board of Education of  
Gadsden Independent School District No. 16

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and major budgetary comparisons of Gadsden Independent School District No. 16 (the "District"), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and nonmajor budget comparison statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

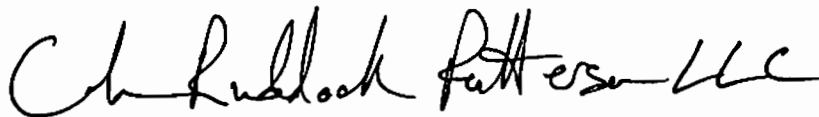
We were not able to obtain sufficient documentary evidence to substantiate the cash balance stated at \$32,928,587 as of June 30, 2007. Similarly, we were not able to determine the validity of the Capital Asset Balance, stated at \$117,651,584 in the Statement of Net Assets as of June 30, 2007 and the Inventory Balance, stated at \$836,393 as of June 30, 2007.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient documentary evidence to determine the Cash balance, Inventory balance and Capital Asset balance, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and major budgetary comparisons of Gadsden Independent School District No. 16, as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund and the respective changes in financial position and nonmajor budget comparison statements of Gadsden Independent School District No. 16, as of June 30, 2007, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis information on pages 5 to 11, is not part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements and the combining and individual fund financial statements, and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the District. We have also included the schedule of changes in net assets and liabilities for agency funds. This information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Charles R. Patterson, LLC". The signature is fluid and cursive, with the letters "C", "R", and "P" being particularly prominent.

El Paso, Texas  
September 18, 2009

W:\DATA\Gadsden ISD\06-30-07fs-ECG.wpd

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**This page is left blank intentionally.**



**State of New Mexico  
Gadsden Independent School District No. 16**

**Management's Discussion and Analysis**

As management of the Gadsden Independent School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2007. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year ended June 30, 2007 are as follows:

- The assets of the District exceeded its liabilities at the end of the fiscal year by \$123,932,885 (net assets). Of this amount, \$105,043,135 is invested in capital assets, \$13,583,373 is restricted for federal and state programs and debt service purposes and \$5,306,377 is unrestricted and may be used to meet District's ongoing obligations.
- The District's total net assets increased by \$5,190,349, which is reflected in the District's Statement of Activities.
- The District's liabilities increased by \$14,196,052 in fiscal year 2007. This increase is due to an increase in long-term obligations.
- At June 30, 2007, the unreserved and undesignated fund balance for the general fund was (\$695,418), which reflects an increase of \$211,364. This increase is due to the implementation of a financial plan approved by the Local Board of Education to re-build cash balances over a period of three years.
- The District's general obligation bond debt balance is \$31,930,000, which reflects a \$6,130,000 increase due to the net offset of issuing new debt and retiring old bonds. Voters authorized new bonds in the amount of \$38,000,000 in an election in February 2006, which allows the District to issue this debt over a four year period.

**Basic Financial Statements**

In general, the purpose of financial reporting is to provide external parties that read the financial statements with information that will help them to make decisions or draw conclusions about the reporting entity. There are many external parties that read and use the District's financial statements; however, these parties do not always have the same objectives. This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader may understand the District's overall financial position. In accordance with required reporting requirements, the District presents (1) government-wide financial statements and (2) fund financial statements.

*Government-wide financial statements*

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to that of a private sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

**State of New Mexico**  
**Gadsden Independent School District No. 16**

Both the *statement of net assets* and the *statement of activities* distinguish functions of the District that are primarily supported by property taxes and state revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through fees and charges. The governmental activities of the District include education, pupil transportation, food service and community service. The District does not have any business-type activities.

The *government-wide financial statements* can be found on pages 14-15 of this report.

*Fund Financial Statements*

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

*Governmental Funds*

*Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available as the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. A reconciliation to facilitate the comparison of the governmental funds and governmental activities has been provided.

The District has five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the following funds:

- General Fund
- Debt Service Fund
- Ed Tech Debt Service Sub Fund
- Bond Building Fund
- Other Funds

The first four funds are considered major funds. Individual fund data for each of the funds included in the Other Funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-26 of this report.

*Fiduciary Funds*

Fiduciary Funds are used to account for resources held in trust for the benefit of parties outside the District. Fiduciary fund financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets. These funds are not reported in the government-wide financial statements.

The fiduciary fund financial statements can be found on pages 33-34 of this report.

**State of New Mexico  
Gadsden Independent School District No. 16**

**Overview of the District's Financial Position and Operations**

The District's overall financial position and operations for the current year are as follows:

**Gadsden Independent School District's Net Assets**

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 54,968,599	\$ 33,889,276
Capital Assets	<u>117,651,584</u>	<u>121,524,650</u>
Total Assets	<u>\$172,620,183</u>	<u>\$155,413,926</u>
Long-term liabilities	\$ 27,876,588	\$ 20,904,193
Other liabilities	<u>20,810,710</u>	<u>13,587,053</u>
Total Liabilities	<u>\$ 48,687,298</u>	<u>\$ 34,491,246</u>
<b>Net assets:</b>		
Invested in capital assets, net of debt	\$105,043,135	\$105,103,020
<b>Restricted for:</b>		
Debt Service	8,793,026	8,176,175
Federal & State Programs	4,790,347	4,162,680
Capital projects		
Other activities		
Undesignated	<u>5,306,377</u>	<u>3,480,805</u>
Total Net Assets	<u>\$123,932,885</u>	<u>\$120,922,680</u>

As noted in the preceding schedule, 4% of the District's net assets are unrestricted in nature and can be used at the discretion of the District and to meet ongoing obligations to creditors and stakeholders. All other portions are restricted for the stated purpose. 85% of the District's net assets are invested in capital assets, net of related debt. This indicates that the accumulated depreciation along with the asset value exceed existing debt. Current and other assets increased from 2006 to 2007 by \$21,079,323. This increase was primarily due to an increase in cash in the Bond Building Fund and an increase in receivables for the various grant funds available to the District. The District was able to improve on investment practices and increased the interest and investment earnings compared to the prior year. Capital Assets decreased \$3,873,066 due to depreciation and fewer construction projects in the District in the 2007 fiscal year. The District continues to utilize local Bond Funds and State Appropriations to construct new schools and improve on other facilities. Total Liabilities increased by \$14,196,052 primarily due to the Long-term debt associated with the capital funding related to capital.

Governmental activities increased the District's net assets by \$5,190,349. This improves the financial position of the District. Another important fact is the District's liquidity which is the ability to convert assets into cash to pay for obligations and commitments. Cash and cash equivalents represent approximately 75% of the District's current assets.

**State of New Mexico  
Gadsden Independent School District No. 16**

The following are major elements of the District's governmental activities contributing to the increase in the change in net assets.

***Gadsden Independent School District's Changes in Fund Balance***

Governmental Activities	<u>2007</u>	<u>2006</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,046,069	\$ 1,123,380
Operating grants and contributions	22,508,867	21,221,198
General revenues:		
Local property taxes	\$ 9,404,613	9,324,679
Federal and state aid	101,708,121	92,509,084
Interest and investment earnings	1,226,113	429,634
Other	<u>423,803</u>	<u>604,267</u>
Total revenues	<u>\$136,317,586</u>	<u>\$125,212,242</u>
Expenses:		
Direct Instruction	\$ 70,618,982	\$ 63,924,703
Support Services-Student/Instruction/School Admin	21,143,564	24,327,519
Support Services-General Administration	1,453,636	2,550,096
Central Services	2,057,101	960,292
Operation and maintenance of plant	10,142,102	8,568,836
Food services	7,248,756	6,388,797
Community service	123,526	516,974
Student Transportation	5,764,099	5,345,813
Capital outlay	8,350,216	11,652,721
Interest on long-term debt	1,010,645	999,047
Principal on long-term debt	<u>6,695,000</u>	<u>6,600,000</u>
Total expenses	<u>\$134,607,627</u>	<u>\$131,834,798</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,709,959	\$ (6,622,556)
Other Financing Sources (Uses):		
Capital-related Debt Issued (Regular Bonds)	\$20,550,000	\$ 3,200,000
Sale of Real and Personal Property	100	
Premium or Discount on Issuance of Bonds		
Transfers In		27,000
Transfers Out (Use)		<u>(27,000)</u>
Total Other Financing Sources (Uses)	<u>\$ 20,550,100</u>	<u>\$ 3,200,000</u>
Net Change in Fund Balances	\$ 22,260,059	\$ (3,422,556)

**State of New Mexico  
Gadsden Independent School District No. 16**

Beginning Fund Balance – July 1	26,187,197	29,613,276
Prior Period Adjustment	(27,899)	(3,523)
Ending Fund Balance – June 30	<u>&amp; 48,419,357</u>	<u>\$ 26,187,197</u>

As noted in the preceding schedule, the District is heavily dependent on federal and state aid which comprises 75% of its total revenues. Correspondingly, it spends almost 68% of total expenditures on direct instruction and support services-student/instruction/school admin., the two primary functions that indicate direct school spending. Revenues from local sources remained relatively stable. An increase of \$79,934 was the result of increased property tax revenues. Federal and State grants and contributions sources experienced an increase of \$9,199,037 over 2006. Due to the economic factors of the communities we serve, the District qualifies for substantial Federal assistance. The ability to obtain Capital Funding from the State is directly related to the student growth that the District experiences.

The other major funds noted similar variances when comparing 2006 to 2007. The Debt Service Fund has increased as a direct result of the changes in long term debt. The Food Service Fund has maintained its stable operations and noted a fund increase over the prior year. The Title I Fund is a federal grant and is expended as authorized by the funding agency. The Bond Building Fund is increasing due to the 2007 bond issue and the District being in the beginning phase of various construction projects.

***General Fund Budgetary Highlights***

Budget to actual comparison schedules are presented for all major funds on pages 27–31 of this document. In addition, budget to actual comparison schedules are presented for each individual fund in the supplementary information section of this report. These schedules are prepared on a cash basis which is the format allowed by the District’s oversight agency, the New Mexico Public Education Department.

The original expenditure budget for the District’s general fund was decreased by \$1,307,539 due to changes in state funding during the year. The final expenditure budget was \$95,589,244, of which \$95,559,625 was expended in the current year. Of the almost \$96.0 million revenue budget, 99% of the budget was received during the year.

The District continues to maintain a strong financial position in the debt service fund.

**Capital Assets and Debt Administration**

***Capital Assets***

The District’s investment in capital assets as of June 30, 2007 is \$117,651,584. These assets include land and land improvements, building and building improvements, equipment and furniture, vehicles, and construction in progress. Construction in progress consisted of major construction projects currently underway in the District such as construction of new schools in the communities of Chaparral and San Miguel and remodel/addition projects throughout the District. Assets decreased approximately 1% from prior year due to depreciation and a smaller number of construction projects in 2007.

**State of New Mexico  
Gadsden Independent School District No. 16**

Depreciation calculated during 2006 and 2007 as a result of GASB 34 implementation resulted in a balance of \$58,883,079, of which \$6,557,757 is for depreciation in the current year. Additional information of the District's capital assets is presented in Note IV.-F of the financial statements.

*Long-term obligations*

At the end of the current year, the district had \$41,881,053 in long-term debt related to governmental activities. Of this debt, \$34,430,000 was related to general obligation bonds and educational technology notes outstanding at year end. The debt position of the District is summarized below and is more fully analyzed in Note IV.-G of the financial statements.

	Balance <u>7/01/06</u>	Additions	Deletions	Balance 6/30/07	Amts Due In One Yr
<b>Governmental Activities:</b>					
Compensated Absences	\$ 369,711	\$ 665,089	\$ 383,747	\$ 651,053	\$ 404,465
Lease Revenue Bonds	1,575,000	1,500,000	575,000	2,500,000	400,000
School Bldg. Bonds	25,800,000	12,250,000	6,120,000	31,930,000	6,400,000
Bond Anticipation Notes	-0-	6,800,000	-0-	6,800,000	6,800,000
<b>Total</b>	<u>\$27,744,711</u>	<u>\$21,215,089</u>	<u>\$7,078,747</u>	<u>\$41,881,053</u>	<u>\$14,004,465</u>

The District issued General Obligation Bonds in the amount of \$12,250,000 for a total of \$12,250,000 in new debt. On August 15, 2006, the District reduced the debt principal by \$6,120,000 in accordance with scheduled bond payments.

Overall, the District increased its debt balances by \$14,136,342, which was due to the issuance of new bonds and increased compensated absences and then offset by the scheduled debt payment activity described above.

The most recent issuances by the District have received the following credit ratings:

- The \$8,770,000 bonds issued in October 2002 received a Moody's rating of Aaa, and an A3 Underlying rating.
- The \$9,800,000 bonds issued in September 2003 received an upgraded Moody's rating of Enhanced Aa2 and an A3 underlying rating. The upgrade in rating is partly due to recent legislative action that guarantees payment to the bond holders in the event of default by the District.
- The \$8,000,000 bonds issued in September 2004 received a Moody's rating of Aa2.
- The \$3,200,000 bonds issued in August 2005 received a Moody's rating of Enhanced Aa2 and an A3 underlying rating.
- The \$12,250,000 bonds issue in November 2006 was privately placed with the New Mexico Finance Authority.

**State of New Mexico**  
**Gadsden Independent School District No. 16**

**Relevant Current Economic Factors, Decisions and Conditions**

The District has begun to experience a slowing in the growth in student population, which has an effect on the amount of state revenues as well as on future construction needs. Since the District, like all other New Mexico school districts, is funded on a prior year funding formula, (i.e. the student population from this year will determine the amount of funding received in the following year), it must maintain tight budgetary controls in order to meet current year needs with last year's funding. The District's primary general source of revenues is derived from the formula. The District anticipates that the student population will remain at the same level.

Due to this growth, primarily in the southern and Chaparral areas of the District, the need exists to continue to add new schools and/or construct major additions to its existing schools. The District was appropriated \$22 million for the new high school in the community of Chaparral and to complete the construction of the new elementary school in the community of Vado. In 2005, \$11.3 million was appropriated for the renovation, upgrade and expansion of Gadsden Middle School in the community of Anthony.

With respect to property taxes, the District's tax rate has remained stable over the last few years due to the bond program implemented by the District. As old debt is retired, new debt is issued, thereby maintaining a non-residential rate of approximately \$14.4 per \$1,000 assessed valuation.

In February 2003 new bonds in the amount of \$21 million were approved by voters, as well as a \$2.00 mill levy for capital improvements. In August 2003, \$9.8 million of these bonds were sold, in August 2004, an additional \$8 million bonds were sold and the balance of this authorization, \$3.2 million were sold in August 2005.

In February 2006 new bonds in the amount of \$38,000,000 were approved by voters, as well as the continuation of the \$2.00 mill levy for capital improvements. This debt authorization will be sold over a four year period from 2006 to 2009. In November 2006, \$12.25 million of these bonds were sold. Continuing construction needs due to increased student population as well as aging of facilities requires funding from taxpayers as well as continued support through direct legislative appropriations.

**Request for Information**

This financial report is designed to provide various interested parties with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or require additional information, contact the District's Finance Department as follows:

Steven W. Suggs, CPA  
Associate Superintendent for Finance  
(505) 882-6243  
[ssuggs@gisd.k12.nm.us](mailto:ssuggs@gisd.k12.nm.us)

Physical Address:  
4950 McNutt  
Sunland Park, NM 88063

Mailing Address:  
P. O. Drawer 70  
Anthony, NM 88021

**This page is left blank intentionally.**



## **BASIC FINANCIAL STATEMENTS**

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 32,453,941
Investments - Current	8,661,247
Receivables (net of allowance for uncollectibles)	13,077,897
Internal Balances	32,450
Inventories	836,393
Discount or (Premium) on Issuance of Debt	(288,505)
Capitalized Debt Issuance Costs	195,176
Capital Assets:	
Land	2,558,073
Buildings, net	107,002,031
Improvements other than Buildings, net	3,319,707
Machinery and Equipment, net	1,246,975
Construction in Progress	3,524,798
Total Assets	172,620,183
<b>LIABILITIES</b>	
Accounts Payable and other current liabilities	5,887,052
Accrued Interest Payable	678,376
Deferred Revenues	240,817
Noncurrent Liabilities	
Due Within One Year	14,404,465
Due in More Than One Year	27,476,588
Total Liabilities	48,687,298
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	105,043,135
Restricted for:	
Restricted for Debt Service	8,793,026
Restricted for Federal and State Programs	4,790,347
Unrestricted Net Assets	5,306,377
Total Net Assets	\$ 123,932,885

The notes to the Financial Statements are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT B-1

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instructional	\$ 72,704,888	\$ 781,319	\$ 10,397,692	\$ (61,525,877)
Support Services	7,400	-	-	(7,400)
Support Services - Student	12,080,351	-	2,832,528	(9,247,823)
Support Services - Instruction	5,866,739	-	635,908	(5,230,831)
Support Services - General Administration	1,558,449	-	221,020	(1,337,429)
Support Services - School Administration	5,251,007	-	-	(5,251,007)
Central Services	2,187,490	-	302,474	(1,885,016)
Operation & Maintenance of Plant	10,189,198	-	-	(10,189,198)
Student Transportation	5,990,888	-	288,899	(5,701,989)
Operation of Noninstructional Services	-	-	2,004,010	2,004,010
Food Services	9,170,493	262,241	5,618,892	(3,289,360)
Community Services Operations	123,526	2,510	207,444	86,428
Bond Interest	1,164,634	-	-	(1,164,634)
Issuance Costs	61,110	-	-	(61,110)
Capital Outlay	3,773,716	-	-	(3,773,716)
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 130,129,889</b>	<b>\$ 1,046,070</b>	<b>\$ 22,508,867</b>	<b>(106,574,952)</b>

**General Revenues:**

<b>Taxes:</b>	
Property Taxes, Levied for General Purposes	203,856
Property Taxes, Levied for Debt Service	7,832,855
Property Taxes, Levied for Capital Projects	370,454
Grants and Contributions Not Restricted	101,708,121
Miscellaneous Revenue	423,902
Investment Earnings	1,226,113
<b>Total General Revenues</b>	<b>111,765,301</b>
Change in Net Assets	5,190,349
Net Assets--Beginning	120,922,680
Prior Period Adjustment	(2,180,144)
Net Assets--Ending	<b>\$ 123,932,885</b>

The notes to the Financial Statements are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

	General Fund	Debt Service Fund	Edu Tech Debt Service Sub Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,498,486	\$ 5,716,759	\$ 2,622,241
Investments - Current	-	-	-
Taxes Receivable	22,674	852,449	37,670
Allowance for Uncollectible Taxes (credit)	(6,349)	(238,686)	(10,547)
Receivables	4,737	162,191	8,775
Intergovernmental Receivables	-	-	-
Due from Other Funds	2,669,824	2,234,279	-
Inventories	460,126	-	-
<b>Total Assets</b>	<b>\$ 5,649,498</b>	<b>\$ 8,726,992</b>	<b>\$ 2,658,139</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 538,374	\$ -	\$ -
Wages and Salaries Payable	3,310,954	-	-
Due to Other Funds	1,620,134	-	2,153,288
Deferred Revenues	12,778	410,542	28,275
<b>Total Liabilities</b>	<b>5,482,240</b>	<b>410,542</b>	<b>2,181,563</b>
<b>Fund Balances:</b>			
<b>Reserved For:</b>			
Debt Service	-	8,316,450	476,576
Capital Acquisition	-	-	-
Encumbrances	402,550	-	-
Inventories	460,126	-	-
Special Revenue Funds	-	-	-
<b>Unreserved and Undesignated:</b>			
Reported in the General Fund	(695,418)	-	-
<b>Total Fund Balances</b>	<b>167,258</b>	<b>8,316,450</b>	<b>476,576</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,649,498</b>	<b>\$ 8,726,992</b>	<b>\$ 2,658,139</b>

The notes to the Financial Statements are an integral part of this statement.

Bond Building	Other Funds	Total Governmental Funds
\$ 19,492,357	\$ 2,124,098	\$ 32,453,941
7,000,000	1,661,247	8,661,247
-	123,569	1,036,362
-	(34,599)	(290,181)
-	23,801	199,504
-	12,132,212	12,132,212
75,562	664,257	5,643,922
-	376,267	836,393
<u>\$ 26,567,919</u>	<u>\$ 17,070,852</u>	<u>\$ 60,673,400</u>
\$ 713,082	\$ 812,495	\$ 2,063,951
-	512,147	3,823,101
280,079	1,557,971	5,611,472
-	303,924	755,519
<u>993,161</u>	<u>3,186,537</u>	<u>12,254,043</u>
-	-	8,793,026
23,507,849	5,901,975	29,409,824
2,066,909	3,191,993	5,661,452
-	376,267	836,393
-	4,414,080	4,414,080
-	-	(695,418)
<u>25,574,758</u>	<u>13,884,315</u>	<u>48,419,357</u>
<u>\$ 26,567,919</u>	<u>\$ 17,070,852</u>	<u>\$ 60,673,400</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
BALANCE SHEET  
GOVERNMENTAL FUNDS - GENERAL FUND SUB FUNDS  
JUNE 30, 2007

	Operational Fund	Transportation Fund	Instructional Materials Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,462,520	\$ (469,959)	\$ 494,077
Investments - Current	-	-	-
Taxes Receivable	22,674	-	-
Allowance for Uncollectible Taxes (credit)	(6,349)	-	-
Receivables	4,737	-	-
Special Assessments Receivable, net	-	-	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	2,527,480	-	142,344
Inventories	460,126	-	-
<b>Total Assets</b>	<b>\$ 5,471,188</b>	<b>\$ (469,959)</b>	<b>\$ 636,421</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	538,240	111	23
Wages and Salaries Payable	3,309,351	1,603	-
Due to Other Funds	1,620,134	-	-
Deferred Revenues	12,778	-	-
<b>Total Liabilities</b>	<b>5,480,503</b>	<b>1,714</b>	<b>23</b>
<b>Fund Balances:</b>			
<b>Reserved For:</b>			
Encumbrances	402,550	-	-
Inventories	460,126	-	-
<b>Unreserved and Undesignated:</b>			
Reported in the General Fund	(871,991)	(471,673)	636,398
<b>Total Fund Balances</b>	<b>(9,315)</b>	<b>(471,673)</b>	<b>636,398</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,471,188</b>	<b>\$ (469,959)</b>	<b>\$ 636,421</b>

The accompanying notes are an integral part of this statement.

	Payables Clearing Fund	Payroll Clearing Fund	Total General Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,848	\$ -	\$ 2,498,486
Investments - Current	-	-	-
Taxes Receivable	-	-	22,674
Allowance for Uncollectible Taxes (credit)	-	-	(6,349)
Receivables	-	-	4,737
Special Assessments Receivable, net	-	-	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	-	2,669,824
Inventories	-	-	460,126
			<hr/>
Total Assets	<u>\$ 11,848</u>	<u>\$ -</u>	<u>\$ 5,649,498</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	-	-	538,374
Wages and Salaries Payable	-	-	3,310,954
Due to Other Funds	-	-	1,620,134
Deferred Revenues	-	-	12,778
			<hr/>
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,482,240</u>
<b>Fund Balances:</b>			
<b>Reserved For:</b>			
Encumbrances	-	-	402,550
Inventories	-	-	460,126
<b>Unreserved and Undesignated:</b>			
Reported in the General Fund	<u>11,848</u>	<u>-</u>	<u>(695,418)</u>
			<hr/>
Total Fund Balances	<u>11,848</u>	<u>-</u>	<u>167,258</u>
			<hr/>
Total Liabilities and Fund Balances	<u>\$ 11,848</u>	<u>\$ -</u>	<u>\$ 5,649,498</u>

**This page left blank intentionally.**



GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>Total Fund Balances - Governmental Funds</b>	\$	48,419,357
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		117,651,584
Long term liabilities, including bonds payable, notes payable, capital leases payable and compensated absences, are not included in the current period and therefore are not reported in the funds.		(41,881,053)
In order to convert the statements to full accrual basis of accounting, it is necessary to recognize deferred revenue as revenue.		514,702
Interest on long term debt is not recognized in the governmental funds and therefore and adjustment is needed to convert to the full accrual basis of accounting.		(678,376)
Debt issuance costs and discounts/premiums on issuance of debt are not financial resources and therefore are not reported in governmental funds. In 2007, capitalized issuance costs of \$195,176 were reported and premiums related to issuance of debt totaled \$(288,505).		(93,329)
<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b>123,932,885</b>

The notes to the Financial Statements are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Debt Service Fund	Edu Tech Debt Service Sub Fund
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 209,023	\$ 7,607,502	\$ 463,810
Intergovernmental Revenue and Grants	94,818,919	-	-
Charges for Services	57,041	-	-
Investment Earnings	207,207	102,883	46,236
Rents and Royalties	2,510	-	-
Contributions & Donations from Private Sources	1,813	-	-
Contributions from Special Assessment	-	-	-
Other Revenue	39,656	-	-
<b>Total Revenues</b>	<b>95,336,169</b>	<b>7,710,385</b>	<b>510,046</b>
<b>EXPENDITURES:</b>			
Current:			
Instructional	59,585,565	-	-
Support Services	7,400	-	-
Support Services - Student	8,475,208	-	-
Support Services - Instruction	3,189,465	-	-
Support Services - General Administration	1,114,838	50,451	3,089
Support Services - School Administration	5,208,480	-	-
Central Services	1,877,870	-	-
Operation & Maintenance of Plant	10,123,124	-	-
Student Transportation	5,522,329	-	-
Operation of Noninstructional Services:			
Food Services	-	-	-
Community Services Operations	-	-	-
Debt Service:			
Bond Principal	-	6,120,000	575,000
Bond Interest	-	826,725	28,315
Issuance Costs	-	-	-
Capital Outlay:			
Capital Outlay	-	-	-
<b>Total Expenditures</b>	<b>95,104,279</b>	<b>6,997,176</b>	<b>606,404</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>231,890</b>	<b>713,209</b>	<b>(96,358)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Capital-related Debt Issued (Regular Bonds)	-	-	-
Sale of Real and Personal Property	100	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>231,990</b>	<b>713,209</b>	<b>(96,358)</b>
Fund Balance - July 1 (Beginning)	370,368	7,603,241	572,934
Prior Period Adjustment	(435,100)	-	-
<b>Fund Balance - June 30 (Ending)</b>	<b>\$ 167,258</b>	<b>\$ 8,316,450</b>	<b>\$ 476,576</b>

The notes to the Financial Statements are an integral part of this statement.

Bond Building	Other Funds	Total Governmental Funds
\$ -	\$ 1,124,278	\$ 9,404,613
-	29,364,209	124,183,128
-	986,518	1,043,559
798,686	71,101	1,226,113
-	-	2,510
-	-	1,813
-	32,047	32,047
-	384,147	423,803
798,686	31,962,300	136,317,586
-	11,033,417	70,618,982
-	-	7,400
-	3,412,087	11,887,295
-	808,397	3,997,862
-	285,258	1,453,636
-	42,527	5,251,007
-	179,231	2,057,101
-	18,978	10,142,102
-	241,770	5,764,099
-	7,248,756	7,248,756
-	123,526	123,526
-	-	6,695,000
-	-	855,040
136,902	18,703	155,605
4,446,988	3,903,228	8,350,216
4,583,890	27,315,878	134,607,627
(3,785,204)	4,646,422	1,709,959
19,050,000	1,500,000	20,550,000
-	-	100
19,050,000	1,500,000	20,550,100
15,264,796	6,146,422	22,260,059
10,309,962	7,330,692	26,187,197
-	407,201	(27,899)
\$ 25,574,758	\$ 13,884,315	\$ 48,419,357

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS - GENERAL FUND SUB FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Operational Fund	Transportation Fund	Instructional Materials Fund
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 209,023	\$ -	\$ -
Intergovernmental Revenue and Grants	88,621,676	4,948,233	1,249,010
Charges for Services	57,041	-	-
Investment Earnings	207,207	-	-
Rents and Royalties	2,510	-	-
Contributions & Donations from Private Sources	1,813	-	-
Other Revenue	39,656	-	-
<b>Total Revenues</b>	<b>89,138,926</b>	<b>4,948,233</b>	<b>1,249,010</b>
<b>EXPENDITURES:</b>			
Current:			
Instructional	59,285,476	-	300,089
Support Services	7,400	-	-
Support Services - Student	8,475,208	-	-
Support Services - Instruction	3,072,054	-	117,411
Support Services - General Administration	1,114,838	-	-
Support Services - School Administration	5,208,480	-	-
Central Services	1,877,870	-	-
Operation & Maintenance of Plant	10,123,124	-	-
Student Transportation	84,693	5,437,636	-
Operation of Non-instructional Services	-	-	-
<b>Total Expenditures</b>	<b>89,249,143</b>	<b>5,437,636</b>	<b>417,500</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(110,217)</b>	<b>(489,403)</b>	<b>831,510</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of Real and Personal Property	100	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(110,117)</b>	<b>(489,403)</b>	<b>831,510</b>
Fund Balance - July 1 (Beginning)	100,802	17,730	239,988
Prior Period Adjustment	-	-	(435,100)
<b>Fund Balance - June 30 (Ending)</b>	<b>\$ (9,315)</b>	<b>\$ (471,673)</b>	<b>\$ 636,398</b>

The accompanying notes are an integral part of this statement.

	Payables Clearing Fund	Payroll Clearing Fund	Total General Fund
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ -	\$ -	\$ 209,023
Intergovernmental Revenue and Grants	-	-	94,818,919
Charges for Services	-	-	57,041
Investment Earnings	-	-	207,207
Rents and Royalties	-	-	2,510
Contributions & Donations from Private Sources	-	-	1,813
Other Revenue	-	-	39,656
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>95,336,169</b>
<b>EXPENDITURES:</b>			
Current:			
Instructional	-	-	59,585,565
Support Services	-	-	7,400
Support Services - Student	-	-	8,475,208
Support Services - Instruction	-	-	3,189,465
Support Services - General Administration	-	-	1,114,838
Support Services - School Administration	-	-	5,208,480
Central Services	-	-	1,877,870
Operation & Maintenance of Plant	-	-	10,123,124
Student Transportation	-	-	5,522,329
Operation of Non-instructional Services	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>95,104,279</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	231,890
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of Real and Personal Property	-	-	100
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>100</b>
Net Change in Fund Balances	-	-	231,990
Fund Balance - July 1 (Beginning)	11,848	-	370,368
Prior Period Adjustment	-	-	(435,100)
<b>Fund Balance - June 30 (Ending)</b>	<b>\$ 11,848</b>	<b>\$ -</b>	<b>\$ 167,258</b>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	22,260,059
<p>Current year capital outlays net of deletions were \$4,836,936 and long-term principal payments totaled \$6,695,000. The change in compensated absences caused a decrease of \$(281,342). Furthermore, capital related debt issued total \$(20,550,000) and other amounts related to amortization of premium and bond issue costs decreased net assets by \$(94,495). In addition, the change in interest from the prior year caused an increase of \$(362,256). These amounts are expenditures or other resources in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt and revenues in the government-wide financial statements. The net effect of removing the 2007 capital outlays, debt principal payments and other resources is to decrease net assets.</p>		
		(9,756,157)
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.</p>		
		(6,557,757)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. these include adjusting current year revenue to show the revenue earned from the current year's tax levy, which totaled \$(1,738,356). The net effect of this reclassification and recognition is to decrease net assets.</p>		
		(755,796)
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b>5,190,349</b>

The notes to the Financial Statements are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 204,888	\$ 204,888	\$ 208,723	\$ 3,835
Intergovernmental Revenue and Grants	95,621,700	95,929,239	94,818,919	(1,110,320)
Charges for Services	93,650	93,650	57,041	(36,609)
Investment Earnings	40,000	40,000	207,207	167,207
Rents and Royalties	4,000	4,000	2,510	(1,490)
Contributions & Donations from Private Sources	50,000	50,000	1,813	(48,187)
Other Revenue	-	-	39,141	39,141
<b>Total Revenues</b>	<b>96,014,238</b>	<b>96,321,777</b>	<b>95,335,354</b>	<b>(986,423)</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional	57,222,721	60,961,204	60,375,514	585,690
Support Services	38,316,718	35,885,774	35,184,111	701,663
Operation of Noninstructional Services	49,805	49,805	-	49,805
<b>Total Expenditures</b>	<b>95,589,244</b>	<b>96,896,783</b>	<b>95,559,625</b>	<b>1,337,158</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>424,994</b>	<b>(575,006)</b>	<b>(224,271)</b>	<b>350,735</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	100	100
Other (Uses)	(1,000,000)	(1,000,000)	-	1,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>100</b>	<b>1,000,100</b>
<b>Net Change</b>	<b>(575,006)</b>	<b>(1,575,006)</b>	<b>(224,171)</b>	<b>1,350,835</b>
<b>Fund Balance - July 1 (Beginning)</b>	<b>-</b>	<b>(1,239,076)</b>	<b>445,014</b>	<b>1,684,090</b>
<b>Fund Balance - June 30 (Ending)</b>	<b>\$ (575,006)</b>	<b>\$ (2,814,082)</b>	<b>\$ 220,843</b>	<b>\$ 3,034,925</b>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICES  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 6,946,725	\$ 6,946,725	\$ 6,021,620	\$ (925,105)
Investment Earnings	25,000	25,000	102,883	77,883
Total Revenues	<u>6,971,725</u>	<u>6,971,725</u>	<u>6,124,503</u>	<u>(847,222)</u>
<b>EXPENDITURES:</b>				
Current:				
Support Services	69,467	69,467	50,451	19,016
Total Expenditures	<u>69,467</u>	<u>69,467</u>	<u>50,451</u>	<u>19,016</u>
Change in Fund Balance	6,902,258	6,902,258	6,074,052	(828,206)
Fund Balance - July 1 (Beginning)	-	1,243,996	7,250,754	6,006,758
Fund Balance - June 30 (Ending)	<u>\$ 6,902,258</u>	<u>\$ 8,146,254</u>	<u>\$ 13,324,806</u>	<u>\$ 5,178,552</u>

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TOTAL ED. TECH. DEBT SERVICE SUBFUND  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 603,315	\$ 603,315	\$ 464,231	\$ (139,084)
Investment Earnings	10,000	10,000	46,236	36,236
Total Revenues	<u>613,315</u>	<u>613,315</u>	<u>510,467</u>	<u>(102,848)</u>
<b>EXPENDITURES:</b>				
Current:				
Support Services	6,033	6,033	3,089	2,944
Total Expenditures	<u>6,033</u>	<u>6,033</u>	<u>3,089</u>	<u>2,944</u>
Change in Fund Balance	607,282	607,282	507,378	(99,904)
Fund Balance - July 1 (Beginning)	-	-	564,890	564,890
Fund Balance - June 30 (Ending)	<u>\$ 607,282</u>	<u>\$ 607,282</u>	<u>\$ 1,072,268</u>	<u>\$ 464,986</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - BOND BUILDING  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Investment Earnings	\$ 115,000	\$ 115,000	\$ 798,686	\$ 683,686
Total Revenues	<u>115,000</u>	<u>115,000</u>	<u>798,686</u>	<u>683,686</u>
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	9,280,332	28,330,332	3,964,461	24,365,871
Total Expenditures	<u>9,280,332</u>	<u>28,330,332</u>	<u>3,964,461</u>	<u>24,365,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,165,332)</u>	<u>(28,215,332)</u>	<u>(3,165,775)</u>	<u>25,049,557</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	19,050,000	19,050,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>19,050,000</u>	<u>19,050,000</u>	<u>-</u>
Change in Fund Balance	(9,165,332)	(9,165,332)	15,884,225	25,049,557
Fund Balance - July 1 (Beginning)	-	4,683,146	10,403,616	5,720,470
Fund Balance - June 30 (Ending)	<u>\$ (9,165,332)</u>	<u>\$ (4,482,186)</u>	<u>\$ 26,287,841</u>	<u>\$ 30,770,027</u>

The accompanying notes are an integral part of this statement.

**FIDUCIARY FUND FINANCIAL STATEMENTS**

**This page is left blank intentionally.**

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2007

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 60,021	\$ 414,625
Due from Other Funds	16,386	4,502
Total Assets	<u>76,407</u>	<u>\$ 419,127</u>
<b>LIABILITIES</b>		
Accounts Payable	-	\$ 382,176
Due to Other Funds	16,386	36,951
Total Liabilities	<u>16,386</u>	<u>\$ 419,127</u>
<b>NET ASSETS</b>		
Unrestricted Net Assets	<u>60,021</u>	
Total Net Assets	<u>\$ 60,021</u>	

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Private Purpose Trust Fund
<b>ADDITIONS:</b>	
Investment Earnings	\$ 2,194
Contributions & Donations from Private	8,438
Total Additions	<u>10,632</u>
<b>DEDUCTIONS:</b>	
Miscellaneous Operating	6,500
Bank Fees	60
Total Deductions	<u>6,560</u>
Change in Net Assets	4,072
Total Net Assets - July 1 (Beginning)	<u>55,949</u>
Total Net Assets - June 30 (Ending)	<u><u>\$ 60,021</u></u>

The notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO**  
**GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Gadsden Independent School District No. 16 (the "District") is a public educational agency operating under the applicable laws and regulations of the State of New Mexico. It is governed by a five member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of contracts and grants of agencies from which it receives funds. In addition, the District follows the State of New Mexico Public Education Department guidelines related to financial reporting presentation. The PED modifies the reporting of functional expenditure categories from time to time.

**A. Reporting Entity**

Because the Board of Trustees (the "Board") is elected by the public; has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity."

The decisions to include or exclude a potential component unit in the reporting entity were made by applying standards contained in GAAP. The most primary standard for including or excluding a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most crucial manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but certainly are not limited to, the selection of the governing authority, the designation of management, the ability to materially influence operations and accountability include, but certainly are not limited to, the selection of the governing authority, the designation of management, the ability to materially influence operations and accountability for fiscal matters. The second standard used to evaluate potential component units is the scope of public services. Application of this standard entails considering whether the activity benefits the District, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. The third standard involved in evaluating whether potential component units are included or excluded from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

The above standards were applied to the Gadsden Foundation, Inc. (Foundation), and the District determined that the entity is a component unit of the District.

**Gadsden Foundation, Inc. (Foundation)**

The Foundation is governed by a fifteen member board composed of the Superintendent of the District, eleven members appointed, and four officers. The balances included in these financial statements related to the Foundation are as of June 30, 2007, and are presented as a blended private purpose trust fund.

(Continued)

STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by charges to school districts for services, State funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues. In addition, under the full accrual method, property taxes are recognized when the taxes are levied.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories - governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds as major and reports their financial condition and results of operations in a separate column.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Continued)



STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues from local sources consist primarily of services provided to districts and teachers and property taxes. Revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors some times require the District to refund all or part of the unused amount.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

(Continued)

STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting**

The District reports the following major governmental funds:

*General Fund* - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The subfunds of the general fund are the Operational Fund, Transportation Fund, Instructional Materials Fund, Payables Clearing Fund and Payroll Clearing Fund.

*Debt Service Fund* - The Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long term general obligation debt of governmental funds.

*Education Technology Debt Service Fund* - The Education Technology Debt Service Fund is used to account for the resources accumulated and payments made for principle and interest on long term Education Technology debt of governmental funds.

*Bond Building Fund* - The Bond Building Fund is a capital projects fund used to account for bond proceeds. Resources are used for the purpose of erecting, remodeling, makings additions to, or furnishing public school buildings and purchasing or improving public school grounds.

The District reports no major enterprise fund.

Additionally, the District reports the following fund types:

**GOVERNMENTAL FUNDS:**

1. **Special Revenue Funds** - These funds account for resources restricted to, or designated for, specific purposes by a grantor. Most Federal and State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances are returned to the grantor at the close of specified project periods.
2. **Debt Service Funds** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**FIDUCIARY FUNDS:**

4. Private Purpose Trust Funds - Used to account for assets held and administered by the District where the District is acting in a fiduciary capacity for individuals, private organizations, or other governments. The District currently maintains two such funds as follows:

Private Purpose Trust Fund - To account for monies bequeathed by a former teacher, Machree Causey, to provide for a scholarship each year to a graduating senior from Gadsden High School who has shown an interest in business subjects. This fund also accounts for monies bequeathed by Mr. Jim O'Toole to provide for scholarships to students from Santa Teresa High School and Gadsden High School to be given based on recommendations by School Administrators. The principal amounts are to be maintained intact and invested. Investment earnings are to be used for the scholarships. Funds related to this private purpose Trust Fund are held in one account in conjunction with the Gadsden Foundation Inc. funds. However, for reporting purposes the amounts are reported separately.

Gadsden Foundation, Inc - A blended component unit used to account for donations and charitable contributions received for the purpose of providing scholarships to eligible graduates of the District.

5. Agency Funds - The District accounts for resources held for others in a custodial capacity in agency funds. Assets equal liabilities, and this fund does not include measurements or results of operations. The District's Agency Funds are the Student Activity account and the Cafeteria Plan.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Other Accounting Policies**

1. The District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Inventories of supplies on the balance sheet are recorded at cost using the first-in, first-out method and they include consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the New Mexico Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the New Mexico Department of Human Services and recorded as expenditures when requisitioned, and revenue is recognized for an equal amount.
3. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.
4. In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.
5. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates in these financial statements include the District's estimate of useful lives for determining accumulated depreciation and depreciation expense, an estimate of accrued interest and an estimate on property taxes receivable.
6. It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

(Continued)

STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

7. Capital assets, which include land, buildings, furniture and equipment and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Site improvements (paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lights)	20 years
School buildings and portable buildings	50 years
HVAC systems, roofing, interior construction, including heating, ventilation and air conditioning systems, and fire suppression systems; and electrical/plumbing	20 years
Equipment/radio towers, including playground, fuel tanks, pumps	20 years
Licensed and activity vehicles	10 to 20 years
Buses	10 to 20 years
Contractors equipment (major off-road vehicles, front-end loaders, large tractors, mobile air compressors)	10 years
Furniture and equipment (including computers and software)	5 to 20 years

8. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.
9. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
10. The District receives substantial amounts of funding from special revenue sources. The majority of this money is advanced to the District by the federal government or the Public Education Department. The portion of revenue allowable for indirect cost is credited as revenue to the General Fund and as an expenditure in the Special Revenue Fund, as required by the Public Education Department.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

11. The Public Education Department receives federal minerals 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 purchase of material listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the seventy percent account for purchase of material from the adopted list. The Districts receive an allotment for the year and all cash is received and carried over from year to year.

12. 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 8-25, NMSA 1978) is at least equal to the school district's program cost.

A school district's program costs are determined through the use of various formulas using "program units" which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$87,990,661 in state equalization guarantee distributions during the year ended June 30, 2007.

13. School districts in the State of New Mexico receive student transportation distributions. The transportation is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$4,948,233 in transportation distributions during the year ended June 30, 2007.

14. The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$3,121,958 state SB-9 matching during the year ended June 30, 2007.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

15. Under the provisions of Chapter 22, Article 24 a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

- a. A critical need exists requiring action;
- b. The residents of the school district have provided all available resources to the district to meet its capital outlay requirements;
- c. The school district has used its resources in a prudent manner;
- d. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will used for the tax year 1979 as certified by the property tax division; and
- e. The school district has provided insurance of buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The District received \$2,742,285 in Public School Capital Outlay funding during the year ended June 30, 2007.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities are not due and payable in the current period and are not reported as liabilities in the funds.

(Continued)

STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(Continued)**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net assets.

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items.

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Budgets for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds are prepared by management and approved by the local school board and the School Budget Planning Unit of the Department of Education. Expendable and nonexpendable trust funds and student activity accounts are not budgeted.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not legally exceed budgeted appropriations at the function level. If a transfer between functions or a budget increase is required, approval must be obtained from the local Board of Education and the Public School Finance Division.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

(Continued)



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

---

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

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

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

1. Prior to June 20 of each year, the Board of Education presents the budget of the School district for the ensuing fiscal year at a public hearing. The operating budget includes proposed expenditures and the means of financing them.
2. On or before July 1 of each year, the Department of Education, School Finance Division, approves and certifies to the School Board the estimated operating budgets for use by the local board pending final approval.
3. The District may transfer budgeted amounts between expenditure line items in the same series (intra-budget transfers) within a single fund provided approval is given by the Board of Education. The District may transfer budgeted amounts between expenditure line items in different series (inter-budget transfers) within a single fund provided approval is given by the Board of Education and Department of Education. All budget increases and decreases must also be approved through the latter process.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds with appropriations lapsing at year end. Total expenditures of any activity category may not exceed categorical appropriations.
5. To conform to the Department of Education requirements, budgets for all funds of the School District are adopted on the cash basis of accounting with the following exception:

Federal Projects - Federal categorical grants are budgeted on the grant's project year rather than the School District's fiscal year and, therefore, may not reflect cash basis budgeting. Unexpended portions of prior year's programs are rebudgeted into the subsequent year's program budget. Since the programs are incomplete at June 30, the schedules of budgeted and actual revenue and expenditures present unrealized revenue and expended budget, rather than budget saving.

Since the School District's budgets are not prepared in conformity with generally accepted accounting principles (GAAP), budgetary comparisons are presented on the non-GAAP basis.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2007

---

**IV. DETAILED NOTES ON ALL FUNDS**

A. Deposits and Investments

**District Policies and Legal and Contractual Provisions Governing Deposits and Investments**

Gadsden Independent School District is authorized under the provisions of Chapter 6, Article 10, Paragraph 10 NMSA 1978, Comp. to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

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 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 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;
- 3) in contracts with banks, 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 as a price differential representing the interest income to be earned by the investor. The contract shall be 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 the 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 the investment. State Statutes authorize the investment of District funds in a wide variety of instruments, certificates of deposits and other similar obligations, State investment pool, money market accounts, and United States Government obligations.

The District's cash balances consist of demand deposits. The carrying amount of cash in demand deposit accounts are displayed in the balance sheet as cash and cash equivalents.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

The certificates of deposit carry a market interest rate and have original maturity dates of one year. These certificates are recorded as short-term investments and are summarized below:

Name	Carrying Amount	Market Value	Credit Risk Rating	Rated by	Weighted Avg Maturity
Certificates of Deposit	\$ 8,661,247	\$ 8,661,247	not provided	N/A	1 year

*Custodial Credit Risk for Deposits* - Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The District's deposits are not exposed to custodial credit risk as they are fully collateralized, and the collateral is held at depository institutions in the District's name.

*Custodial Credit Risk for Investments* - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. The District does not have a policy for custodial credit risk, other than the State requirements for insurance and collateralization. The District's investments are not exposed to custodial credit risk as they are fully collateralized, and the collateral is held at depository institutions in the District's name.

*Concentration of Credit Risk for Deposits and Investments* - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a written policy for limiting concentration of credit risk. The District is exposed to concentration of credit risk because it uses only two financial institutions for all but one small demand deposit and all certificates of deposit.

*Foreign Currency Risk for Deposits and Investments* - The District eliminates the risk that changes in exchange rates will adversely affect a deposit by not having any deposits or investments denominated in a foreign currency.

*Interest Rate Risk for Investments* - The District does not have a written policy for limiting interest rate risk. However, the average maturity of certificates of deposits is 12 months, which is an effective limit of interest rate risk.

*Over (under)-collateralization per State requirements* - The State requires that at least 50% of uninsured demand deposits and deposit type investments such as certificates of deposit be collateralized by the depository banking institution. The schedules that follow present cash balances and collateral information.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

	Columbus Bank and Trust	Wells Fargo Bank		Bank of the West
		Gadsden District	Gadsden Foundation, Inc.	
Demand Deposits and CDs	\$ 39,057	\$ 36,172,359	\$ 60,021	\$ 8,493,060
Less FDIC insurance	39,057	100,000	60,021	100,000
Uninsured public funds	-	36,072,359	-	8,393,060
50% collateral requirement	-	18,036,180	-	4,196,530
Pledged security - market value	-	32,296,111	-	9,419,354
	-	50,332,291	-	13,615,884
Over (under)-collateralized	\$ -	\$ 14,259,932	\$ -	\$ 5,222,824

Detail of deposits. Following is the detail for demand deposits and certificates of deposits.

Account Name	Account Type	Bank Balance	Reconciling	Book Balance
<b>Wells Fargo Bank</b>				
Operational	Checking	\$ 1,572,729	\$ 6,071	\$ 1,578,800
Lunch	Checking	2,294,718	2,581	2,297,299
Building	Checking	20,777,832	-	20,777,832
Athletics	Checking	174,777	-	174,777
Activity	Checking	559,817	-	559,817
GISD Technology Fund	Checking	-	5,616	5,616
Accounts Payable	Checking	1,360,222	(2,499,762)	(1,139,540)
Payroll	Checking	771,018	(1,928,900)	(1,157,882)
Gadsden Foundation, Inc.	MMA	60,021	-	60,021
<b>Bank of the West</b>				
Federal	Checking	154,059	1,253,445	1,407,504
Debt service	Checking	8,339,000	-	8,339,000
<b>Columbus B &amp; T</b>				
Commercial	Checking	39,057	(13,714)	25,343
Total cash and cash equivalents		\$ 36,103,250	\$ (3,174,663)	\$ 32,928,587

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

Account Name	Account Type	Bank Balance	Reconciling	Book Balance
<b>Wells Fargo Bank</b>				
Lunch	Certificate of Deposit	1,354,869	-	1,354,869
Activity	Certificate of Deposit	252,972	-	252,972
Building	Certificate of Deposit	7,000,000	-	7,000,000
Athletics	Certificate of Deposit	53,406	-	53,406
Total certificates of deposit		<u>8,661,247</u>	-	<u>8,661,247</u>

Detail of collateral. Following is the detail for collateral.

Institution/Location	Type	Number	CUSIP	Maturity	Fair Market
<b>Wells Fargo Bank</b>					
Federal Reserve Bank	FNCL	870616	31409GGZ3	06/01/2036	9,498,872
Federal Reserve Bank	FNCL	0090973S	31411JV45	02/01/2037	1,603,850
Federal Reserve Bank	FNCL	00900911	31410X3UB	02/01/2037	<u>21,193,389</u>
Total collateral at Wells Fargo Bank					<u>32,296,111</u>

**Bank of the West**

Wells Fargo Brokerage Services	FH	E20229	31335KHE9	03/01/2011	\$ 29,027
Wells Fargo Brokerage Services	FHLB	-	3133XBKE4	10/26/2007	50,806
Wells Fargo Brokerage Services	FHLMC	1B2603	3128JMX93	11/01/2034	98,296
Wells Fargo Brokerage Services	STHWT	-	843789DH8	08/01/2017	194,504
Wells Fargo Brokerage Services	FH	3 3/8	3133MVZA4	02/15/2008	666,428
Wells Fargo Brokerage Services	FG	C00548	31292GTD8	08/01/2027	41,329
Wells Fargo Brokerage Services	FNMA	2003-24	31393AM46	01/25/2027	40,533

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

Institution/Location	Type	Number	CUSIP	Maturity	Fair Market
Wells Fargo Brokerage Services	FG	M80806	31282R3P7	03/01/2010	146,778
Wells Fargo Brokerage Services	PRTSL	-	44984SAB2	11/09/2033	<u>8,151,655</u>
Total collateral at Bank of the West					<u>9,419,356</u>

Reconciliation to State Department of Education (PED) reports.

	Operational	Transportation	Instructional Materials	Subtotal General Fund
Cash per PED at 06/30/06	\$ 2,962,418	\$ 19,313	\$ 600,319	\$ 3,582,050
Per PED report				
Revenues	89,702,716	4,948,233	1,249,010	95,899,959
Expenditures	<u>(87,565,379)</u>	<u>(5,436,795)</u>	<u>(1,212,908)</u>	<u>(94,215,082)</u>
Cash per PED report	5,099,755	(469,249)	636,421	5,266,927
Due to/from funds	907,346	-	142,344	1,049,690
Audit adjustments:				
Current Year	<u>(3,532,733)</u>	<u>(710)</u>	<u>(284,688)</u>	<u>(3,818,131)</u>
Audited Cash 06/30/07	<u>\$ 2,474,368</u>	<u>\$ (469,959)</u>	<u>\$ 494,077</u>	<u>\$ 2,498,486</u>

	Athletics	Activity	Other Special Revenue	Capital Projects
Cash per PED at 06/30/06	\$ 204,866	\$ 347,054	\$ (342,738)	\$ 7,720,149
Per PED report				
Revenues	99,252	634,243	12,547,874	27,361,132
Expenditures	<u>(113,322)</u>	<u>(583,980)</u>	<u>(15,234,444)</u>	<u>(7,754,028)</u>
Cash per PED report	190,796	397,317	(3,029,308)	27,327,253
Due to/from funds	(36,886)	(1,106)	(792,843)	(384,595)
Audit adjustments:				
Current Year	<u>74,273</u>	<u>(782)</u>	<u>2,055,354</u>	<u>826,805</u>
Audited Cash 06/30/07	<u>\$ 228,183</u>	<u>\$ 395,429</u>	<u>\$ (1,766,797)</u>	<u>\$ 27,769,463</u>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

	Debt Service	Food Service	Total All Funds
Cash per PED at 06/30/06	\$ 7,679,821	\$ 3,591,232	\$ 22,782,434
Per PED report			
Revenues	8,406,988	7,003,683	151,953,131
Expenditures	(7,603,579)	(6,775,052)	(132,279,487)
Cash per PED report	8,483,230	3,819,863	42,456,078
Due to/from funds	80,991	117,199	32,450
Audit adjustments:			
Current Year	(225,221)	(285,638)	(1,373,340)
Audited Cash 06/30/07	<u>\$ 8,339,000</u>	<u>\$ 3,651,424</u>	<u>\$ 41,115,188</u>

**B. Other Receivables**

Other receivables of \$199,504 in the general fund, debt service fund and capital improvements fund are shown at gross value. Management believes an allowance for doubtful accounts is not necessary for fair presentation.

**C. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10<sup>th</sup> and April 10<sup>th</sup> of the subsequent year with the levies becoming delinquent 30 days thereafter unless a timely protest has been made. Taxes are collected on behalf of the District by the County Treasurers, and are remitted to the District in the month following collection. Because the Treasurers of the Counties in which the District is located are statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable counties to the District. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

**D. Delinquent Taxes Receivable**

Delinquent taxes are prorated between operational, debt service and capital improvements based on rates adopted for the year of the levy. The property tax receivable allowance is equal to 28% of outstanding property taxes at June 30, 2007.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

**E. Interfund Receivables and Payables**

The interfund balances have primarily been recorded when funds overdraw their share of pooled cash. Interfund balances at June 30, 2007 consisted of the following individual fund balances:

	Due From Other Funds	Due to Other Funds
<b>General Fund</b>		
Debt Service	\$ -	\$ 80,991
Bond Building	204,516	-
Non Major Special Revenue	813,635	-
Non Major Capital Projects	80,079	-
Agency Funds	32,449	-
Total	1,130,679	80,991
<b>Debt Service Fund</b>		
General Fund	80,991	-
<b>Bond Building Fund</b>		
General Fund	-	204,516
<b>Non Major Special Revenue Funds</b>		
General Fund	-	763,635
Non Major Capital Project Fund	-	50,000
Total	-	813,635
<b>Non Major Capital Project Funds</b>		
General Fund	-	130,079
Non Major Special Revenue Fund	50,000	-
Total	50,000	130,079
<b>Agency Funds</b>		
General Fund	-	32,449
Private Purpose Trust Fund	-	16,386
Gadsden Foundation, Inc.	16,386	-
Total	16,386	48,835
	<b>\$ 1,278,056</b>	<b>\$ 1,278,056</b>

(Continued)



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

**F. Capital Asset**

Capital asset activity for the year ended June 30, 2007 was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,466,374	\$ 91,699	\$ -	\$ 2,558,073
Construction in progress	17,740,913	1,784,631	(16,000,746)	3,524,798
Total capital assets, not being depreciated	20,207,287	1,876,330	(16,000,746)	6,082,871
Capital assets, being depreciated:				
Buildings and improvements	126,606,858	17,656,509	-	144,263,367
Machinery and equipment	19,291,281	690,041	-	19,981,322
Land improvements	5,592,301	614,802	-	6,207,103
Total capital assets, being depreciated	151,490,440	18,961,352	-	170,451,792
Less restated accumulated depreciation for:				
Building and improvements	32,835,197	4,426,140	-	37,261,337
Machinery and equipment	16,953,215	1,781,132	-	18,734,347
Land improvements	2,536,910	350,485	-	2,887,395
Total accumulated depreciation	52,325,322	6,557,757	-	58,883,079
Total capital assets, being depreciated, net	99,165,118	12,403,595	-	111,568,713
<b>Governmental activities capital assets, net</b>	<b>\$ 119,372,405</b>	<b>\$ 14,279,925</b>	<b>\$ (16,000,746)</b>	<b>\$ 117,651,584</b>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$	1,919,851
Support services - instruction		1,868,877
Support services - General Administration		104,813
Central services		130,389
Operation and maintenance of plant		66,569
Support services - student		233,464
Pupil transportation		226,789
Food services		<u>2,007,005</u>
<b>Total depreciation</b>	<b>\$</b>	<b><u>6,557,757</u></b>

**Construction commitments**

The District has active construction projects as of June 30, 2007, including new school buildings and additions to existing school buildings, ADA compliance projects and various remodeling projects.

Project	Spent to Date	Remaining Commitment
North Valley Elementary School	\$ 442,463	\$ 897,072
Santa Teresa High School Addition	96,743	214,193
Chaparral High School	<u>2,985,593</u>	<u>302,290</u>
<b>Total</b>	<b><u>\$ 3,524,799</u></b>	<b><u>\$ 1,413,555</u></b>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

**G. Changes in Long-Term Liabilities**

Long-term activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b><u>Bonds and Notes Payable:</u></b>					
School Building Bonds	\$ 25,800,000	\$ 20,550,000	\$ 6,120,000	\$ 40,230,000	\$ 13,600,000
Lease Revenue Bonds	1,575,000	-	575,000	1,000,000	400,000
<b>Total Bonds Payable</b>	<b>27,375,000</b>	<b>20,550,000</b>	<b>6,695,000</b>	<b>41,230,000</b>	<b>14,000,000</b>
<b><u>Other Long-Term Liabilities:</u></b>					
Compensated Absences	369,711	665,089	383,747	651,053	404,465
<b>Total Other Liabilities</b>	<b>369,711</b>	<b>665,089</b>	<b>383,747</b>	<b>651,053</b>	<b>404,465</b>
<b>Total Governmental Long-term Liabilities</b>	<b>\$ 27,744,711</b>	<b>\$ 21,215,089</b>	<b>\$ 7,078,747</b>	<b>\$ 41,881,053</b>	<b>\$ 14,404,465</b>

The lease revenue bonds and other long-term liabilities are paid for by the general fund.

A summary of changes in bonds payable for the year ended June 30, 2007 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Outstanding 06/30/06	Issued	Retired	Outstanding 06/30/07	Due Within One Year
School Building Bonds Series 1997	4.25 - 6.25%	4,700,000	875,000	-	300,000	575,000	200,000
School Building Bonds Series 1998	4.0 - 5.35%	4,925,000	1,325,000	-	200,000	1,125,000	250,000
School Building Bonds Series 1999	4.3 - 5.8%	5,375,000	2,500,000	-	400,000	2,100,000	700,000
School Building Bonds Series 2000	4.375 - 5.85%	6,000,000	2,600,000	-	400,000	2,200,000	400,000
School Building Bonds Series 2001	3.5 - 4.2%	4,350,000	1,400,000	-	200,000	1,200,000	200,000
School Building and Refunding Bonds Series 2002	3.5 - 5.0%	8,770,000	3,200,000	-	1,000,000	2,200,000	500,000

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

Description	Interest Rate Payable	Amounts Original Issue	Outstanding 06/30/06	Issued	Retired	Outstanding 06/30/07	Due Within One Year
School Building Bonds Series 2003	2.5 - 3.7%	9,800,000	5,700,000	-	1,000,000	4,700,000	1,000,000
School Building Bonds Series 2004	2.3 - 3.5%	8,000,000	5,000,000	-	2,200,000	2,800,000	2,100,000
Education Technology Lease Purchase Series 2005	2.002 - 2.394%	1,575,000	1,575,000	-	575,000	1,000,000	400,000
School Building Bonds Series 2005	3.1 - 4.5%	3,200,000	3,200,000	-	420,000	2,780,000	600,000
2006 - Anticipation Bonds	3.540%	6,800,000	-	6,800,000	-	6,800,000	6,800,000
2006 - Building Bonds	3.54 - 3.91%	12,250,000	-	12,250,000	-	12,250,000	450,000
2006 - Series Ed Tech Note	3.12 - 3.18%	1,500,000	-	1,500,000	-	1,500,000	-
Total			<u>\$ 27,375,000</u>	<u>\$ 20,550,000</u>	<u>\$ 6,695,000</u>	<u>\$ 41,230,000</u>	<u>\$ 13,600,000</u>

Premium payable for the year ended June 30, 2007 is as follows:

Description	Premium Outstanding 07/01/06	Additions	Premium Retired	Premium Outstanding 06/30/07
2002 Series	\$ 219,762	\$ -	\$ 36,627	\$ 183,135
2003 Series	56,694	-	8,099	48,595
2004 Series	64,528	-	7,935	56,593
Total Premium Payable	<u>\$ 340,984</u>	<u>\$ -</u>	<u>\$ 52,661</u>	<u>\$ 288,323</u>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

Debt service requirements of the bonds are as follows:

<u>GENERAL OBLIGATIONS</u>			
<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2008	\$ 13,600,000	\$ 1,423,626	\$ 15,023,626
2009	5,450,000	923,212	6,373,212
2010	5,025,000	730,329	5,755,329
2011	3,825,000	563,255	4,388,255
2012	2,850,000	440,404	3,290,404
2013 - 2017	9,080,000	1,070,490	10,150,490
2018	1,400,000	27,370	1,427,370
Total	<u>\$ 41,230,000</u>	<u>\$ 5,178,686</u>	<u>\$ 46,408,686</u>

On September 27, 2005, the District issued general obligation school building bonds, series 2005 in the amount of \$3,200,000. Interest is payable February 15 and August 15 of each year, commencing February 15, 2006, and ending on August 15, 2015. Bond principal payments are payable August 15 of each year, commencing August 15, 2006, and ending August 15, 2015 also. The bonds, which are the third and final series of \$21,000,000 authorized by voters through an election held on February 4, 2003, were issued for the purpose of erecting, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds, and purchasing computer software and hardware for student use within the District.

On December 1, 2006, the District issued General Obligation School Building Bond, Series 2006A in the amount of \$12,250,000. Interest is payable February 15 and August 15 of each year, commencing August 15, 2007, and ending August 15, 2017. Principal payments are payable August 15 of each year, commencing August 15, 2008 and ending August 15, 2017. The bonds, which are the first series of \$38,000,000 authorized by voters through an election held on February 7, 2006, were issued for the purposes of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use within the District.

On December 22, 2006, the District issued Education Technology Notes, series 2006B in the amount of \$1,500,000. Interest is payable February 15 and August 15 of each year, commencing August 15, 2007, and ending August 15, 2011. Principal payments are payable August 15 of each year, commencing August 15, 2008 and ending August 15, 2011. The bonds, which are the second series of \$38,000,000 authorized by voters through an election held on February 7, 2006, were issued for the purposes of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use within the District.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

On December 1, 2006, the District issued Bond Anticipation Notes, Series 2006C in the amount of \$6,800,000. Interest and principal payment is payable on September 15, 2007. The bonds, which are the third series of \$38,000,000 authorized by voters through an election held on February 7, 2006, were issued for the purposes of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use within the District.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2007.

**H. Commitments under Leases**

**Operating Leases**

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of June 30, 2007, as follows:

<u>Year Ending June 30,</u>		
2008	\$	14,102
2009		12,214
2010		12,214
2011		6,107
2012		-
<b>Total Minimum Rentals</b>	<b>\$</b>	<b><u>44,637</u></b>

Rental Expenditures in Fiscal year 2007 amounted to \$18,188.

**I. Accumulated Unpaid Vacation and Sick Leave Benefits**

The District does not pay accrued unused sick pay to retirees or terminated employees. Limitations are established as to the maximum amount of vacation an employee can accumulate at any given time. The following table shows the maximum amount of vacation days employees in each category can accumulate at fiscal year end:

<u>Category</u>	<u>Maximum Limit</u>
260-day certified employees	40 days
260-day classified employees: > 10 years	30 days
260-day classified employees: < 10 years	20 days

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

---

**IV. DETAILED NOTES ON ALL FUNDS**

Accumulated days in excess of those shown above for the various categories are forfeited at the close of the year. The District accrues a liability when the vacation is earned by the employee and it is calculated at year-end and adjusted to current salary levels. A summary of changes in compensated absences follows:

	<u>Compensated Absences Liability</u>
Balance July 1, 2006	\$ 369,711
Additions	665,089
Reductions	<u>(383,747)</u>
Ending Balance	<u>\$ 651,053</u>
Due Within One Year	<u>\$ 404,465</u>

**J. Other Post-Employment Benefits**

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority and state agencies, state courts, magistrate courts, municipalities, or counties which are affiliated under or covered by the Educational Retirement Act, the Magistrate Retirement Act or the Public Employees Retirement Act.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires before the employer's NMRHCA effective date, in which 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 and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution equal to .65 of one percent of the employee's annual salary. Each participating retiree pays a monthly premium between \$64 and \$307 if covered by Medicare and up to \$515 if not covered by Medicare, for the medical plus basic life plan and an additional participation fee of \$5 applies if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

---

**IV. DETAILED NOTES ON ALL FUNDS**

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

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the New Mexico Retiree Health Care Authority, 810 West San Mateo Road, Suite D, Santa Fe, New Mexico 87505.

For the fiscal year ended June 30, 2007, Gadsden Independent School District remitted \$913,251 in employer contributions and \$456,625 in employee contributions to the Retiree Health Care Authority.

**K. Employee Retirement Systems and Pension Plans**

Employees of the Gadsden Independent School District who are employed as certified school instructors or are otherwise eligible to participate in a defined benefit contribution retirement plan do so through the Educational Retirement Board (ERB) of the State of New Mexico, a cost-sharing multiple employer - public employee retirement system. Information pertaining to the actuarially computed present value of vested accumulated plan benefits and non-vested accumulated plan benefits, the plan's net assets available for benefits, the assumed rate of return used in computing the present value, and ten-year historical trend information presenting ERB's progress in accumulating sufficient assets to pay benefits when due, is not available by individual government agencies participating in the plan. Actuarial pension data for the State of New Mexico, as employer, is provided at the state-wide level in a separately-issued audit report of the ERB. That report may be obtained by writing to the Educational Retirement Board, P.O. Box 26129, Santa Fe, New Mexico 87502.

Retirement Eligibility- The benefit for retirement at age 65, or after 25 years of service before age 65, is an annual sum equal to the "final average salary" multiplied by the total number of years of service credit times 2.35%.

A member is eligible to retire when:

1. the member's age and earned service credit add up to the sum of 75 or more, or
2. the member is age 65 or more with at least five years of earned service credit, or
3. the member has earned allowed service credit totaling 25 or more years.

(Continued)



STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**IV. DETAILED NOTES ON ALL FUNDS**

A further requirement to be eligible to retire is that one must be a "member" having at least one year of employment after July 1, 1957, and at least five years of contributory employment. Eligible members who have one year of employment after July 1, 1957, but less than the required five, may contribute to the fund for each year needed. The cost of such contributions is 15.2% of the average salary of the last five years for each year of contributory employment needed, plus 3% compound interest from July 1, 1957 to the date of payment.

When a member has completed five or more years of "earned service credit" and has made contributions for at least five years, the member may terminate employment, leave his/her contributions in the retirement fund and retire, (1) when the member's age and years of "earned service credit" (covered employment in New Mexico) add up to the sum of 75 or more, or (2) the member may retire at age 65, if he/she has at least five years of "earned service credit."

Funding Policy- Covered employees are required by State Statute to contribute 7.75 percent of their gross salary. The Gadsden Independent School District is required by State Statute to contribute 10.15 percent.

The contribution requirement for the year ended June 30, 2007 was \$12,482,899, which consisted of \$7,130,520 (10.15% of covered payroll) from the District and \$5,352,379 (7.75% of covered payroll) from employees.

The contribution requirement for the year ended June 30, 2006 was \$11,318,321, which consisted of \$6,270,670 (9.4% of covered payroll) from the District and \$5,047,651 (7.675% of covered payroll) from employees.

The contribution requirement for the year ended June 30, 2005 was \$10,112,169, which consisted of \$5,382,787, (8.65% of covered payroll) from the School District and \$4,729,382, (7.60% of covered payroll) from employees. In addition, the District paid \$74,094 for return to work.

The payroll for employees covered by ERB for the year ended June 30, 2007 was \$70,250,851. The total payroll for all employees of the School District was \$71,461,310.

**L. Risk Management**

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim. The District's building deductible and the maximum annual deductible are based on its total appraised building values. Once the annual maximum deductible has been met, the deductible reverts to a \$750 per building deductible. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders and a limit of \$100,000 applies to Money and Securities. A deductible of \$750 applies for any crime claim.

In case the NMPSIA's assets are not sufficient to meet its liability claims the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2007, there have been no claims that have exceeded insurance coverage.

**M. Deferred Revenue**

Deferred revenue at year end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects	Total
Net tax revenue	\$ 12,778	\$ -	\$ 438,817	\$ 63,107	\$ 514,702
State revenue	-	65,882	-	-	65,882
Local Grant	-	80,646	-	-	80,646
Federal	-	94,289	-	-	94,289
<b>Total deferred revenue</b>	<b>\$ 12,778</b>	<b>\$ 240,817</b>	<b>\$ 438,817</b>	<b>\$ 63,107</b>	<b>\$ 755,519</b>

**N. Due From State and Federal Agencies**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives various entitlements from the State. Amounts due from federal, state, and other governments as of June 30, 2007, are summarized below. All federal grants shown below are passed through the PED and are reported on the combined financial statements as Due from State Agencies except the Food Services Program which is received directly from the Texas Department of Health and Human Services.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS**

Fund	State Entitlements and Grants	Federal Grants	Other Governments	Total
General fund	\$ -	\$ -	\$ -	\$ -
Special revenue	1,086,242	3,309,287	373,347	4,768,876
Capital projects	7,363,336	-	-	7,363,336
Total	<u>\$ 8,449,578</u>	<u>\$ 3,309,287</u>	<u>\$ 373,347</u>	<u>\$ 12,132,212</u>

**O. Litigation**

During the normal course of business, the District is subject to various legal claims. As of June 30, 2007, administration is not aware of any such claim which would have a material adverse effect on the District.

**P. Encumbrances**

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. End-of-year outstanding encumbrances that were provided for in the subsequent year's budget are presented below:

General Fund	\$ 402,550
Special Revenue Funds	873,576
Capital Projects Funds	<u>4,385,326</u>
Total	<u>\$ 5,661,452</u>

**Q. Federal and State Funding**

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2007 may be impaired. In the opinion of administration, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

(Continued)

STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**IV. DETAILED NOTES ON ALL FUNDS**

**R. Related Party Transactions**

There were no significant related party transactions during the 2006-2007 fiscal year.

**S. Prior Period Adjustments**

A prior period adjustment was recorded for fiscal year 2007 in the amount of \$407,201, which relates to an error in not recognizing revenue related to claims in fiscal year 2006 for the Food Services fund. The adjustment increased net assets for fiscal year 2007 in the government-wide statements.

A prior period adjustment in the amount of \$435,100 was recorded in the Instructional Materials subfund of the general fund. Management of the District felt this appropriate to account for the change in which the District receives its funding from the State for instructional materials. The adjustment resulted in decreasing net assets.

During fiscal year 2007, management discovered errors relating to the calculation of depreciation expense for certain assets. As such, a prior period adjustment was recorded in the amount of \$2,152,245 to increase accumulated depreciation to reflect accurate balances. The adjustment reduced net assets.

The Daniels Fund (fund 26141) and Special Capital Outlay-Local (fund 31300) both experienced a prior period adjustment in fiscal year 2007 in the amount of \$50,000. The District received grant funds for the special revenue fund in fiscal year 2004 in the amount of \$50,000, however, the funds were erroneously recorded in the capital projects fund. As such, a prior period adjustment was recorded in the Daniels fund to increase fund balance. An offsetting receivable due from the capital projects fund was also recorded. The fund balance for the capital projects fund was decreased by the same amount and a payable due to the special revenue fund was recorded. Management of the District plans to transfer the cash during fiscal year 2010 to settle the receivable and payable in each fund.

**T. Inclusion of Component Unit**

As mentioned in Note A, the activity for Gadsden Foundation, Inc. has been included as of and for the year ended June 30, 2007.

**U. Private Purpose Trust Fund-Scholarship Fund**

During fiscal year 2007, the Board approved a transfer of funds from the District's Scholarship Fund, an agency fund, to the Gadsden Foundation, Inc., a non-profit component unit of the District that is also presented as an agency fund. However, the Board did not receive prior approval from the donor to transfer the funds to the Gadsden Foundation, Inc. For this reason, a payable to the scholarship fund has been recorded in the component unit. Management of the District plans to pay back the Scholarship fund during fiscal year 2009.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

**V. Budgetary - GAAP Reporting Reconciliation**

The accompanying Statements of Revenues and Expenditures Budget (Non-GAAP Basis) and Actual (Cash Basis) presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2007, is presented.

	General	Operational	Transportation	Instructional Materials
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(224,171)	229,022	(489,294)	36,102
Adjustments:				
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	815	815	-	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	455,346	(339,954)	(109)	795,408
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ 231,990	\$ (110,117)	\$ (489,403)	\$ 831,510

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	<u>Debt Service</u>	<u>Edu. Tech Debt Service Subfund</u>	<u>Bond Building</u>	<u>Food Services</u>
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	6,074,052	507,378	15,884,225	168,445
Adjustments:				
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	1,585,882	(421)	-	802,759
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	<u>(6,946,725)</u>	<u>(603,315)</u>	<u>(619,429)</u>	<u>(311,600)</u>
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 713,209</u>	<u>\$ (96,358)</u>	<u>\$ 15,264,796</u>	<u>\$ 659,604</u>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Athletics	Non Instructional Support	Title I IASA	Javits Gifted & Talented Students	Migrant Children Education
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(13,541)	50,652	(1,278,648)	1	(4,884)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	(209)	1,403,296	(1)	5,790
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(25)	25,279	(124,648)	-	(906)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ (13,566)	\$ 75,722	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Entitlement IDEA B	Competitive IDEA B	Preschool IDEA B	Title VI	Education of Homeless
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(296,076)	5,000	(3,691)	-	(2,189)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	358,102	(5,000)	2,964	-	2,189
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(62,026)	-	727	-	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Title II IASA Math/Science	Fruit & Vegetable Program	Enhancing ED thru Tech (E272-F)	Title I Family Literacy IASA	Learn & Services (CNCS)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	16,171	32,281	9,719	(10,221)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	(16,151)	(31,815)	(25,253)	12,169
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	(20)	(466)	15,534	(1,948)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Title IV Drug Free Schools & Community	Enhancing ED thru Tech (E272-C)	Title V Innovative ED Pro Strategy	English Language Acquisition	Teacher & Principle Training
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	-	32,409	(131,269)	(56,084)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	-	(31,675)	183,267	46,902
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	(734)	(51,998)	9,182
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Safe & Drug Free Schools	Title I School Improvement	Carl D Perkins Current	Carl D Perkins PY Obligation	Title VII Bilingual
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(7,628)	27,638	(48,816)	(125)	-
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	16,429	(27,638)	49,176	12,156	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(8,801)	-	(360)	(12,031)	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	RETA	Bilingual Ed/Comp School Grants	Pres Teaching Award	Title XIX Medicaid 3/21 Years	Career Access Program NSF
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	-	-	172,655	(31,422)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	-	-	(132,497)	32,926
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	-	7,044	(1,504)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ 47,202	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	TANF GRADS HSD	Title III	ROTC	Reserved for future state definition	School based Health Center
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	8,625	-	(21,895)	-	-
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(8,440)	-	23,185	-	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(185)	-	(1,290)	-	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	ENLACE UNM	Jordan Fundamentals Grant	PNM Foundation Inc.	Milken Family Foundation	Daniels Fund
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(5,250)	-	1,925	-	(50,000)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	5,250	-	(1,925)	4	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	-	(4)	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ (50,000)

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Paso Del Norte Health Foundation	Center for Services Learning	Microsoft Settlement Funds	NM Foundation Grant	School Aged Child Care
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	680	-	(354,404)	75,000	-
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	2,979	-	354,404	(75,000)	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(3,659)	-	-	-	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Technology For Education	TANF Full Day Kindergarten	Incentives For School Improvement	Family Youth Resource Program	Truancy Initiative
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	1,761	-	64,276	(44,290)	(24,371)
Adjustments: To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(1,761)	-	(55,345)	45,376	24,371
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	(8,931)	(1,086)	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Legislative Appropriation Laws of 2005	Libraries GO Bond Act	Federal Relief Fund	Pre-K Initiative	Beg. Teacher Mentoring Program
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	(21,855)	-	(229,131)	(35,239)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	280	-	244,124	35,396
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	21,575	-	(14,993)	(157)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Breakfast for Elementary Students	Kinder Plus	Fiesta Educative	Pre-K Start-Up	Schools On The Rise
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	(31,389)	(2,625)	(13,167)	(1,404)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	32,842	2,625	13,167	1,404
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	(1,453)	-	-	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	CATCH PDN	Healthier Schools DOH	Suicide Prevention	School to Work	GEAR UP
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	36,370	(7,406)	-	(146,149)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	(42,502)	7,406	-	167,780
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	6,132	-	-	(21,631)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Private Direct Grants	Private Grants	Public School Capital Outlay	Special Capital Outlay-Local	Special Capital Outlay-State
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	-	2,544,679	15,866	(184,429)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	-	-	-	551,008
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	-	-	(25,227)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ 2,544,679	\$ 15,866	\$ 341,352

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

**IV. DETAILED NOTES ON ALL FUNDS**

	Capital Improvements SB-9	Energy Efficiency Act	Education Technology Equipment Act	Public School Capital Outlay-20%
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	666,247	(41,367)	920,962	(5,413)
Adjustments:				
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	1,044,305	-	(1,500,000)	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(33,129)	-	(26,042)	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ 1,677,423	\$ (41,367)	\$ (605,080)	\$ (5,413)

(Continued)

**STATE OF NEW MEXICO**  
**GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

---

**IV. DETAILED NOTES ON ALL FUNDS**

W. Budget Variances

The Bond Building Fund experienced a budget variance in the amount of \$19,050,000 for fiscal year 2007 related to a bond issuance. It should be noted that the original budget for this fund included a line item for this transaction. However, an oversight by management resulted in the exclusion of this budget item in the final budget.

At the close of fiscal year 2007, fund 24157, Safe & Drug Free Schools and Communities, experienced a budget variance for the Instruction function. The final budget was not adjusted to reflect the actual expenditures. Overall the actual expenditures for Fund 24157 were under budget by \$19,354.

For Fund 27155, Breakfast for Elementary Students, the Food Services function budget was not adjusted to reflect the approved budget amount of \$67,703. The budget was included in the Instruction Function instead of the Food Services function. However, overall the actual expenditures for Fund 27155 were equal to the approved budget amount of \$67,703.

X. Subsequent Event

On September 14, 2007, the District issued general obligation school building bonds, series 2007A in the amount of \$8,900,000. Interest is payable February 15 and August 15 of each year, commencing August 15, 2008, and ending on August 15, 2017. Bond principal payments are payable August 15 of each year, commencing August 15, 2008, and ending August 15, 2017 also. The bonds, which are the second series of the \$38,000,000 authorized by voters through an election held on February 7, 2006, were issued for the purposes of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use within the District.

On September 14, 2007, the District issued Bond Anticipation Notes, Series 2007B in the amount of \$2,350,000. Interest and principal payment is payable on August 15, 2008. The bond anticipation notes, which are the second series of the \$38,000,000 authorized by voters through an election held on February 7, 2006, were issued for the purposes of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use within the District.

On October 16, 2007, the District issued Education Technology Notes, series 2007C in the amount of \$1,500,000. Interest is payable February 15 and August 15 of each year, commencing August 15, 2008, and ending August 15, 2012. Principal payments are payable August 15 of each year, commencing August 15, 2008 and ending August 15, 2012.

## **SUPPLEMENTARY INFORMATION**

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Food Services	Athletics	Non Instructional Support	Title I IASA
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,296,555	\$ 174,777	\$ 142,457	\$ (286,326)
Investments - Current	1,354,869	53,406	252,972	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental Receivables	803,059	-	-	816,488
Due from Other Funds	117,199	63,922	8,771	37,217
Inventories	376,267	-	-	-
Total Assets	<u>\$ 4,947,949</u>	<u>\$ 292,105</u>	<u>\$ 404,200</u>	<u>\$ 567,379</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 43,778	\$ 25	\$ 15,706	\$ 181,285
Wages and Salaries Payable	131,683	-	693	192,587
Due to Other Funds	-	100,808	9,877	193,507
Deferred Revenues	-	-	-	-
Total Liabilities	<u>175,461</u>	<u>100,833</u>	<u>26,276</u>	<u>567,379</u>
<b>Fund Balances:</b>				
<b>Reserved For:</b>				
	-	-	-	-
Encumbrances	70,534	30	24,004	258,184
Inventories	376,267	-	-	-
Prepaid Items	4,325,687	191,242	353,920	(258,184)
Total Fund Balances	<u>4,772,488</u>	<u>191,272</u>	<u>377,924</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 4,947,949</u>	<u>\$ 292,105</u>	<u>\$ 404,200</u>	<u>\$ 567,379</u>

The notes to the Financial Statements are an integral part of this statement.



EXHIBIT H-1 (Cont'd)

Javits Gifted & Talented Students	Migrant Children Education	Entitlement IDEA B	Competitive IDEA B	Preschool IDEA B	Title VI	Education of Homeless	Title II IASA Math/Science
\$ -	\$ 3,747	\$ (129,612)	\$ 2,546	\$ 1,080	\$ (8,603)	\$ (6,357)	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,542	647,229	-	7,427	8,603	10,935	-
-	760	14,326	-	507	-	113	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 9,049</u>	<u>\$ 531,943</u>	<u>\$ 2,546</u>	<u>\$ 9,014</u>	<u>\$ -</u>	<u>\$ 4,691</u>	<u>\$ -</u>
\$ -	\$ 905	\$ 85,185	\$ -	\$ 591	\$ -	\$ -	\$ -
-	2,030	86,378	-	1,967	-	-	-
-	6,114	360,380	-	6,456	-	4,691	-
-	-	-	2,546	-	-	-	-
-	9,049	531,943	2,546	9,014	-	4,691	-
-	-	-	-	-	-	-	-
-	22,830	48,243	-	207	-	5,000	-
-	-	-	-	-	-	-	-
-	(22,830)	(48,243)	-	(207)	-	(5,000)	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 9,049</u>	<u>\$ 531,943</u>	<u>\$ 2,546</u>	<u>\$ 9,014</u>	<u>\$ -</u>	<u>\$ 4,691</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Fruit & Vegetable Program	Enhancing ED thru Tech (E272-F)	Title I Family Literacy IASA	Learn & Services (CNCS)
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 15,161	\$ 31,393	\$ 11,613	\$ (47,167)
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental Receivables	-	-	1,241	59,881
Due from Other Funds	-	-	1,704	-
Inventories	-	-	-	-
Total Assets	<u>\$ 15,161</u>	<u>\$ 31,393</u>	<u>\$ 14,558</u>	<u>\$ 12,714</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 20	\$ 466	\$ -	\$ 2,019
Wages and Salaries Payable	-	-	30	-
Due to Other Funds	-	9,642	14,528	10,695
Deferred Revenues	15,141	21,285	-	-
Total Liabilities	<u>15,161</u>	<u>31,393</u>	<u>14,558</u>	<u>12,714</u>
<b>Fund Balances:</b>				
<b>Reserved For:</b>				
	-	-	-	-
Encumbrances	-	-	-	3,042
Inventories	-	-	-	-
Prepaid Items	-	-	-	(3,042)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 15,161</u>	<u>\$ 31,393</u>	<u>\$ 14,558</u>	<u>\$ 12,714</u>

The notes to the Financial Statements are an integral part of this statement.

Title IV Drug Free Schools & Community	Enhancing ED Thru Tech (E272-C)	Title V Innovative ED Pro Strategy	English Language Acquisition	Teacher & Principal Training	Safe & Drug Free Schools	Title I School Improvement	Carl D Perkins Current
\$ 889	\$ (43,807)	\$ (695)	\$ (258,383)	\$ (41,430)	\$ (4,437)	\$ -	\$ (49,771)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	66,718	5,598	381,322	139,743	36,906	-	49,176
-	-	-	-	8,985	1,178	-	-
-	-	-	-	-	-	-	-
<u>\$ 889</u>	<u>\$ 22,911</u>	<u>\$ 4,903</u>	<u>\$ 122,939</u>	<u>\$ 107,298</u>	<u>\$ 33,647</u>	<u>\$ -</u>	<u>\$ (595)</u>
\$ -	\$ -	\$ 1,700	\$ 52,021	\$ 11,762	\$ 8,803	\$ -	\$ 361
-	-	-	-	25,242	1,815	-	795
-	22,911	3,203	70,918	70,294	23,029	-	(1,751)
889	-	-	-	-	-	-	-
<u>889</u>	<u>22,911</u>	<u>4,903</u>	<u>122,939</u>	<u>107,298</u>	<u>33,647</u>	<u>-</u>	<u>(595)</u>
-	-	-	-	-	-	-	-
-	-	4,101	104,354	30,790	5,701	-	13,211
-	-	-	-	-	-	-	-
-	-	(4,101)	(104,354)	(30,790)	(5,701)	-	(13,211)
-	-	-	-	-	-	-	-
<u>\$ 889</u>	<u>\$ 22,911</u>	<u>\$ 4,903</u>	<u>\$ 122,939</u>	<u>\$ 107,298</u>	<u>\$ 33,647</u>	<u>\$ -</u>	<u>\$ (595)</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Carl D Perkins PY Obligation	Title VII Bilingual	RETA	Bilingual Ed/Comp School Grants
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ (75,011)	\$ (122,139)	\$ 5,075	\$ -
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental Receivables	101,867	-	-	-
Due from Other Funds	-	122,688	-	-
Inventories	-	-	-	-
Total Assets	<u>\$ 26,856</u>	<u>\$ 549</u>	<u>\$ 5,075</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 12,030	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	9	-	-
Due to Other Funds	14,826	-	-	-
Deferred Revenues	-	540	5,075	-
Total Liabilities	<u>26,856</u>	<u>549</u>	<u>5,075</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Reserved For:</b>				
Encumbrances	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 26,856</u>	<u>\$ 549</u>	<u>\$ 5,075</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Pres Teaching Award	Title XIX Medicaid 3/21 Years	Career Access Program NSF	TANF GRADS HSD	Title III	ROTC	Reserved for future state definition	School based Health Center
\$ -	\$ 360,657	\$ (110,385)	\$ 13,732	\$ -	\$ 57,267	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	27,809	140,742	-	-	-	-	-
-	2,619	3,211	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 391,085</u>	<u>\$ 33,568</u>	<u>\$ 13,732</u>	<u>\$ -</u>	<u>\$ 57,267</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 35,983	\$ 1,504	\$ 240	\$ -	\$ 1,567	\$ -	\$ -
-	11,229	14,894	-	-	-	-	-
-	21,634	17,170	-	-	20,379	-	-
-	-	-	13,492	-	35,321	-	-
-	68,846	33,568	13,732	-	57,267	-	-
-	-	-	-	-	-	-	-
-	100	-	-	-	627	-	-
-	-	-	-	-	-	-	-
-	322,139	-	-	-	(627)	-	-
-	322,239	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 391,085</u>	<u>\$ 33,568</u>	<u>\$ 13,732</u>	<u>\$ -</u>	<u>\$ 57,267</u>	<u>\$ -</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	ENLACE UNM	Jordan Fundamentals Grant	PNM Foundation Inc.	Milken Family Foundation
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ (15,964)	\$ 155	\$ 2,971	\$ 225
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental Receivables	15,964	-	-	-
Due from Other Funds	-	-	-	-
Inventories	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 2,971</u>	<u>\$ 225</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 4
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	155	2,971	221
Total Liabilities	<u>-</u>	<u>155</u>	<u>2,971</u>	<u>225</u>
<b>Fund Balances:</b>				
<b>Reserved For:</b>				
	-	-	-	-
Encumbrances	-	-	-	218
Inventories	-	-	-	-
Prepaid Items	-	-	-	(218)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 2,971</u>	<u>\$ 225</u>

The notes to the Financial Statements are an integral part of this statement.

Daniels Fund	Paso Del Norte Health Foundation	Center for Services Learning	Microsoft Settlement Funds	NM Foundation Grant	School Aged Child Care	Technology For Education	TANF Full Day Kindergarten
\$ (50,000)	\$ 920	\$ -	\$ (354,404)	\$ 75,000	\$ 25,381	\$ (25,050)	\$ 23,902
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,979	-	354,404	-	-	42,416	-
50,000	5	-	-	-	-	15	6,213
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 3,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 25,381</u>	<u>\$ 17,381</u>	<u>\$ 30,115</u>
\$ -	\$ 3,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	145	-	-	-	-	-	6,925
-	100	-	-	-	-	17,381	18,337
-	-	-	-	75,000	25,381	-	4,853
-	3,904	-	-	75,000	25,381	17,381	30,115
-	-	-	-	-	-	-	-
-	4,772	-	-	-	-	1,940	-
-	-	-	-	-	-	-	-
-	(4,772)	-	-	-	-	(1,940)	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 3,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 25,381</u>	<u>\$ 17,381</u>	<u>\$ 30,115</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Incentives For School Improvement	Family Youth Resource Program	Truancy Initiative	Legislative Appropriation Laws of 2005
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 52,355	\$ (131,990)	\$ (27,041)	\$ (7,334)
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental Receivables	-	135,376	35,648	-
Due from Other Funds	-	787	-	7,334
Inventories	-	-	-	-
Total Assets	<u>\$ 52,355</u>	<u>\$ 4,173</u>	<u>\$ 8,607</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 17,408	\$ 1,086	\$ -	\$ -
Wages and Salaries Payable	-	(6,348)	966	-
Due to Other Funds	-	9,435	7,641	-
Deferred Revenues	34,947	-	-	-
Total Liabilities	<u>52,355</u>	<u>4,173</u>	<u>8,607</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Reserved For:</b>				
	-	-	-	-
Encumbrances	36,240	-	-	-
Inventories	-	-	-	-
Prepaid Items	(36,240)	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 52,355</u>	<u>\$ 4,173</u>	<u>\$ 8,607</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.



Libraries GO Bond Act	Federal Relief Fund	Pre-K Initiative	Beg. Teacher Mentoring Program	Breakfast for Elementary Students	Kinder Plus	Fiesta Educativa	Pre-K Start-Up
\$ (230,748)	\$ -	\$ (189,038)	\$ (62,232)	\$ -	\$ (64,618)	\$ (7,000)	\$ (13,166)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
256,446	-	246,592	63,868	-	88,744	7,000	13,166
-	-	2,847	6	-	542	-	-
-	-	-	-	-	-	-	-
<u>\$ 25,698</u>	<u>\$ -</u>	<u>\$ 60,401</u>	<u>\$ 1,642</u>	<u>\$ -</u>	<u>\$ 24,668</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 17,460	\$ 157	\$ -	\$ 4,128	\$ -	\$ -
-	-	21,274	444	-	11,762	-	-
25,698	-	21,667	1,041	-	8,778	-	-
-	-	-	-	-	-	-	-
<u>25,698</u>	<u>-</u>	<u>60,401</u>	<u>1,642</u>	<u>-</u>	<u>24,668</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	99,950	53,655	-	-	11,334	-	19,956
-	-	-	-	-	-	-	-
-	(99,950)	(53,655)	-	-	(11,334)	-	(19,956)
-	-	-	-	-	-	-	-
<u>\$ 25,698</u>	<u>\$ -</u>	<u>\$ 60,401</u>	<u>\$ 1,642</u>	<u>\$ -</u>	<u>\$ 24,668</u>	<u>\$ -</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Schools On The Rise	CATCH PDN	Healthier Schools DOH	Suicide Prevention
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ (1,404)	\$ 602	\$ 31,241	\$ (7,050)
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental Receivables	1,404	-	20,396	7,406
Due from Other Funds	-	904	-	-
Inventories	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 1,506</u>	<u>\$ 51,637</u>	<u>\$ 356</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ 1,374	\$ -
Wages and Salaries Payable	-	-	-	356
Due to Other Funds	-	1,498	50,263	-
Deferred Revenues	-	8	-	-
Total Liabilities	<u>-</u>	<u>1,506</u>	<u>51,637</u>	<u>356</u>
<b>Fund Balances:</b>				
<b>Reserved For:</b>				
	-	-	-	-
Encumbrances	-	-	1,804	200
Inventories	-	-	-	-
Prepaid Items	-	-	(1,804)	(200)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,506</u>	<u>\$ 51,637</u>	<u>\$ 356</u>

The notes to the Financial Statements are an integral part of this statement.

School to Work	GEAR UP	Private Direct Grants	Private Grants	Total Nonmajor Special Revenue Funds	Public School Capital Outlay	Special Capital Outlay- Local	Special Capital Outlay- State
\$ 4,656	\$ (124,373)	\$ 8,170	\$ -	\$ 846,992	\$ (313,656)	\$ 1,007,956	\$ (633,452)
-	-	-	-	1,661,247	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	167,781	-	-	4,768,876	3,097,155	-	1,099,415
-	-	29	-	451,882	-	-	13,208
-	-	-	-	376,267	-	-	-
<u>\$ 4,656</u>	<u>\$ 43,408</u>	<u>\$ 8,199</u>	<u>\$ -</u>	<u>\$ 8,105,264</u>	<u>\$ 2,783,499</u>	<u>\$ 1,007,956</u>	<u>\$ 479,171</u>
\$ -	\$ 21,632	\$ -	\$ -	\$ 522,859	\$ -	\$ -	\$ 26,799
-	7,271	-	-	512,147	-	-	-
3,963	14,505	5,900	-	1,165,518	75,562	50,000	-
693	-	2,299	-	240,817	-	-	-
<u>4,656</u>	<u>43,408</u>	<u>8,199</u>	<u>-</u>	<u>2,441,341</u>	<u>75,562</u>	<u>50,000</u>	<u>26,799</u>
-	-	-	-	-	2,477,402	957,956	184,334
-	52,549	-	-	873,576	230,535	-	268,038
-	-	-	-	376,267	-	-	-
-	(52,549)	-	-	4,414,080	-	-	-
-	-	-	-	5,663,923	2,707,937	957,956	452,372
<u>\$ 4,656</u>	<u>\$ 43,408</u>	<u>\$ 8,199</u>	<u>\$ -</u>	<u>\$ 8,105,264</u>	<u>\$ 2,783,499</u>	<u>\$ 1,007,956</u>	<u>\$ 479,171</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Capital Improvements SB-9	Energy Efficiency Act	Education Technology Equipment Act	Public School Capital Outlay - 20%
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ (60,461)	\$ -	\$ 1,276,719	\$ -
Investments - Current	-	-	-	-
Taxes Receivable	123,569	-	-	-
Allowance for Uncollectible Taxes (credit)	(34,599)	-	-	-
Receivables (net of allowance for uncollectibles)	23,801	-	-	-
Intergovernmental Receivables	3,166,766	-	-	-
Due from Other Funds	199,167	-	-	-
Inventories	-	-	-	-
Total Assets	<u>\$ 3,418,243</u>	<u>\$ -</u>	<u>\$ 1,276,719</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable	\$ 166,964	\$ -	\$ 95,873	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	266,891	-	-	-
Deferred Revenues	63,107	-	-	-
Total Liabilities	<u>496,962</u>	<u>-</u>	<u>95,873</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Reserved For:</b>				
	2,119,353	-	162,930	-
Encumbrances	801,928	-	1,017,916	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Fund Balances	<u>2,921,281</u>	<u>-</u>	<u>1,180,846</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 3,418,243</u>	<u>\$ -</u>	<u>\$ 1,276,719</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 1,277,106	\$ 2,124,098
-	1,661,247
123,569	123,569
(34,599)	(34,599)
23,801	23,801
7,363,336	12,132,212
212,375	664,257
-	376,267
<u>\$ 8,965,588</u>	<u>\$ 17,070,852</u>
\$ 289,636	\$ 812,495
-	512,147
392,453	1,557,971
63,107	303,924
<u>745,196</u>	<u>3,186,537</u>
5,901,975	5,901,975
2,318,417	3,191,993
-	376,267
-	4,414,080
<u>8,220,392</u>	<u>13,884,315</u>
<u>\$ 8,965,588</u>	<u>\$ 17,070,852</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Food Services	Athletics	Non Instructional Support	Title I IASA
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	7,494,619	-	-	7,480,287
Charges for Services	262,187	98,073	626,258	-
Investment Earnings	43,323	1,708	8,089	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<u>7,800,129</u>	<u>99,781</u>	<u>634,347</u>	<u>7,480,287</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	113,347	-	6,158,031
Support Services:				
Support Services - Student	-	-	558,625	674,959
Support Services - Instruction	-	-	-	382,471
Support Services - General Administration	-	-	-	91,284
Support Services - School Administration	-	-	-	9,506
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	800
Student Transportation	-	-	-	163,236
Operation of Noninstructional Services:				
Food Services	7,140,525	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Issuance Costs	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>7,140,525</u>	<u>113,347</u>	<u>558,625</u>	<u>7,480,287</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>659,604</u>	<u>(13,566)</u>	<u>75,722</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>659,604</u>	<u>(13,566)</u>	<u>75,722</u>	<u>-</u>
Fund Balance - July 1 (Beginning)	3,705,683	204,838	302,202	-
Prior Period Adjustment	407,201	-	-	-
<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 4,772,488</u>	<u>\$ 191,272</u>	<u>\$ 377,924</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Javits Gifted & Talented Students	Migrant Children Education	Entitlement IDEA B	Competitive IDEA B	Preschool IDEA B	Title VI	Education of Homeless	Title II IASA Math/Science
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
457	90,154	3,225,260	-	92,942	-	26,654	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>457</u>	<u>90,154</u>	<u>3,225,260</u>	<u>-</u>	<u>92,942</u>	<u>-</u>	<u>26,654</u>	<u>-</u>
152	-	1,429,586	-	15,186	-	988	-
305	64,407	1,477,364	-	69,353	-	25,336	-
-	24,641	149,707	-	7,242	-	-	-
-	1,106	39,211	-	1,161	-	330	-
-	-	-	-	-	-	-	-
-	-	5,866	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	123,526	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>457</u>	<u>90,154</u>	<u>3,225,260</u>	<u>-</u>	<u>92,942</u>	<u>-</u>	<u>26,654</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Fruit & Vegetable Program	Enhancing ED thru Tech (E272-F)	Title I Family Literacy IASA	Learn & Services (CNCS)
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	40,528	45,433	19,478	62,349
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<u>40,528</u>	<u>45,433</u>	<u>19,478</u>	<u>62,349</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	44,876	948	59,271
Support Services:				
Support Services - Student	-	-	18,530	2,329
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	557	-	749
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	40,528	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Issuance Costs	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>40,528</u>	<u>45,433</u>	<u>19,478</u>	<u>62,349</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.



Title IV Drug Free Schools & Community	Enhancing ED Thru Tech (E272-C)	Title V Innovative ED Pro Strategy	English Language Acquisition	Teacher & Principal Training	Safe & Drug Free Schools	Title I School Improvement	Carl D Perkins Current
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,027	23,365	530,348	1,085,728	92,836	-	197,890
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,027	23,365	530,348	1,085,728	92,836	-	197,890
-	-	23,085	488,869	983,672	737	-	160,493
-	3,027	-	3,744	18,246	52,404	-	3,841
-	-	-	22,149	70,238	26,341	-	-
-	-	280	13,672	13,572	1,042	-	2,449
-	-	-	1,914	-	-	-	31,107
-	-	-	-	-	-	-	-
-	-	-	-	-	12,312	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,027	23,365	530,348	1,085,728	92,836	-	197,890
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Carl D Perkins PY Obligation	Title VII Bilingual	RETA	Bilingual Ed/Comp School Grants
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	26,110	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<u>26,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	25,701	-	-	-
Support Services:				
Support Services - Student	409	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Issuance Costs	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>26,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Pres Teaching Award	Title XIX Medicaid 3/21 Years	Career Access Program NSF	TANF GRADS HSD	Title III	ROTC	Reserved for future state definition	School based Health Center
\$ -	\$ 456,685	\$ 150,792	\$ 4,560	\$ -	\$ 98,913	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	456,685	150,792	4,560	-	98,913	-	-
-	-	145,378	4,560	-	98,913	-	-
-	222,407	3,564	-	-	-	-	-
-	-	-	-	-	-	-	-
-	99,205	1,850	-	-	-	-	-
-	-	-	-	-	-	-	-
-	87,871	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	409,483	150,792	4,560	-	98,913	-	-
-	47,202	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	47,202	-	-	-	-	-	-
-	275,037	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ 322,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	ENLACE UNM	Jordan Fundamentals Grant	PNM Foundation Inc.	Milken Family Foundation
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Special Assessment	5,250	-	1,000	4
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<u>5,250</u>	<u>-</u>	<u>1,000</u>	<u>4</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	5,250	-	-	4
Support Services:				
Support Services - Student	-	-	1,000	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Issuance Costs	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>5,250</u>	<u>-</u>	<u>1,000</u>	<u>4</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Daniels Fund	Paso Del Norte Health Foundation	Center for Services Learning	Microsoft Settlement Funds	NM Foundation Grant	School Aged Child Care	Technology For Education	TANF Full Day Kindergarten
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	91,360	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	25,793	-	-	-	-	-	-
-	-	-	354,404	-	-	-	-
-	25,793	-	354,404	-	-	91,360	-
-	-	-	250,984	-	-	-	-
-	25,793	-	-	-	-	-	-
-	-	-	103,420	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	91,360	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,000	-	-	-	-	-	-	-
50,000	25,793	-	354,404	-	-	91,360	-
(50,000)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(50,000)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,000	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Incentives For School Improvement	Family Youth Resource Program	Truancy Initiative	Legislative Appropriation Laws of 2005
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	21,938	45,376	25,041	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<u>21,938</u>	<u>45,376</u>	<u>25,041</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	21,938	-	375	-
Support Services:				
Support Services - Student	-	45,376	24,666	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Issuance Costs	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>21,938</u>	<u>45,376</u>	<u>25,041</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Libraries GO Bond Act	Federal Relief Fund	Pre-K Initiative	Beg. Teacher Mentoring Program	Breakfast for Elementary Students	Kinder Plus	Fiesta Educativa	Pre-K Start-Up
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
280	-	674,606	47,638	67,703	189,285	7,000	38,484
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>280</u>	<u>-</u>	<u>674,606</u>	<u>47,638</u>	<u>67,703</u>	<u>189,285</u>	<u>7,000</u>	<u>38,484</u>
-	-	566,099	47,638	-	182,881	-	38,484
-	-	4,530	-	-	3,172	7,000	-
280	-	17,272	-	-	3,232	-	-
-	-	8,171	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	78,534	-	-	-	-	-
-	-	-	-	67,703	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>280</u>	<u>-</u>	<u>674,606</u>	<u>47,638</u>	<u>67,703</u>	<u>189,285</u>	<u>7,000</u>	<u>38,484</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Schools On The Rise	CATCH PDN	Healthier Schools DOH	Suicide Prevention
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	1,404	-	95,648	7,406
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>1,404</u>	<u>-</u>	<u>95,648</u>	<u>7,406</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	-	-	-
Support Services:				
Support Services - Student	-	-	94,386	7,314
Support Services - Instruction	1,404	-	-	-
Support Services - General Administration	-	-	1,262	92
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Issuance Costs	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,404</u>	<u>-</u>	<u>95,648</u>	<u>7,406</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.



School to Work	GEAR UP	Private Direct Grants	Private Grants	Total Nonmajor Special Revenue Funds	Public School Capital Outlay	Special Capital Outlay- Local	Special Capital Outlay- State
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	167,780	-	-	22,729,364	2,742,285	-	770,602
-	-	-	-	986,518	-	-	-
-	-	-	-	53,120	-	17,981	-
-	-	-	-	32,047	-	-	-
-	-	-	-	354,404	29,743	-	-
-	167,780	-	-	24,155,453	2,772,028	17,981	770,602
-	165,971	-	-	11,033,417	-	-	-
-	-	-	-	3,412,087	-	-	-
-	-	-	-	808,397	-	-	-
-	1,809	-	-	277,802	-	-	-
-	-	-	-	42,527	-	-	-
-	-	-	-	179,231	-	-	-
-	-	-	-	18,978	-	-	-
-	-	-	-	241,770	-	-	-
-	-	-	-	7,248,756	-	-	-
-	-	-	-	123,526	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	50,000	227,349	2,115	429,250
-	167,780	-	-	23,436,491	227,349	2,115	429,250
-	-	-	-	718,962	2,544,679	15,866	341,352
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	718,962	2,544,679	15,866	341,352
-	-	-	-	4,487,760	163,258	992,090	111,020
-	-	-	-	457,201	-	(50,000)	-
\$ -	\$ -	\$ -	\$ -	\$ 5,663,923	\$ 2,707,937	\$ 957,956	\$ 452,372

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Capital Improvements SB-9	Energy Efficiency Act	Education Technology Equipment Act	Public School Capital Outlay - 20%
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 1,124,278	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	3,121,958	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Contributions from Special Assessment	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>4,246,236</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	-	-	-
Support Services:				
Support Services - Student	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	7,456	-	-	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Issuance Costs	-	-	18,703	-
Capital Outlay:				
Capital Outlay	2,561,357	41,367	586,377	5,413
Total Expenditures	<u>2,568,813</u>	<u>41,367</u>	<u>605,080</u>	<u>5,413</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,677,423</u>	<u>(41,367)</u>	<u>(605,080)</u>	<u>(5,413)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	-	1,500,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balance	1,677,423	(41,367)	894,920	(5,413)
Fund Balance - July 1 (Beginning)	1,243,858	41,367	285,926	5,413
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ 2,921,281</u>	<u>\$ -</u>	<u>\$ 1,180,846</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 1,124,278	\$ 1,124,278
6,634,845	29,364,209
-	986,518
17,981	71,101
-	32,047
29,743	384,147
<u>7,806,847</u>	<u>31,962,300</u>
-	11,033,417
-	3,412,087
-	808,397
7,456	285,258
-	42,527
-	179,231
-	18,978
-	241,770
-	7,248,756
-	123,526
18,703	18,703
<u>3,853,228</u>	<u>3,903,228</u>
<u>3,879,387</u>	<u>27,315,878</u>
<u>3,927,460</u>	<u>4,646,422</u>
<u>1,500,000</u>	<u>1,500,000</u>
<u>1,500,000</u>	<u>1,500,000</u>
5,427,460	6,146,422
2,842,932	7,330,692
(50,000)	407,201
<u>\$ 8,220,392</u>	<u>\$ 13,884,315</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
COMBINING STATEMENT OF NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
JUNE 30, 2007

	Private Purpose Trust Fund	Gadsden Foundation Inc.	Total Private Purpose Trust Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 60,021	\$ 60,021
Due from Other Funds	16,386	-	16,386
Total Assets	<u>\$ 16,386</u>	<u>\$ 60,021</u>	<u>\$ 76,407</u>
<b>LIABILITIES</b>			
Due to Other Funds	-	16,386	16,386
Total Liabilities	<u>-</u>	<u>16,386</u>	<u>16,386</u>
<b>NET ASSETS</b>			
Unrestricted Net Assets	16,386	43,635	60,021
Total Net Assets	<u>\$ 16,386</u>	<u>\$ 43,635</u>	<u>\$ 60,021</u>

The notes to the Financial Statements are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

Data Control Codes	Private Purpose Trust Fund	Gadsden Foundation Inc.	Total Private Purpose Trust Fund
<b>ADDITIONS:</b>			
Investment Earnings	\$ 209	\$ 1,985	\$ 2,194
Contributions & Donations from Private	-	8,438	8,438
Total Additions	<u>209</u>	<u>10,423</u>	<u>10,632</u>
<b>DEDUCTIONS:</b>			
Miscellaneous Operating	-	6,500	6,500
Bank Fees	-	60	60
Total Deductions	<u>-</u>	<u>6,560</u>	<u>6,560</u>
 Change in Net Assets	 209	 3,863	 4,072
 Total Net Assets - July 1 (Beginning)	 <u>16,177</u>	 <u>39,772</u>	 <u>55,949</u>
 Total Net Assets - June 30 (Ending)	 <u>\$ 16,386</u>	 <u>\$ 43,635</u>	 <u>\$ 60,021</u>

The notes to the Financial Statements are an integral part of this statement.

**This page is left blank intentionally.**

## **BUDGET COMPARISONS**

**This page is left blank intentionally.**



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
GOVERNMENTAL FUNDS  
General Fund Sub Funds**

**Operational Fund (11000)**- The fund is used to account for the State Equalization funds received from the State Department of Education to pay for the general instruction and support functions of the District.

**Transportation Fund (13000)**- The fund is used to account for the State Equalization funds received from the State Department of Education to pay for the costs associated with transporting school age children.

**Instructional Materials Fund (14000)** - The fund is used to account for funds received from the State Department of Education for the purpose of purchasing instructional materials used in the education of students.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - OPERATIONAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 204,888	\$ 204,888	\$ 208,723	\$ 3,835
Intergovernmental Revenue and Grants	89,150,067	89,150,067	88,621,676	(528,391)
Charges for Services	93,650	93,650	57,041	(36,609)
Investment Earnings	40,000	40,000	207,207	167,207
Rents and Royalties	4,000	4,000	2,510	(1,490)
Contributions & Donations from Private Sources	50,000	50,000	1,813	(48,187)
Other Revenue	-	-	39,141	39,141
Total Revenues	<u>89,542,605</u>	<u>89,542,605</u>	<u>89,138,111</u>	<u>(404,494)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	56,090,127	59,790,127	59,281,612	508,515
Support Services	32,977,679	29,376,679	29,627,577	3,350,102
Operation of Noninstructional Services	49,805	49,805	-	49,805
Total Expenditures	<u>89,117,611</u>	<u>89,216,611</u>	<u>88,909,189</u>	<u>307,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>424,994</u>	<u>325,994</u>	<u>228,922</u>	<u>(97,072)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property		-	100	100
Other (Uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>100</u>	<u>1,000,100</u>
Change in Fund Balance	(575,006)	(674,006)	229,022	903,028
Fund Balance - July 1 (Beginning)	-	(1,717,132)	(173,036)	1,544,096
Fund Balance - June 30 (Ending)	<u>\$ (575,006)</u>	<u>\$ (2,391,138)</u>	<u>\$ 55,986</u>	<u>\$ 2,447,124</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TRANSPORTATION  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	5,222,623	5,489,088	4,948,233	(540,855)
Total Revenues	5,222,623	5,489,088	4,948,233	(540,855)
<b>EXPENDITURES:</b>				
Current:				
Support Services	5,222,623	5,489,088	5,437,527	51,561
Total Expenditures	5,222,623	5,489,088	5,437,527	51,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(489,294)	(489,294)
Change in Fund Balance	-	-	(489,294)	(489,294)
Fund Balance - July 1 (Beginning)	-	7,404	17,730	10,326
Fund Balance - June 30 (Ending)	\$ -	\$ 7,404	\$ (471,564)	\$ (478,968)

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - INSTRUCTIONAL MATERIALS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	1,249,010	1,290,084	1,249,010	(41,074)
Total Revenues	<u>1,290,084</u>	<u>1,249,010</u>	<u>1,249,010</u>	<u>(41,074)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Instructional	1,132,594	1,171,077	1,093,902	77,175
Support Services	116,416	119,007	119,006	1
Total Expenditures	<u>1,249,010</u>	<u>1,290,084</u>	<u>1,212,908</u>	<u>77,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>41,074</u>	<u>(41,074)</u>	<u>36,102</u>	<u>77,176</u>
Change in Fund Balance	41,074	(41,074)	36,102	36,102
Fund Balance - July 1 (Beginning)	-	462,888	600,320	137,432
Fund Balance - June 30 (Ending)	<u>\$ 41,074</u>	<u>\$ 421,814</u>	<u>\$ 636,422</u>	<u>\$ 173,534</u>

**STATE OF NEW MEXICO**  
**GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
Special Revenue Funds

The Special Revenue Funds are used to account for legally restricted Federal, State, and Local funded revenues that are awarded to the District for accomplishing specific and particular purposes.

**(21000) Food Services** - The funds are used to account for income from meal sales, State/Federal reimbursements and to make cash disbursements for activities dealing with preparation and serving of meals. (P.L. 100-435)

**(22000) Athletics**- The funds are used to account for gate receipts and contributions collected and expended for the District's athletic program. (SBS Regulation 6 NMAC 2.2)

**(23000) Non Instructional Support** - The funds are used to account for funds generated by fund raising locally to be used at principal's discretion.

**(24101) Title I IASA** - The funds are used to account for Federal revenues administered by the State Department of Education to provide assistance to educationally-deprived students in low income areas of the District. (P.L. 100-297)

**(24102) Javits Gifted & Talented Students** - The funds are used to account for Federal revenues administered by the State Public Education Department to implement professional development for teachers and alternative identification methods for students who may be gifted. (P.L. 100-297)

**(24103) Migrant Children Education IASA** - The funds are used to account for Federal revenues administered by the State Department of Education to provide for special educational needs of migratory agricultural workers. (P.L. 100-297)

**(24106) Idea B Entitlement** - The funds are used to account for Federal revenues administered by the State Department of Education to provide for special education needs of the handicapped 6-21 years old. (P.L. 94-142 and P.L. 99-457)

**(24108) Idea B Competitive** - The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom.

**(24109) Idea B Pre-School**- The funds are used to account for Federal Revenues to identify, screen, and evaluate children ages birth through five, who may have a development delay, including students in private schools and children who are not in school. (P.L. 94-142 and P.L.99-457)

**(24112) IASA Title VI**- The funds are used to provide supplementary funds for professional development.

**(24113) Education of Homeless Children** - The funds are used to account for assistance provided to homeless students and their families. (P.L. 100-77)

**(24115) Title II IASA Math/Science** - The funds are used to account for Federal revenues administered by the State Department of Education to provide for staff development in the curriculum areas of science and math. (P.L. 100-297)

**(24118) Fruit and Vegetable Program** - The funds are used primarily to purchase additional fresh fruits and fresh vegetables to be made available at no charge to students.

**(24125) Title I Family Literacy IASA** - The funds are to used to account for federal funds to provide family-centered education projects to help parents become full partners in the education of their children, to assist children in reaching their full potential as learners, and to provide literacy training for their parents. (P.L. 100-297)

**(24126) New Mexico Learn and Service America** - The funds are used to expand the educational service learning projects in New Mexico, utilizing systematic change initiatives already occurring, and to increase the number of participants (both volunteers and recipients) in service learning projects.

**(24128) Title IV Drug Free Schools & Comm/ED** - The funds are used to account for Federal revenues administered by the State Department of Education to provide an integrated approach in the school curriculum to aid in drug abuse education and prevention. (P.L. 100-297)

**(24133)Technology/Literacy Challenge-** The funds are used to account for federal resources used to develop technology in the schools and promote literacy. (P.L.-103-382)

**(24149) Title II-D Enhancing Education Through Tech.** - The funds are used for integrating technology into the learning process and development of long-term strategic educational technology.

**(24150) Title V (Part A) Innovative Education Program Strategies** - The funds are used to increase student academic achievement and support local educational reform consistent with statewide efforts.

**(24153) Title III- English Language Acquisition** - These funds are used to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic standards.

**(24154) Teacher/Principal Training & Recruiting** - The funds are used 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.

**(24157) Safe & Drug Free Schools & Communities** - The funds are used to establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**(24162) Title I School Improvement** - The funds are allocated to schools to assist in the implementation of their School Improvement Plan (EPSS). The funds are used to provide professional development and supporting supplemental materials.

**(24174) Carl Perkins Secondary** - The funds are used to support career and technical education in the middle and high schools. It supports the career readiness initiative.

**(24175) Carl Perkins Unliquidated Obligations** - The funds are to account for prior year budget expenditures (unliquidated obligations) of the program as described above.

**(24209) Title VII** - The funds are used in an effort to increase academic achievement of limited English proficient students, Project Metamorphosis will use grant funds to transform our current K-5 transitional bilingual program into a two-way bilingual immersion program at five elementary schools. Project Metamorphosis will focus on empowering the parent through training and education so they can become active participants in the education of their children.

**(25109) Bilingual Ed/Comp School Grants** - The funds are used in an effort to increase academic achievement of limited English proficient students, Project Metamorphosis will use grant funds to transform our current K-5 transitional bilingual program into a two-way bilingual immersion program at five elementary schools. Project Metamorphosis will focus on empowering the parent through training and education so they can become active participants in the education of their children.

**(25133) President's Teaching Award (NSF)** - The purpose of this award is to recognize and support outstanding elementary and secondary school science and mathematics teaching.

**(25207) R.E.T.A. (Regional Educational Technology Association)** - The Regional Educational Technology Assistance (RETA) project provides professional development opportunities for teachers and administrators to improve teaching performance, educational leadership and student learning through increased understanding and use of learning technologies. These funds are used to establish 4 statewide technology-training centers around the State of New Mexico and a special training center is funded with this money at the GISD.

**(25153) Medicaid Title XIX 3/21 Years** - The funds are used to account for earned Medicaid reimbursements to improve and expand preventive and support services by providing school-based screening and diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan. (Social Security Act Title XIX P.L. 89-97)

**(25158) Career Access Program NSF**- The funds are used to promote students to engage in mathematics as a learner, and strategies to help students develop mathematical understanding to develop listening, questioning skills and acquire strategies for managing a standard based classroom.

**(25162) TANF/GRADS HSD**- The funds are used to account for federal funds used for the salary and fringe benefits of the GRADS teacher.

**(25200) R.O.T.C.** - The funds are used for meals, lodging, travel, and supplies for naval students at Gadsden and Santa Teresa High School's to provide students with leadership, unity, social skills, and to promote self-esteem.

**(25531) School Based Health Center (25531)** - The fund is used to meet the requirements associated with a School Based Health Center.

**(26103) ENLACE-UNM** - The funds are to be used for teaching of ENLACE class at Santa Teresa High School and to purchase technology for ENLACE students at Gadsden High School as well as an honorarium for the ENLACE teacher at Gadsden High School.

**(26117) Jordan Fundamentals Grant** - The funds are to be used for resource materials, supplies, equipment, transportation or other costs related to field trips, and other items required to implement the project as described on the application.

**(26123) PNM Foundation Inc.** - The funds is used to assist with the classroom and help support teaching in Gadsden Middle School.

**(26126) Milken Family Foundation** - The funds are to be used to provide meaningful and enjoyable beautification community service experience projects for students at Gadsden High School.

**(26141) Daniels Fund** - The funds are to be used to implement program activities as described in the approved proposal.

**(26153) Paso Del Norte Health Foundation** - The funds are used to account for funds awarded to various schools to support Coordinated Approach to Child Health initiatives.

**(26155) Center for Service Learning** - The funds are used to engage children in service learning projects throughout the school year at Desert View Elementary and Gadsden High School. Service Learning is a method of learning that enables students to apply classroom knowledge and skills to community needs.

**(26170) Microsoft Settlement** - The funds are to be used to purchase qualifying hardware as per the details of the voucher to serve as support for IT services.

**(26176) NM Community Foundation** - The funds are to be used to support School Based Health Center Services at the Gadsden High School - School Based Health Center, Santa Teresa School Based Health Center, and the Gadsden Middle School- School Based Health Center.

**(27115) School Age Care and Family** - The funds are to be used to provide childcare to families receiving TANF (Temporary Assistance for Needy Families) so that they may look for work, attend school, and know that their young children are well cared for in their absence. This is only for the Sunland Park Community and for those who have children between the ages of 5-8.

**(27117) Technology for Education** - The funds are to be used to develop an environmental lab science course at the high school level that encompasses the use of satellite imagery station.

**(27136) Full- Day Kinder** - The funds are appropriated by state legislature to provide additional funding for school districts to implement full day Kinder.

**(27138) Incentives for School Improvement Act** - The funds are to be used depending on the school principal and teachers in cooperation with other school employees and the community. The schools that were awarded this money are Desert Trail Intermediate, Mesquite Elementary, and Sunland Park Elementary.

**(27140) Family & Youth Resource Program** - The funds are to be used to allocate to improve families access to social and health care services to help students increase academic achievement by addressing non-academic barriers.

**(27141) Truancy House Bill 2** - The funds are to be used to develop truancy intervention and prevention programs. Funds administered through the NM Public Education Department, School, and Family Support Bureau.

**(27144) Legislative Appropriation Laws of 2005** - The funds are to be used to implement program activities as described in the approved proposal.

**(27145) Libraries GO Bond Act** - The funds are to be used to update and expand library collections in order to circulate and provide access of materials to students and teachers.

**(27147) Federal Relief Fund** - The purpose of this award is to construct/install a basketball court and sun shade at Anthony Elementary School.

**(27149) Pre-K Initiative** - The funds are to be used to expand opportunities for voluntary, high-quality early-childhood education for communities demonstrating a need for Pre-K services.

**(27154) Beginning Teacher Mentoring Program** - The funds are to be used to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, and improve the achievement of students and overall success of the school through collegial relationships, the POINTS Mentorship Program.



**(27155) Breakfast for Elementary Students** - The funds are to be used to implement Breakfast in the Classroom for elementary schools in need of improvement based on AYP designation.

**(27159) Legislative Appropriation Laws of 2005 - Kinder Plus** - The funds are to be used to account for legislative appropriation, to demonstrate the extent to which increased time in kindergarten can narrow the achievement gap and increase cognitive skills for economically disadvantaged students.

**(27160) Fiesta Educativa** - The funds are to be used for Fiesta Educativa Parent Conference and Outreach activities.

**(27161) Pre K Start Up** - The funds are to be used for playground shelters at ON Track Pre K Centers.

**(27164) Schools On the Rise** - The funds are to be used for awards to elementary schools as a result of meeting Adequate Yearly Progress for two consecutive years.

**(28140) CATCH Paso Del Norte** - The funds are to be used to incorporate the CATCH philosophy, implement the four integral components of the CATCH curriculum, participate in appropriate CATCH trainings for food service personnel, physical education staff and teachers, and participate in the CATCH school support network.

**(28155) Healthier Schools DOH** - The funds are to be used to meet the requirements associated with a School Based Health Center.

**(28158) Suicide Prevention** - The funds are to be used to hire a professional for mental healthcare services.

**(28172) School to Work/NM Works Proj NMSU** - The funds are to be used to implement program activities as described in the approved proposal.

**(28178) GEAR UP** - The funds are for middle schools geared to strengthen their academic interventions, career and college awareness activities and parent involvement.

**(29102) Private Direct Grants** - The funds are used to provide on-line experience for technology.

**(29130) Private Grants** - Reserved for future state definition.

Note - The special revenue funds included in these financial statements have been established under the authority of the public law indicated above, by the terms of the grant, or by the requirements of generally accepted accounting principles.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - FOOD SERVICES  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-4

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 5,218,750	\$ 5,218,750	\$ 6,691,860	\$ 1,473,110
Charges for Services	385,000	385,000	262,187	(122,813)
Investment Earnings	32,000	32,000	43,323	11,323
Total Revenues	<u>5,635,750</u>	<u>5,635,750</u>	<u>6,997,370</u>	<u>1,361,620</u>
<b>EXPENDITURES:</b>				
Current:				
Operation of Noninstructional Services	7,935,750	7,935,750	6,828,925	1,106,825
Total Expenditures	<u>7,935,750</u>	<u>7,935,750</u>	<u>6,828,925</u>	<u>1,106,825</u>
Change in Fund Balance	(2,300,000)	(2,300,000)	168,445	2,468,445
Fund Balance - July 1 (Beginning)	-	952,195	3,468,491	2,516,296
Fund Balance - June 30 (Ending)	<u>\$ (2,300,000)</u>	<u>\$ (1,347,805)</u>	<u>\$ 3,636,936</u>	<u>\$ 4,984,741</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ATHLETICS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-5

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Charges for Services	\$ 110,000	\$ 110,000	\$ 98,073	\$ (11,927)
Investment Earnings	-	-	1,708	1,708
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>99,781</u>	<u>(10,219)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	294,624	294,624	113,322	181,302
Total Expenditures	<u>294,624</u>	<u>294,624</u>	<u>113,322</u>	<u>181,302</u>
Change in Fund Balance	(184,624)	(184,624)	(13,541)	171,083
Fund Balance - July 1 (Beginning)	-	57,926	204,838	146,912
Fund Balance - June 30 (Ending)	<u>\$ (184,624)</u>	<u>\$ (126,698)</u>	<u>\$ 191,297</u>	<u>\$ 317,995</u>

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - NON-INSTRUCTIONAL SUPPORT**  
**FOR THE YEAR ENDED JUNE 30, 2007**

EXHIBIT J-6

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Charges for Services	\$ 650,000	\$ 650,000	\$ 626,258	\$ (23,742)
Investment Earnings	20,000	20,000	8,298	(11,702)
Total Revenues	<u>670,000</u>	<u>670,000</u>	<u>634,556</u>	<u>(35,444)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	933,896	933,896	583,904	349,992
Total Expenditures	<u>933,896</u>	<u>933,896</u>	<u>583,904</u>	<u>349,992</u>
Change in Fund Balance	(263,896)	(263,896)	50,652	314,548
Fund Balance - July 1 (Beginning)	-	1,255	342,979	341,724
Fund Balance - June 30 (Ending)	<u>\$ (263,896)</u>	<u>\$ (262,641)</u>	<u>\$ 393,631</u>	<u>\$ 656,272</u>

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TITLE I - IASA**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**EXHIBIT J-7**

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 6,789,847	\$ 8,750,879	\$ 6,076,991	\$ (2,673,888)
Total Revenues	<u>6,789,847</u>	<u>8,750,879</u>	<u>6,076,991</u>	<u>(2,673,888)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	5,423,620	6,797,357	6,067,287	730,070
Support Services	1,366,227	1,953,522	1,288,352	665,170
Total Expenditures	<u>6,789,847</u>	<u>8,750,879</u>	<u>7,355,639</u>	<u>1,395,240</u>
Change in Fund Balance	-	-	(1,278,648)	(1,278,648)
Fund Balance - July 1 (Beginning)	-	1,032,832	649,740	(383,092)
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 1,032,832</u>	<u>\$ (628,908)</u>	<u>\$ (1,661,740)</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - JAVITS GIFTED & TALENTED STUDENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-8

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 4,360	\$ 458	\$ (3,902)
Total Revenues	-	4,360	458	(3,902)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	4,055	152	3,903
Support Services	-	305	305	-
Total Expenditures	-	4,360	457	3,903
Change in Fund Balance	-	-	1	1
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 1	\$ 1

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - MIGRANT CHILDREN EDUCATION**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**EXHIBIT J-9**

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 114,182	\$ 128,302	\$ 84,364	\$ (43,938)
<b>Total Revenues</b>	<b>114,182</b>	<b>128,302</b>	<b>84,364</b>	<b>(43,938)</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional	4,700	4,700	-	4,700
Support Services	109,482	123,602	89,248	34,354
<b>Total Expenditures</b>	<b>114,182</b>	<b>128,302</b>	<b>89,248</b>	<b>39,054</b>
Change in Fund Balance	-	-	(4,884)	(4,884)
Fund Balance - July 1 (Beginning)	-	4,022	1,248	(2,774)
Fund Balance - June 30 (Ending)	<b>\$ -</b>	<b>\$ 4,022</b>	<b>\$ (3,636)</b>	<b>\$ (7,658)</b>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ENTITLEMENT IDEA-B  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-10

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 2,989,284	\$ 3,604,206	\$ 2,867,158	\$ (737,048)
Total Revenues	<u>2,989,284</u>	<u>3,604,206</u>	<u>2,867,158</u>	<u>(737,048)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	1,271,941	1,532,941	1,403,998	128,943
Support Services	1,577,983	1,901,905	1,637,069	264,836
Operation of Noninstructional Services	139,360	169,360	122,167	47,193
Total Expenditures	<u>2,989,284</u>	<u>3,604,206</u>	<u>3,163,234</u>	<u>440,972</u>
Change in Fund Balance	-	-	(296,076)	(296,076)
Fund Balance - July 1 (Beginning)	-	688,036	(265,968)	(954,004)
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 688,036</u>	<u>\$ (562,044)</u>	<u>\$ (1,250,080)</u>

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - COMPETITIVE IDEA-B  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-11

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 5,000	\$ 5,000
Total Revenues	-	-	5,000	5,000
Change in Fund Balance	-	-	5,000	5,000
Fund Balance - July 1 (Beginning)	-	-	(5,000)	(5,000)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PRESCHOOL IDEA-B**  
**FOR THE YEAR ENDED JUNE 30, 2007**

EXHIBIT J-12

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 80,148	\$ 95,255	\$ 89,978	\$ (5,277)
Total Revenues	<u>80,148</u>	<u>95,255</u>	<u>89,978</u>	<u>(5,277)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	20,974	16,431	15,849	582
Support Services	59,174	78,824	77,820	1,004
Total Expenditures	<u>80,148</u>	<u>95,255</u>	<u>93,669</u>	<u>1,586</u>
Change in Fund Balance	-	-	(3,691)	(3,691)
Fund Balance - July 1 (Beginning)	-	19,006	(3,145)	(22,151)
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 19,006</u>	<u>\$ (6,836)</u>	<u>\$ (25,842)</u>

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - EDUCATION OF HOMELESS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

EXHIBIT J-13

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (Sec Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 35,000	\$ 24,465	\$ (10,535)
Total Revenues	-	35,000	24,465	(10,535)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	8,333	988	7,345
Support Services	-	26,667	25,666	1,001
Total Expenditures	-	35,000	26,654	8,346
Change in Fund Balance	-	-	(2,189)	(2,189)
Fund Balance - July 1 (Beginning)	-	803	(8,745)	(9,548)
Fund Balance - June 30 (Ending)	\$ -	\$ 803	\$ (10,934)	\$ (11,737)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - FRUIT & VEGETABLE PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-14

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 41,445	\$ 56,679	\$ 15,234
Total Revenues	-	41,445	56,679	15,234
<b>EXPENDITURES:</b>				
Current:				
Operation of Noninstructional Services	-	41,445	40,508	937
Total Expenditures	-	41,445	40,508	937
Change in Fund Balance	-	-	16,171	16,171
Fund Balance - July 1 (Beginning)	-	-	(1,010)	(1,010)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 15,161	\$ 15,161

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TITLE I FAMILY LITERACY IASA  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-15

	Budgeted Amounts		Actual	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 35,355	\$ 44,731	\$ 9,376
<b>Total Revenues</b>	<b>-</b>	<b>35,355</b>	<b>44,731</b>	<b>9,376</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Instructional	-	16,813	16,482	331
Support Services	-	18,542	18,530	12
<b>Total Expenditures</b>	<b>-</b>	<b>35,355</b>	<b>35,012</b>	<b>343</b>
Change in Fund Balance	-	-	9,719	9,719
Fund Balance - July 1 (Beginning)	-	3,641	(10,959)	(14,600)
Fund Balance - June 30 (Ending)	<b>\$ -</b>	<b>\$ 3,641</b>	<b>\$ (1,240)</b>	<b>\$ (4,881)</b>

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - LEARN & SERVICES (CNCS)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

EXHIBIT J-16

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 146,376	\$ 50,180	\$ (96,196)
Total Revenues	-	146,376	50,180	(96,196)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	126,958	57,252	69,706
Support Services	-	19,418	3,149	16,269
Total Expenditures	-	146,376	60,401	85,975
Change in Fund Balance	-	-	(10,221)	(10,221)
Fund Balance - July 1 (Beginning)	-	(49,756)	(47,640)	2,116
Fund Balance - June 30 (Ending)	\$ -	\$ (49,756)	\$ (57,861)	\$ (8,105)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TITLE IV DRUG FREE SCHOOLS & COMM/ED  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-17

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	889	889	-
Fund Balance - June 30 (Ending)	\$ -	\$ 889	\$ 889	\$ -

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ENHANCING ED THRU TECH- (E2T2-F)  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-18

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 69,718	\$ 77,248	\$ 7,530
Total Revenues	-	69,718	77,248	7,530
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	50,364	44,410	5,954
Support Services	-	19,354	557	18,797
Total Expenditures	-	69,718	44,967	24,751
Change in Fund Balance	-	-	32,281	32,281
Fund Balance - July 1 (Beginning)	-	24,418	(10,530)	(34,948)
Fund Balance - June 30 (Ending)	\$ -	\$ 24,418	\$ 21,751	\$ (2,667)

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ENHANCING ED THRU TECH (E2T2-C)  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-19

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (Sec Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 3,027	\$ 3,027	\$ -
Total Revenues	-	3,027	3,027	-
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	3,027	3,027	-
Total Expenditures	-	3,027	3,027	-
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	(66,718)	(66,718)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (66,718)	\$ (66,718)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TITLE V- PART A INNOVATIVE ED PRO STRATEGIES  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-20

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 17,892	\$ 33,029	\$ 55,040	\$ 22,011
Total Revenues	<u>17,892</u>	<u>33,029</u>	<u>55,040</u>	<u>22,011</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	16,472	31,210	22,350	8,860
Support Services	1,420	1,819	281	1,538
Total Expenditures	<u>17,892</u>	<u>33,029</u>	<u>22,631</u>	<u>10,398</u>
Change in Fund Balance	-	-	32,409	32,409
Fund Balance - July 1 (Beginning)	-	568,890	(36,309)	(605,199)
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 568,890</u>	<u>\$ (3,900)</u>	<u>\$ (572,790)</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ENGLISH LANGUAGE ACQUISITION  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-21

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 625,901	\$ 690,504	\$ 347,081	\$ (343,423)
Total Revenues	<u>625,901</u>	<u>690,504</u>	<u>347,081</u>	<u>(343,423)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	534,609	622,442	436,951	185,491
Support Services	91,292	68,062	41,399	26,663
Total Expenditures	<u>625,901</u>	<u>690,504</u>	<u>478,350</u>	<u>212,154</u>
Change in Fund Balance	-	-	(131,269)	(131,269)
Fund Balance - July 1 (Beginning)	-	(590,485)	(198,032)	392,453
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ (590,485)</u>	<u>\$ (329,301)</u>	<u>\$ 261,184</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TEACHER/PRINCIPAL TRAINING & RECRUITING  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-22

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (Sec Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 1,157,547	\$ 1,447,788	\$ 1,038,826	\$ (408,962)
Total Revenues	<u>1,157,547</u>	<u>1,447,788</u>	<u>1,038,826</u>	<u>(408,962)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	1,127,005	1,268,396	1,002,936	265,460
Support Services	30,542	179,392	91,974	87,418
Total Expenditures	<u>1,157,547</u>	<u>1,447,788</u>	<u>1,094,910</u>	<u>352,878</u>
Change in Fund Balance	-	-	(56,084)	(56,084)
Fund Balance - July 1 (Beginning)	-	-	(71,895)	(71,895)
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (127,979)</u>	<u>\$ (127,979)</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SAFE & DRUG FREE SCHOOLS & COMMUNITY  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-23

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (Sec Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 107,465	\$ 109,089	\$ 76,407	\$ (32,682)
Total Revenues	<u>107,465</u>	<u>109,089</u>	<u>76,407</u>	<u>(32,682)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	300	300	737	(437)
Support Services	107,165	108,789	83,298	25,491
Total Expenditures	<u>107,465</u>	<u>109,089</u>	<u>84,035</u>	<u>25,054</u>
Change in Fund Balance	-	-	(7,628)	(7,628)
Fund Balance - July 1 (Beginning)	-	(4,185)	(20,203)	(16,018)
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ (4,185)</u>	<u>\$ (27,831)</u>	<u>\$ (23,646)</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TITLE I SCHOOL IMPROVEMENT  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-24

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 762	\$ 27,638	\$ 26,876
Total Revenues	-	762	27,638	26,876
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	762	-	762
Total Expenditures	-	762	-	762
Change in Fund Balance	-	-	27,638	27,638
Fund Balance - July 1 (Beginning)	-	(15,053)	(27,638)	(12,585)
Fund Balance - June 30 (Ending)	\$ -	\$ (15,053)	\$ -	\$ 15,053

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CARL D PERKINS SECONDARY - CURRENT  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-25

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 235,811	\$ 235,811	\$ 148,714	\$ (87,097)
Total Revenues	<u>235,811</u>	<u>235,811</u>	<u>148,714</u>	<u>(87,097)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	185,700	185,700	160,493	25,207
Support Services	50,111	50,111	37,037	13,074
Total Expenditures	<u>235,811</u>	<u>235,811</u>	<u>197,530</u>	<u>38,281</u>
Change in Fund Balance	-	-	(48,816)	(48,816)
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,816)</u>	<u>\$ (48,816)</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CARL D PERKINS SECONDARY - PY UNLIQ. OBLIGATIONS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-26

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 15,913	\$ 13,954	\$ (1,959)
Total Revenues	-	15,913	13,954	(1,959)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	15,135	13,671	1,464
Support Services	-	778	408	370
Total Expenditures	-	15,913	14,079	1,834
Change in Fund Balance	-	-	(125)	(125)
Fund Balance - July 1 (Beginning)	-	(89,711)	(89,711)	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ (89,711)	 \$ (89,836)	 \$ (125)

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TITLE VII- BILINGUAL ED/COMP SCHOOL GRANTS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-27

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	540	540	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ 540	 \$ 540	 \$ -

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - RETA  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-28

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	5,075	5,075	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ 5,075	 \$ 5,075	 \$ -

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TITLE XIX MEDICAID 3/21 YEARS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-29

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (Sec Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 480,000	\$ 539,895	\$ 589,182	\$ 49,287
Total Revenues	<u>480,000</u>	<u>539,895</u>	<u>589,182</u>	<u>49,287</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	480,000	-	-	-
Support Services	-	539,895	416,527	123,368
Total Expenditures	<u>480,000</u>	<u>539,895</u>	<u>416,527</u>	<u>123,368</u>
Change in Fund Balance	-	-	172,655	172,655
Fund Balance - July 1 (Beginning)	-	128,584	157,330	28,746
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 128,584</u>	<u>\$ 329,985</u>	<u>\$ 201,401</u>

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CAREER ACCESS PROGRAM NSF**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**EXHIBIT J-30**

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 272,580	\$ 117,866	\$ (154,714)
Total Revenues	-	272,580	117,866	(154,714)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	260,780	145,006	115,774
Support Services	-	11,800	4,282	7,518
Total Expenditures	-	272,580	149,288	123,292
Change in Fund Balance	-	-	(31,422)	(31,422)
Fund Balance - July 1 (Beginning)	-	443	(107,815)	(108,258)
Fund Balance - June 30 (Ending)	\$ -	\$ 443	\$ (139,237)	\$ (139,680)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TANF/GRADS HSD  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-31

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 16,000	\$ 16,000	\$ 13,000	\$ (3,000)
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>13,000</u>	<u>(3,000)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	16,000	16,000	4,375	11,625
Total Expenditures	<u>16,000</u>	<u>16,000</u>	<u>4,375</u>	<u>11,625</u>
Change in Fund Balance	-	-	8,625	8,625
Fund Balance - July 1 (Beginning)	-	52	5,107	5,055
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 13,732</u>	<u>\$ 13,680</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ROTC  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-32

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 100,000	\$ 163,570	\$ 75,728	\$ (87,842)
Total Revenues	<u>100,000</u>	<u>163,570</u>	<u>75,728</u>	<u>(87,842)</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	100,000	163,570	97,623	65,947
Total Expenditures	<u>100,000</u>	<u>163,570</u>	<u>97,623</u>	<u>65,947</u>
Change in Fund Balance	-	-	(21,895)	(21,895)
Fund Balance - July 1 (Beginning)	<u>-</u>	<u>35,324</u>	<u>58,783</u>	<u>23,459</u>
 Fund Balance - June 30 (Ending)	 <u>\$ -</u>	 <u>\$ 35,324</u>	 <u>\$ 36,888</u>	 <u>\$ 1,564</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ENLACE-UNM  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-33

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Other Revenue	\$ -	\$ 5,250	\$ -	\$ (5,250)
Total Revenues	-	5,250	-	(5,250)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	5,250	5,250	-
Total Expenditures	-	5,250	5,250	-
Change in Fund Balance	-	-	(5,250)	(5,250)
Fund Balance - July 1 (Beginning)	-	-	(10,714)	(10,714)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (15,964)	\$ (15,964)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - JORDAN FUNDAMENTALS GRANT  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-34

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	739	155	(584)
Fund Balance - June 30 (Ending)	\$ -	\$ 739	\$ 155	\$ (584)

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PNM FOUNDATION INC.  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-35

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Other Revenue	\$ -	\$ 1,000	\$ 2,925	\$ 1,925
Total Revenues	<u>-</u>	<u>1,000</u>	<u>2,925</u>	<u>1,925</u>
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	1,000	1,000	-
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Change in Fund Balance	-	-	1,925	1,925
Fund Balance - July 1 (Beginning)	<u>-</u>	<u>46</u>	<u>1,046</u>	<u>1,000</u>
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 2,971</u>	<u>\$ 2,925</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - MILKEN FAMILY FOUNDATION  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-36

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Other Revenue	\$ -	\$ 226	\$ -	\$ (226)
Total Revenues	-	226	-	(226)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	226	-	226
Total Expenditures	-	226	-	226
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	225	225
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 225	\$ 225

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DANIELS FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-37

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Other Revenue	\$ -	\$ 50,000	\$ -	\$ (50,000)
Total Revenues	-	50,000	-	(50,000)
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	-	50,000	50,000	-
Total Expenditures	-	50,000	50,000	-
Change in Fund Balance	-	-	(50,000)	(50,000)
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (50,000)	\$ (50,000)

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PASO DEL NORTE HEALTH FOUNDATION**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**EXHIBIT J-38**

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Other Revenue	\$ -	\$ 45,629	\$ 22,814	\$ (22,815)
Total Revenues	-	45,629	22,814	(22,815)
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Support Services	-	45,629	22,134	23,495
Total Expenditures	-	45,629	22,134	23,495
Change in Fund Balance	-	-	680	680
Fund Balance - July 1 (Beginning)	-	10,551	-	(10,551)
Fund Balance - June 30 (Ending)	\$ -	\$ 10,551	\$ 680	\$ (9,871)

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CENTER FOR SERVICES LEARNING OPP IN ED**  
**FOR THE YEAR ENDED JUNE 30, 2007**

EXHIBIT J-39

	Budgeted Amounts		Actual	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - MICROSOFT SETTLEMENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

EXHIBIT J-40

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Other Revenue	\$ -	\$ 1,034,508	\$ -	\$ (1,034,508)
Total Revenues	-	1,034,508	-	(1,034,508)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	517,254	250,984	266,270
Support Services	-	517,254	103,420	413,834
Total Expenditures	-	1,034,508	354,404	680,104
Change in Fund Balance	-	-	(354,404)	(354,404)
Fund Balance - July 1 (Beginning)	-	-	-	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ -	 \$ (354,404)	 \$ (354,404)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - NM COMMUNITY FOUNDATION GRANT  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-41

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Other Revenue	\$ -	\$ 75,000	\$ 75,000	\$ -
Total Revenues	-	75,000	75,000	-
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	75,000	-	75,000
Total Expenditures	-	75,000	-	75,000
Change in Fund Balance	-	-	75,000	75,000
Fund Balance - July 1 (Beginning)	-	-	-	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ -	 \$ 75,000	 \$ 75,000

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TANF PED (SCHOOL-AGED CHILD CARE)  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-42

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	25,381	25,381	-
Fund Balance - June 30 (Ending)	\$ -	\$ 25,381	\$ 25,381	\$ -

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TECHNOLOGY FOR EDUCATION PED  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-43

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 215,175	\$ 93,121	\$ (122,054)
Total Revenues	-	215,175	93,121	(122,054)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	65,000	-	65,000
Support Services	-	150,175	91,360	58,815
Total Expenditures	-	215,175	91,360	123,815
Change in Fund Balance	-	-	1,761	1,761
Fund Balance - July 1 (Beginning)	-	99,088	(44,177)	(143,265)
Fund Balance - June 30 (Ending)	\$ -	\$ 99,088	\$ (42,416)	\$ (141,504)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TANF - FULL DAY KINDERGARTEN  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-44

	Budgeted Amounts		Actual	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	(122,822)	4,852	127,674
 Fund Balance - June 30 (Ending)	 \$ -	 \$ (122,822)	 \$ 4,852	 \$ 127,674

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - INCENTIVES FOR SCHOOL IMPR ACT PED  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-45

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 77,283	\$ 77,283	\$ -
Total Revenues	-	77,283	77,283	-
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	77,283	13,007	64,276
Total Expenditures	-	77,283	13,007	64,276
Change in Fund Balance	-	-	64,276	64,276
Fund Balance - July 1 (Beginning)	-	44	(11,920)	(11,964)
Fund Balance - June 30 (Ending)	\$ -	\$ 44	\$ 52,356	\$ 52,312

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - FAMILY & YOUTH RESOURCE PRO PED  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-46

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 45,000	\$ -	\$ (45,000)
Total Revenues	-	45,000	-	(45,000)
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	45,000	44,290	710
Total Expenditures	-	45,000	44,290	710
Change in Fund Balance	-	-	(44,290)	(44,290)
Fund Balance - July 1 (Beginning)	-	(4,566)	(90,000)	(85,434)
 Fund Balance - June 30 (Ending)	 \$ -	 \$ (4,566)	 \$ (134,290)	 \$ (129,724)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - TRUANCY INITIATIVE PED  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-47

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 30,000	\$ 670	\$ (29,330)
Total Revenues	-	30,000	670	(29,330)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	1,000	375	625
Support Services	-	29,000	24,666	4,334
Total Expenditures	-	30,000	25,041	4,959
Change in Fund Balance	-	-	(24,371)	(24,371)
Fund Balance - July 1 (Beginning)	-	-	(11,277)	(11,277)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (35,648)	\$ (35,648)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - LEGIS APPRO - LAWS OF NM 2005  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-48

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (Sec Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - LIBRARIES - GO BONDS - LAWS OF 2004  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-49

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 29,572	\$ -	\$ (29,572)
Total Revenues	-	29,572	-	(29,572)
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	29,572	21,855	7,717
Total Expenditures	-	29,572	21,855	7,717
Change in Fund Balance	-	-	(21,855)	(21,855)
Fund Balance - July 1 (Beginning)	-	-	(234,590)	(234,590)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (256,445)	\$ (256,445)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PREK INITIATIVE  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-50

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 713,974	\$ 430,482	\$ (283,492)
Total Revenues	-	713,974	430,482	(283,492)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	601,333	552,702	48,631
Support Services	-	112,641	106,911	5,730
Total Expenditures	-	713,974	659,613	54,361
Change in Fund Balance	-	-	(229,131)	(229,131)
Fund Balance - July 1 (Beginning)	-	-	(85,653)	(85,653)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (314,784)	\$ (314,784)

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - BEGINNING TEACHER MENTORING PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-51

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 54,832	\$ 54,832	\$ 12,242	\$ (42,590)
Total Revenues	54,832	54,832	12,242	(42,590)
<b>EXPENDITURES:</b>				
Current:				
Instructional	54,832	54,832	47,481	7,351
Total Expenditures	54,832	54,832	47,481	7,351
Change in Fund Balance	-	-	(35,239)	(35,239)
Fund Balance - July 1 (Beginning)	-	(14,199)	(28,473)	(14,274)
Fund Balance - June 30 (Ending)	\$ -	\$ (14,199)	\$ (63,712)	\$ (49,513)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - BREAKFAST FOR ELEMENTARY STUDENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-52

	Budgeted Amounts		Actual	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 67,703	\$ 67,703	\$ 67,703	\$ -
Total Revenues	<u>67,703</u>	<u>67,703</u>	<u>67,703</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Instructional	67,703	67,703	-	67,703
Operation of Noninstructional Services	-	-	67,703	(67,703)
Total Expenditures	<u>67,703</u>	<u>67,703</u>	<u>67,703</u>	<u>-</u>
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - KINDER PLUS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-53

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 200,000	\$ 156,443	\$ (43,557)
Total Revenues	-	200,000	156,443	(43,557)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	192,000	183,346	8,654
Support Services	-	8,000	4,486	3,514
Total Expenditures	-	200,000	187,832	12,168
Change in Fund Balance	-	-	(31,389)	(31,389)
Fund Balance - July 1 (Beginning)	-	-	(53,500)	(53,500)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (84,889)	\$ (84,889)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - FIESTA EDUCATIVA  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-54

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 7,000	\$ 4,375	\$ (2,625)
Total Revenues	-	7,000	4,375	(2,625)
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	7,000	7,000	-
Total Expenditures	-	7,000	7,000	-
Change in Fund Balance	-	-	(2,625)	(2,625)
Fund Balance - July 1 (Beginning)	-	-	(4,375)	(4,375)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (7,000)	\$ (7,000)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PRE-K START-UP COST  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-55

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 65,000	\$ 25,317	\$ (39,683)
Total Revenues	-	65,000	25,317	(39,683)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	65,000	38,484	26,516
Total Expenditures	-	65,000	38,484	26,516
Change in Fund Balance	-	-	(13,167)	(13,167)
Fund Balance - July 1 (Beginning)	-	-	-	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ -	 \$ (13,167)	 \$ (13,167)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SCHOOL ON THE RISE  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-56

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 1,500	\$ -	\$ (1,500)
Total Revenues	-	1,500	-	(1,500)
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	1,500	1,404	96
Total Expenditures	-	1,500	1,404	96
Change in Fund Balance	-	-	(1,404)	(1,404)
Fund Balance - July 1 (Beginning)	-	-	-	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ -	 \$ (1,404)	 \$ (1,404)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - HEALTHIER SCHOOLS DOH  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-57

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 104,608	\$ 138,150	\$ 33,542
Total Revenues	-	104,608	138,150	33,542
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	104,608	101,780	2,828
Total Expenditures	-	104,608	101,780	2,828
Change in Fund Balance	-	-	36,370	36,370
Fund Balance - July 1 (Beginning)	-	-	-	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ -	 \$ 36,370	 \$ 36,370

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SUICIDE PREVENTION  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-58

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 67,000	\$ -	\$ (67,000)
Total Revenues	-	67,000	-	(67,000)
<b>EXPENDITURES:</b>				
Current:				
Support Services	-	67,000	7,406	59,594
Total Expenditures	-	67,000	7,406	59,594
Change in Fund Balance	-	-	(7,406)	(7,406)
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (7,406)	\$ (7,406)

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SCHOOL TO WORK/NM WORKS PROJ NMSU  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-59

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	18,418	693	(17,725)
Fund Balance - June 30 (Ending)	\$ -	\$ 18,418	\$ 693	\$ (17,725)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GEAR-UP  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-60

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 292,118	\$ -	\$ (292,118)
Total Revenues	-	292,118	-	(292,118)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	289,116	144,340	144,776
Support Services	-	3,002	1,809	1,193
Total Expenditures	-	292,118	146,149	145,969
Change in Fund Balance	-	-	(146,149)	(146,149)
Fund Balance - July 1 (Beginning)	-	-	-	-
 Fund Balance - June 30 (Ending)	 \$ -	 \$ -	 \$ (146,149)	 \$ (146,149)

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PRIVATE DIR GRANTS (CATEGORICAL)  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-61

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	6,408	2,300	(4,108)
Fund Balance - June 30 (Ending)	\$ -	\$ 6,408	\$ 2,300	\$ (4,108)

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TITLE VI - IASA**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**EXHIBIT J-62**

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	(8,603)	(8,603)	-
Fund Balance - June 30 (Ending)	\$ -	\$ (8,603)	\$ (8,603)	\$ -

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - COORDINATED APPROACH TO CHILD HEALTH  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-63

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 1,500	\$ -	\$ (1,500)
Total Revenues	-	1,500	-	(1,500)
<b>EXPENDITURES:</b>				
Current:				
Instructional	-	1,500	-	1,500
Total Expenditures	-	1,500	-	1,500
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	2,676	8	(2,668)
Fund Balance - June 30 (Ending)	\$ -	\$ 2,676	\$ 8	\$ (2,668)

The accompanying notes are an integral part of this statement.

**GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TITLE II IASA (MATH/SCIENCE)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

EXHIBIT J-64

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
1200 Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PRES TEACHING AWARD NSF  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-65

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
	-----	-----	-----	-----
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - Title III  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-66

	Budgeted Amounts		Actual Amounts	Variance With	Actual Amounts	2006
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)	on GAAP Basis	Prior Year Actual GAAP Basis
Change in Fund Balance	-	-	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SCHOOL BASED HLTH CENTER  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-67

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	(55,393)	-	55,393
	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ (55,393)	\$ -	\$ 55,393

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - FEDERAL RELIEF FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-68

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 100,000	\$ -	\$ (100,000)
<b>Total Revenues</b>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	-	100,000	-	100,000
<b>Total Expenditures</b>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
				-
<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - BILINGUAL ED/COMP SCHOOL GRANTS USDE  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-69

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PRIVATE GRANTS  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-70

	\$	-	\$	-	\$	-	\$	-
Change in Fund Balance		-		-		-		-
Fund Balance - July 1 (Beginning)		-		-		-		-
		-		-		-		-
Fund Balance - June 30 (Ending)	\$	-	\$	-	\$	-	\$	-

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - RESERVED FOR FUTURE STATE DEFINITION  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-71

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

This page is left blank intentionally.

**STATE OF NEW MEXICO**  
**GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**  
**Capital Projects Funds**

**(31200) Public School Capital Outlay Fund** - The Fund is used to account for capital projects funded from awards made by the Public School Capital Outlay Council.

**(31300) Special Capital Outlay-Local Fund** - The fund is used to account for capital projects funded by local grants specifically for capital projects.

**(31400) Special Capital Outlay-State Fund** - The fund is used to account for capital projects funded by special legislative appropriations specifically for capital projects.

**(31700) Capital Improvements SB-9 Fund** - The fund is used to account for funds from locally assessed property taxes and amounts matched by state equalization to provide for capital outlay and/or repairs and maintenance of property, plant, and equipment.

**(31800) Energy Efficiency Act Fund** - The fund is used to account for the lease-purchase of energy efficient retrofits. In accordance with GAAP, as applied to governmental entities, the total cost of the contract is recognized as an expenditure in the year received.

**(31900) Educational Technology Equipment Act Fund** - The fund is used to account for purchases of education technology equipment funded through the issuance of Education Technology Lease Purchase Obligations as authorized under the NM Educational Technology Equipment Act.

**(32100) Public School Capital Outlay-20% Fund** - The fund is used to account for 20% of operational tax revenues to be used to purchase capital outlay equipment.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PUBLIC SCHOOL CAPITAL OUTLAY  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-72

	Budgeted Amounts		Actual	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ -	\$ 7,800	\$ 2,742,285	\$ 2,734,485
Other Revenue	-	-	29,743	29,743
Total Revenues	-	7,800	2,772,028	2,764,228
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	502,004	509,804	227,349	282,455
Total Expenditures	502,004	509,804	227,349	282,455
Change in Fund Balance	(502,004)	(502,004)	2,544,679	3,046,683
Fund Balance - July 1 (Beginning)	-	(2,933,896)	(2,933,896)	-
Fund Balance - June 30 (Ending)	\$ (502,004)	\$ (3,435,900)	\$ (389,217)	\$ 3,046,683

The accompanying notes are an integral part of this statement.



GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SPECIAL CAPITAL OUTLAY - LOCAL  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-73

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Investment Earnings	\$ -	\$ -	\$ 17,981	\$ 17,981
Total Revenues	-	-	17,981	17,981
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	969,636	969,636	2,115	967,521
Total Expenditures	969,636	969,636	2,115	967,521
Change in Fund Balance	(969,636)	(969,636)	15,866	985,502
Fund Balance - July 1 (Beginning)	-	992,090	992,090	-
Fund Balance - June 30 (Ending)	\$ (969,636)	\$ 22,454	\$ 1,007,956	\$ 985,502

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SPECIAL CAPITAL OUTLAY - STATE  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-74

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 1,700,000	\$ 1,700,000	\$ 219,594	\$ (1,480,406)
Total Revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>219,594</u>	<u>(1,480,406)</u>
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	1,904,991	1,904,991	404,023	1,500,968
Total Expenditures	<u>1,904,991</u>	<u>1,904,991</u>	<u>404,023</u>	<u>1,500,968</u>
Change in Fund Balance	(204,991)	(204,991)	(184,429)	20,562
Fund Balance - July 1 (Beginning)	-	(435,816)	(435,816)	-
Fund Balance - June 30 (Ending)	<u>\$ (204,991)</u>	<u>\$ (640,807)</u>	<u>\$ (620,245)</u>	<u>\$ 20,562</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS SB-9  
FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-75

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 1,094,578	\$ 1,094,578	\$ 1,122,518	\$ 27,940
Intergovernmental Revenue and Grants	-	3,605,932	2,079,413	(1,526,519)
Total Revenues	<u>1,094,578</u>	<u>4,700,510</u>	<u>3,201,931</u>	<u>(1,498,579)</u>
<b>EXPENDITURES:</b>				
Current:				
Support Services	10,946	876,878	7,456	869,422
Capital Outlay:				
Capital Outlay	1,174,600	3,914,600	2,528,228	1,386,372
Total Expenditures	<u>1,185,546</u>	<u>4,791,478</u>	<u>2,535,684</u>	<u>2,255,794</u>
Change in Fund Balance	(90,968)	(90,968)	666,247	757,215
Fund Balance - July 1 (Beginning)	-	(794,433)	(794,433)	-
 Fund Balance - June 30 (Ending)	 <u>\$ (90,968)</u>	 <u>\$ (885,401)</u>	 <u>\$ (128,186)</u>	 <u>\$ 757,215</u>

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ENERGY EFFICIENCY ACT  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-76

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	\$ 41,367	\$ 41,367	\$ 41,367	\$ -
Total Expenditures	41,367	41,367	41,367	-
Change in Fund Balance	(41,367)	(41,367)	(41,367)	-
Fund Balance - July 1 (Beginning)	-	41,367	41,367	-
Fund Balance - June 30 (Ending)	\$ (41,367)	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ED. TECHNOLOGY EQUIPMENT ACT  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-77

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	\$ 266,510	\$ 1,766,510	\$ 579,038	\$ 1,187,472
Total Expenditures	266,510	1,766,510	579,038	1,187,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	(266,510)	(1,766,510)	(579,038)	1,187,472
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital-related Debt Issued (Regular Bonds)	-	1,500,000	1,500,000	-
Total Other Financing Sources (Uses)	-	1,500,000	1,500,000	-
Change in Fund Balance	(266,510)	(266,510)	920,962	1,187,472
Fund Balance - July 1 (Beginning)	-	355,757	355,757	-
Fund Balance - June 30 (Ending)	\$ (266,510)	\$ 89,247	\$ 1,276,719	\$ 1,187,472

The accompanying notes are an integral part of this statement.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO.16  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - PUBLIC SCHOOL CAPITAL OUTLAY - 20%  
 FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT J-78

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	\$ 5,413	\$ 5,413	\$ 5,413	\$ -
Total Expenditures	5,413	5,413	5,413	-
Change in Fund Balance	(5,413)	(5,413)	(5,413)	-
Fund Balance - July 1 (Beginning)	-	5,413	5,413	-
Fund Balance - June 30 (Ending)	\$ (5,413)	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**EXHIBIT K-1**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2007**

	Balance June 30, 2006	Receipts	Disbursements	Balance June 30, 2007
Chaparral Middle School	\$ 16,407	\$ 33,321	\$ (36,202)	\$ 13,526
Chaparral High School	10,333	66,989	(56,931)	20,391
Gadsden Middle School	49,183	114,153	(134,562)	28,774
Gadsden High School	156,878	535,264	(495,521)	196,621
Santa Teresa Middle School	20,376	65,755	(61,682)	24,449
Santa Teresa High School	86,147	294,006	(291,139)	89,014
Construction Surplus	324	1,059	(624)	759
La Union JTP	135	135	(135)	135
Gadsden Foundation	30	6,771	(40)	6,761
Fiesta Educativa	636	18,914	(3,024)	16,526
PAWS-Gadsden High School	683	683	(683)	683
Feds. Christmas Food Baskets	94	95	(94)	95
Service Learning Project	11,531	11,531	(11,531)	11,531
Teacher of the Year	6,274	63,036	(59,901)	9,409
Trucha - Drug Free Program	54	54	(54)	54
Nurse's Dept.	400	400	(400)	400
Accounts payable	21,136	732,910	(753,855)	191
Due to Due From	-	-	(4,502)	(4,502)
	<u>\$ 380,621</u>	<u>\$ 1,945,076</u>	<u>\$ (1,910,880)</u>	<u>\$ 414,817</u>

**This page is left blank intentionally.**



**FEDERAL AWARDS SECTION**

**This page is left blank intentionally.**

**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 and  
The Board of Education of  
Gadsden Independent School District No. 16

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and major budgetary comparisons of Gadsden Independent School District No. 16 (the "District"), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated September 18, 2009. The report on the District's basic financial statements was qualified because we were not able to obtain sufficient documentary evidence to substantiate the cash balance stated at \$32,928,587 as of 6/30/07; similarly, we were not able to determine the validity of the Capital Asset balance, stated at \$117,651,584 in the Statement of Net Assets as of 6/30/07 and the Inventory balance, stated at \$836,393 as of 6/30/07. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Gadsden Independent School District No. 16's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Gadsden Independent School District No. 16's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 06-1 through 06-3, 06-6 through 06-9, and 07-1 through 07-6.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Gadsden Independent School District No. 16's internal control.

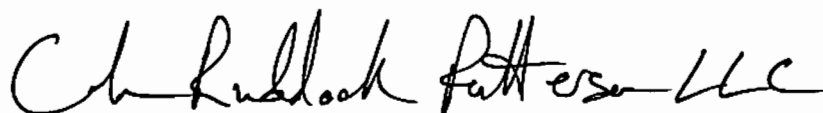
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 06-1, 06-2 and 06-3 to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gadsden Independent School District No. 16's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 06-4, 06-11, 06-13, 06-15, 06-17, 06-18 and 07-7 through 07-10.

Gadsden Independent School District No. 16's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit Gadsden Independent School District No. 16's response and, accordingly, we express no opinion on it.

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

A handwritten signature in black ink that reads "Charles R. Patterson, LLC". The signature is written in a cursive, flowing style.

El Paso, Texas  
September 18, 2009

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Hector H. Balderas, State Auditor and  
The Board of Education of  
Gadsden Independent School District No. 16

**Compliance**

We have audited the compliance of Gadsden Independent School District No. 16 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Gadsden Independent School District No. 16's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Gadsden Independent School District No. 16's management. Our responsibility is to express an opinion on Gadsden Independent School District No. 16's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gadsden Independent School District No. 16's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Gadsden Independent School District No. 16's compliance with those requirements.

In our opinion, Gadsden Independent School District No. 16 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06-4, 06-11, 06-13, 06-15, 06-17, 06-18, and 07-7 through 07-10.

## Internal Control Over Compliance

The management of Gadsden Independent School District No. 16 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Gadsden Independent School District No. 16's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness Gadsden Independent School District No. 16's internal control over compliance.

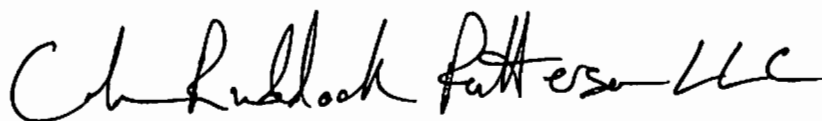
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirements of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with the type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 06-15 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood of material noncompliance with a type of compliance requirement of a federal program will be prevented or detected by the entity's internal control.

Gadsden Independent School District No. 16's response to the findings identified in our audit are described in the accompanying Corrective Action Plan. We did not audit Gadsden Independent School District No. 16's response and, accordingly, we express no opinion on it.

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



El Paso, Texas  
September 18, 2009

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
<b><u>SUMMARY OF AUDITOR'S RESULTS</u></b>		
<b><u>Financial Statements</u></b>		
	<b>Type of Auditor's Report issued:</b>	Qualified
	<b>Internal control over financial reporting:</b>	
	<b>Material weaknesses identified?</b>	Yes, items 06-1, 06-2 and 06-3
	<b>Significant deficiencies identified that are not considered to be material weaknesses?</b>	Yes, items 06-6 through 06-9 and 07-1 through 07-6
	<b>Noncompliance material to the financial statements:</b>	Yes
<b><u>Federal Awards</u></b>		
	<b>Internal control over major programs:</b>	
	<b>Material weaknesses identified?</b>	No
	<b>Significant deficiencies identified that are not considered to be material weaknesses?</b>	Yes
	<b>Type of auditor's report issued on compliance for major programs:</b>	Unqualified
	<b>Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?</b>	Yes. See 06-15. In addition, findings 06-4, 06-11, 06-13, 06-17, 06-18, and 07-7 through 7-10 describe compliance issues for which amounts are immaterial, or materiality could not be determined.
	<b>Major Federal Programs:</b>	Title I, Part A (CFDA 84.010); Title III, English Language Acquisition (CFDA 84.365); Medicaid (CFDA 93.778); Child Nutrition Cluster (CFDA 10.555/10.559/10.553)
	<b>Dollar threshold used to distinguish between type A and type B programs:</b>	\$625,245
	<b>Auditee qualified as low-risk auditee?</b>	No

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

Schedule Reference Number	PROGRAM	DESCRIPTION
<b><u>FINANCIAL STATEMENT FINDINGS</u></b>		
<b>06-1</b>	<b>Cash Reconciliations</b>	
	<b>Criteria:</b>	Controls over cash require timely preparation of reconciliations of the bank statements and the general ledger.
	<b>Condition Found:</b>	The bank reconciliations were not prepared in a timely manner for all accounts the District holds for fiscal year 2006-2007. In addition, we noted cash transactions were recorded before actual cash was received.
	<b>Cause:</b>	The District incurred significant turnover in its accounting department, and staff hired to fill positions fell behind in their assigned duties.
	<b>Effect:</b>	By not preparing timely bank reconciliations on a monthly basis the District not receiving funds due from state and federal agencies in a timely manner. Also, significant and material errors occurred during this time period and were not discovered.
	<b>Recommendation:</b>	The District should continue its effort to obtain competent staff and implement cross training procedures to ensure timely completion of projects when staff shortages occur.
	<b>Management's Response:</b>	See corrective action plan.
<b>06-2</b>	<b>Capital Asset Inventory</b>	
	<b>Criteria:</b>	The District has implemented a capital asset inventory system which requires that all capital assets be tagged and properly recorded and monitored in the system.
	<b>Condition Found:</b>	The capital asset inventory listing has not been updated for several years to reflect information found on the physical assets in regards to tag numbers, location or category. Furthermore, there appears to be lack of proper training in this area.

(Continued)



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Cause:</b>	The District incurred significant employee turnover in this area and there is lack of proper training for capital assets.
	<b>Effect:</b>	The capital asset inventory listing was not complete and account balances may have been misstated.
	<b>Management's Response:</b>	See corrective action plan.
<b>06-3</b>	<b>Supply Inventory Controls</b>	
	<b>Criteria:</b>	Proper internal controls dictate that segregation of duties be in place that separates the authorization function from the recording and custodial function. Supervisory controls should be in place if inadequate personnel exists.
	<b>Condition Found:</b>	The existing control in the inventory cycle allows one person to perform the authorization function as well as the recording function, and have access to the assets. In addition, there is a lack of a perpetual inventory system, and no written policies are in place for warehouse personnel to follow.
	<b>Cause:</b>	It appears there is a lack of segregation of duties and supervisory oversight.
	<b>Effect:</b>	A lack of proper internal controls which creates a risk that errors or fraud may occur and not be detected in a timely manner.
	<b>Recommendation:</b>	Management should develop policies and procedures that establish a system of segregation of duties and proper supervision. Moreover, management should implement a perpetual inventory system to timely account for the issue or usage of items.
	<b>Management's Response:</b>	See corrective action plan.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
06-6	<b>State Compliance</b>	Cash Controls
	<b>Criteria:</b>	In compliance with N.M.A.C.6-20.2.14, the District is required to deposit all funds within 24 hours of receipt.
	<b>Condition Found:</b>	In four instances deposits were not made within 24 hours pursuant to state requirements. These instances totaled \$9,096.76. There were also two deposits that could not be traced to the bank statements totaling \$681.05, and one deposit of \$35,239.96 that lacked supporting documentation.
	<b>Cause:</b>	Significant turnover in staff and lack of proper training.
	<b>Effect:</b>	The longer cash is held, the more susceptible it becomes to theft or defalcation. In addition, a lack of proper controls over cash can create a risk that errors or fraud may occur and not be detected in a timely manner.
	<b>Recommendation:</b>	Management should ensure that cash receipts are deposited in a timely manner in accordance with N.M.A.C. requirements and controls over cash are performed consistently.
	<b>Management's Response:</b>	See corrective action plan.
06-7	<b>State Compliance</b>	Open Meetings Act
	<b>Criteria:</b>	In accordance with state compliance requirements, the District must provide proper notice to its citizens of any board meeting dates.
	<b>Condition Found:</b>	For three notices of Board Meetings posted on the District's website, no timestamp was used to document the exact time of when the notice was uploaded to the system.
	<b>Cause:</b>	It appears that the responsible personnel had a lack of understanding of the requirements.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Effect:</b>	Noncompliance with the Open Meetings Act could result in members of the public not being properly notified that certain issues may be acted upon by the Board.
	<b>Recommendation:</b>	The District's Board of Education should notify management of any planned meetings in order for it to appropriately post notices and comply with state requirements.
	<b>Management's Response:</b>	See corrective action plan.
<b>06-8</b>	<b>State Compliance</b>	<b>Annual Audit Report Deadline</b>
	<b>Criteria:</b>	The New Mexico State Auditor's Rule specifies that audit reports for school districts are due to the State Auditor's office by November 15, 2007.
	<b>Condition Found:</b>	This report was not submitted to the State Auditor by the due date. The report was submitted and received by the State Auditor on September 21, 2009.
	<b>Cause:</b>	Due to inadequate personnel, management was unable to provide key information necessary to complete the audit by the State's deadline.
	<b>Effect:</b>	Users of the financial statements may not have timely financial information for their review. In addition, late reports could have an effect on the Districts state and federal funding, as well as its ability to sell bonds.
	<b>Recommendation:</b>	We encourage management to continue its efforts to ensure adequate staffing.
	<b>Management's Response:</b>	See corrective action plan.
<b>06-9</b>	<b>Fraudulent Activity</b>	
	<b>Criteria:</b>	Governmental entities should have proper internal control procedures that mitigate, prevent, detect and deter fraud.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

Schedule Reference Number	PROGRAM	DESCRIPTION
	<b>Condition Found:</b>	During the review of the District's Accounts Payable Clearing Account by the Director of Financial Operations for the audit of fiscal year 2006, an unauthorized monthly electronic debit in the amount of \$24.95 was discovered for the months of May 2006 to September 2007.
	<b>Cause:</b>	Improper authorization was granted to personnel of the District, which created an opportunity for fraud to occur. In addition, lack of monitoring procedures over the District's banking activity allowed the unauthorized charges to occur.
	<b>Instances/Universe</b>	Approximately a year and a half.
	<b>Effect:</b>	The District incurred unauthorized and fraudulent charges in the amount of \$374.75.
	<b>Recommendation:</b>	We recommend the District develop procedures that minimize the number of personnel with access to District funds and banking activity. Furthermore, procedures should include a monitoring process to mitigate, prevent, detect and deter fraud.
	<b>Management's Response:</b>	See corrective action plan.
<b>07-1</b>	<b>State Compliance</b>	<b>Destruction of Records</b>
	<b>Criteria:</b>	In compliance with state requirements, on site destruction of public records that contain confidential information should be performed in the presence of a witness. (N.M.A.C. 1.13.30)
	<b>Condition Found:</b>	During our review of the two Certificates of Destruction of Students Records, it was noted that there was no signature of a witness present.
	<b>Cause:</b>	Misunderstanding of the requirements and lack of proper training.
	<b>Effect:</b>	Noncompliance with State requirements.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Recommendation:</b>	The District should implement a system to monitor the proper destruction of records and ensure that appropriate procedures are followed.
	<b>Management's Response:</b>	See corrective action plan.
<b>07-2</b>	<b>Payroll</b>	
	<b>Criteria:</b>	All expenditures should be recorded in the period in which the goods or services were received.
	<b>Condition Found:</b>	During our payroll review we noted a teacher was not properly paid during fiscal year 2007. The teacher was owed a total amount of \$1,603.19 that was paid in the next fiscal year.
	<b>Cause:</b>	Inadequate personnel and lack of proper training.
	<b>Effect:</b>	Payroll expense was understated for \$1,603.19 for fiscal year 2007.
	<b>Recommendation:</b>	The District should ensure that payroll expenditures are paid and recognized in the proper period.
	<b>Management's Response:</b>	See corrective action plan.
<b>07-3</b>	<b>Grant Receivables</b>	
	<b>Criteria:</b>	Grant reimbursement requests should be submitted in a timely manner to Federal, State and Local agencies to ensure maximum use of grant resources.
	<b>Condition Found:</b>	In one instance, the reimbursement request for Pre-K Initiative (fund 27149) was submitted 9 months after the fiscal year end. In other instances, grant receivables have been outstanding since the prior fiscal year.
	<b>Cause:</b>	Significant turnover in staff.
	<b>Effect:</b>	The District did not receive funds in a timely manner. Therefore, the District's local funds were used to cover any shortfalls.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Recommendation:</b>	The District should ensure requests for reimbursements are submitted on a timely basis, and follow up on reimbursements not received within a reasonable time period.
	<b>Management's Response:</b>	See corrective action plan.
<b>07-4</b>	<b>Cash Disbursements</b>	
	<b>Criteria:</b>	Proper documentation should be maintained to support all transactions.
	<b>Condition Found:</b>	The supporting documentation related to one check could not be located by management. The total amount of the check was \$21,722.05.
	<b>Cause:</b>	Misfiling of documentation.
	<b>Effect:</b>	Unable to determine if the expenditure was recognized in the proper period.
	<b>Recommendation:</b>	The District should ensure that proper filing procedures are followed consistently.
	<b>Management's Response:</b>	See corrective action plan.
<b>07-5</b>	<b>Procurement</b>	
	<b>Criteria:</b>	The District should maintain proper documentation to support all activity related to procured goods and services.
	<b>Condition Found:</b>	In one instance management was unable to find the supporting documentation for one disbursement related to a bid agreement.
	<b>Cause:</b>	Significant turnover in staff and lack of training.
	<b>Effect:</b>	Unable to verify the District received the correct price as quoted in the awarded contract.
	<b>Recommendation:</b>	Management should stress the importance of maintaining adequate documentation.
	<b>Management's Response:</b>	See corrective action plan.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
<b>07-6</b>	<b>State Compliance</b>	Budget Variances
	<b>Criteria:</b>	In compliance with NMSA 22-8-11, no expenditure of public funds should be made unless the expenditure is in accordance with a properly approved budget.
	<b>Condition Found:</b>	Fund 24157, Safe & Drug Free Schools and Communities and fund 27155, Breakfast for Elementary Students experienced budget variances in the amount of \$437 and \$67,703, respectively.
	<b>Cause:</b>	The funds were over-expended, which appears to be a result of lack of monitoring.
	<b>Instances/Universe:</b>	Two instances.
	<b>Effect:</b>	Funds were disbursed without the complete approval that is associated with a budget amendment.
	<b>Recommendation:</b>	Management should ensure that no cash is disbursed unless it has been properly budgeted.
	<b>Management's Response:</b>	See corrective action plan.
<b><u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u></b>		
<b>06-4</b>	<b>U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title III, Part A (CFDA 84.365)</b>	
	<b>Criteria:</b>	Travel expenditures that are reimbursed with federal funds should be calculated in accordance with OMB A-87 Circular requirements and N.M.A.C. 2.42.2.8 requirements.
	<b>Condition Found:</b>	We noted one instance in which travel and lodging costs exceeded the allowable per diem costs per N.M.A.C 2.42.2.8.
	<b>Cause:</b>	Unintentionally oversight by District personnel.
	<b>Questioned Cost/Basis:</b>	Approximately \$219.60

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Instances/Universe:</b>	Unable to determine.
	<b>Effect:</b>	Grant funds were used to reimburse employees for travel expenses using incorrect rates.
	<b>Recommendation:</b>	Management should stress the importance of following Federal and State policies for travel/per diem expenses.
	<b>Management's Response:</b>	See corrective action plan.
<b>06-11</b>	<b>U.S. DEPARTMENT OF AGRICULTURE Passed through the NM Human Services Department and the State Department of Education Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	
	<b>Criteria:</b>	The District must accurately report the number of meals and snacks served to children in order to receive the proper funding.
	<b>Condition Found:</b>	For two months of claims tested, the number of snacks served was understated.
	<b>Cause:</b>	The formulas used to arrive at the total meals and snacks served was incorrect.
	<b>Questioned Cost/Basis:</b>	Claims were approximately \$76.80 understated.
	<b>Instances/Universe:</b>	Unable to determine.
	<b>Effect:</b>	The District's Food Service operation was not properly funded for the 2006-2007 school year.
	<b>Recommendation:</b>	The District should ensure that accurate counts of meals and snacks served are properly reported in order to receive the proper amount of funds.
	<b>Management's Response:</b>	See corrective action plan.

(Continued)



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
<b>06-13</b>	<b>U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title I, Part A (CFDA 84.010)</b>	
	<b>Criteria:</b>	As stipulated in the Title I, Part A program compliance, the District and Campus Improvement Plans must provide measurable performance objectives, strategies, and interim timeframes. In addition the Plans should address No Child Left Behind required components. Moreover, the Plans should be updated annually and each campus should have a complete Plan in place for the fiscal year.
	<b>Condition Found:</b>	During our review of the Plans we observed that they were not updated annually. Nor did they include components required under the No Child Left Behind Act. Also, only 11 campuses out of 21 had a Campus Improvement Plan.
	<b>Cause:</b>	Personnel did not fully understand the requirements
	<b>Questioned Cost/Basis:</b>	Not applicable.
	<b>Instances/Universe:</b>	Not applicable.
	<b>Effect:</b>	Noncompliance with these requirements fails to provide reasonable assurance that students are receiving the services a school wide program is intended to provide.
	<b>Recommendation:</b>	The District should ensure that Campus Improvement Plans provide measurable objectives and are customized to address the needs of different grade levels. In addition they should be updated annually and include components as required under federal programs.
	<b>Management's Response:</b>	See corrective action plan.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
<b>06-15</b>	<b>U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title I, Part A (CFDA 84.010)</b>	<p><b>Criteria:</b> The District must ensure that adequate documentation supporting all grant activities is maintained.</p> <p><b>Condition Found:</b> In two instances, supporting documentation for a two checks could not be located. A total of \$50,032.66 was recorded for this grant. However, due to lack of documentation, we were unable to verify the allowability of a portion of these expenditures.</p> <p><b>Cause:</b> Inadequate procedures regarding proper documentation.</p> <p><b>Questioned Cost/Basis:</b> \$20,618</p> <p><b>Instances/Universe:</b> Unable to determine.</p> <p><b>Effect:</b> Unable to substantiate validity and allowability of expenditures.</p> <p><b>Recommendation:</b> The District should ensure that adequate procedures are put in place to ensure that proper documentation is maintained.</p> <p><b>Management's Response:</b> See corrective action plan.</p>
<b>06-17</b>	<b>U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title III, Part A (CFDA 84.365)</b>	<p><b>Criteria:</b> Cash expenditures may only be for allowable activities, per OMB Circular A-87.</p> <p><b>Condition Found:</b> In two instances, magazine subscriptions totaling \$161.95 were in the name of the teacher and not in the District's name as required by the Circular. In one other instance, a keyboard purchase in the amount of \$599.99 was incorrectly coded to software instead of supplies.</p>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Cause:</b>	Unintentionally oversight by program staff.
	<b>Questioned Cost/Basis:</b>	Approximately \$161.95
	<b>Instances/Universe:</b>	Unable to determine.
	<b>Effect:</b>	The District could be required to reimburse the grantor for the unallowable expenditures which were charged to the program.
	<b>Recommendation:</b>	Management should ensure that cash expended under this program is for allowable activities only.
	<b>Management's Response:</b>	See corrective action plan.
<b>06-18</b>	<b>Data Collection Form and Reporting Package</b>	
	<b>Criteria:</b>	OMB Circular A-133.320 requires that entities submit a properly completed Data Collection Form, and reporting package, to the federal clearinghouse within nine months after its fiscal year-end.
	<b>Condition Found:</b>	Due to the delays encountered in completing the audit, the Data Collection Form and reporting package was not filed timely.
	<b>Cause:</b>	Due to inadequate personnel, management was unable to provide key information needed to complete the audit in a timely manner.
	<b>Questioned Cost/Basis:</b>	Not applicable.
	<b>Instances/Universe:</b>	Not applicable.
	<b>Effect:</b>	The information was not provided to the Federal Clearinghouse in a timely manner.
	<b>Recommendation:</b>	We encourage management to continue its efforts to ensure adequate staffing.
	<b>Management's Response:</b>	See corrective action plan.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
07-7	<b>U.S. DEPARTMENT OF AGRICULTURE</b> <b>Passed through the NM Human Services Department and the State Department of Education</b> <b>Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	<p><b>Criteria:</b> The District must accurately report the monthly claims for reimbursement.</p> <p><b>Condition Found:</b> In one instance it was noted that for the June 2007 claim the reimbursement was \$23 short.</p> <p><b>Cause:</b> Unintentional oversight by Food Services personnel.</p> <p><b>Questioned Cost/Basis:</b> Claims were approximately \$23 understated.</p> <p><b>Instances/Universe:</b> Once in the June 2007 claim.</p> <p><b>Effect:</b> The District's Food Service operation was underfunded for the 2006-2007 school year.</p> <p><b>Recommendation:</b> The District should ensure that monthly claims are completely properly so the maximum reimbursement is claimed.</p> <p><b>Management's Response:</b> See corrective action plan.</p>
07-8	<b>U.S. DEPARTMENT OF AGRICULTURE</b> <b>Passed through the NM Human Services Department and the State Department of Education</b> <b>Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	<p><b>Criteria:</b> The District must ensure that adequate documentation supporting all grant activities is maintained.</p> <p><b>Condition Found:</b> There were several instances where receipts and deposit slips could not be found. In one instance an amount of \$11.80 could not be traced to the bank statement.</p> <p><b>Cause:</b> Inadequate procedures regarding proper documentation.</p> <p><b>Questioned Cost/Basis:</b> Approximately \$11.80.</p>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Instances/Universe:</b>	Unable to determine.
	<b>Effect:</b>	The District's Food Service revenues may be slightly misstated for fiscal year 2007.
	<b>Recommendation:</b>	The District should ensure that adequate procedures are put in place for cash receipts over federal funds.
	<b>Management's Response:</b>	See corrective action plan.
<b>07-9</b>	<b>U.S. DEPARTMENT OF AGRICULTURE Passed through the NM Human Services Department and the State Department of Education Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	
	<b>Criteria:</b>	The District must ensure that adequate documentation supporting all grant activities is maintained.
	<b>Condition Found:</b>	In one instance, supporting documentation for a check could not be located. A total of \$5,455.92 was recorded for this grant. However, we were unable to verify its allowability.
	<b>Cause:</b>	Inadequate procedures regarding proper documentation.
	<b>Questioned Cost/Basis:</b>	\$5,455.92
	<b>Instances/Universe:</b>	Unable to determine.
	<b>Effect:</b>	Unable to substantiate validity and allowability of expenditures.
	<b>Recommendation:</b>	The District should ensure that adequate procedures are put in place to ensure that proper documentation is maintained.
	<b>Management's Response:</b>	See corrective action plan.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
<b>07-10</b>	<b>U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title I, Part A (CFDA 84.010)</b>	
	<b>Criteria:</b>	The District must use a restricted indirect cost rate for programs administered by State and local governments and their governmental subrecipients that have a statutory requirement prohibiting the use of Federal funds to supplant non-federal funds.
	<b>Condition Found:</b>	The District did not apply the specified indirect cost rate of 1.24%.
	<b>Cause:</b>	Misunderstanding of program requirements.
	<b>Questioned Cost/Basis:</b>	Approximately \$601.30
	<b>Instances/Universe:</b>	Not applicable.
	<b>Effect:</b>	Indirect cost for Title I was incorrectly calculated and recorded in the District's records.
	<b>Recommendation:</b>	Management should ensure the correct indirect cost is being applied as required by the state.
	<b>Management's Response:</b>	See corrective action plan.
<b>07-11</b>	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Medicaid (CFDA 93.778)</b>	
	<b>Criteria:</b>	Proper internal controls dictate that documentation should be maintained for federal compliance purposes.
	<b>Condition Found:</b>	Billing forms related to fiscal year 2006-2007 could not be located for two students. One student file was not found.
	<b>Cause:</b>	Inadequate filing procedures.
	<b>Questioned Cost/Basis:</b>	Unable to determine.
	<b>Instances/Universe:</b>	Unable to determine.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>DESCRIPTION</b>
	<b>Effect:</b>	Due to the lack of documents, it is possible that the District could be reimbursed for services that were not rendered or not allowable under the program.
	<b>Recommendation:</b>	The District should ensure that adequate procedures are put in place to ensure that proper documentation is maintained.
	<b>Management's Response:</b>	See corrective action plan.

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**PRIOR YEAR FINDINGS**

FOR THE YEAR ENDED JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>Prior Year Finding/ Noncompliance</b>	<b>Status of Prior Year's Findings/ Noncompliance</b>
<b><u>Financial Statement Findings</u></b>		
06-01	Lack of Proper Reconciliation Between General Ledger Cash Accounts and Bank Balances	This situation continues to exist.
06-02	Incomplete Capital Asset Listing	This situation continues to exist.
06-03	Lack of Controls Over Inventory	This situation continues to exist.
06-04	Incomplete Documentation for Travel	A similar situation continues to exist.
06-05	Incomplete Documentation for Credit Card Disbursements	No recurrence noted this year.
06-06	Cash Controls	This situation continues to exist.
06-07	Lack of Timestamp on Public Notices	This situation continues to exist.
06-08	Late Delivery of Audit Report	This situation continues to exist.
06-09	Fraudulent Activity	This situation continues to exist.
06-10	Public Monies Act	No recurrence noted this year.
<b><u>Federal Award Findings and Questioned Costs</u></b>		
06-11	Child Nutrition Cluster (CFDA 10.555/10.559/10.553)	This situation continues to exist.
06-12	Title I, Part A (CFDA 84.010)	No recurrence noted this year.
06-13	Title I, Part A (CFDA 84.010)	This situation continues to exist.
06-14	Title I, Part A (CFDA 84.010)	No recurrence noted this year.
06-15	Title I, Part A (CFDA 84.010)	A similar situation continues to exist.
06-16	Medicaid (CFDA 93.778)	No recurrence noted this year.
06-17	Title III Part A (CFDA 84.365)	This situation continues to exist.
06-18	Data Collection Form	This situation continues to exist.



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
<b>06-1</b>	<b>Cash Reconciliations</b>	Controls over cash require timely preparation of bank reconciliations to the general ledger.
	<b>Corrective Action Plan:</b>	The Finance Department has re-assigned duties among the Finance Administrative staff and hired temporary staff to address the backlog.
	<b>Responsible Party:</b>	Director of Finance and Associate Superintendent for Finance
	<b>Anticipated Completion Date:</b>	September 2008
<b>06-2</b>	<b>Capital Asset Inventory</b>	The District has implemented a capital asset inventory system which requires that all capital assets be tagged and properly recorded in the system.
	<b>Corrective Action Plan:</b>	The District is in the process of developing a new accountability system to address the fixed asset inventory system weaknesses. Implementation of the new accountability system will begin in fiscal year 2009-10. Implementation has been delayed due to turnover in the Director of Finance and Associate Superintendent for Finance positions.
	<b>Responsible Party:</b>	Associate Superintendent for Finance and Director of Finance
	<b>Anticipated Completion Date:</b>	June 30, 2010
<b>06-3</b>	<b>Inventory Controls</b>	Proper internal controls dictate that a system of segregation of duties be in place that separates the authorization function from the recording and custodial function. Supervisory controls should be in place if inadequate personnel exists.
	<b>Corrective Action Plan:</b>	The District has invested in a new inventory system to address the perpetual inventory issue and developed written procedures for warehouse personnel.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
	<b>Responsible Party:</b>	Director of Student Nutrition, Director for Physical Plant and Associate Superintendent for Finance
	<b>Anticipated Completion Date:</b>	Completed
<b>06-6</b>	<b>Cash Controls</b>	In compliance with N.M.A.C.6-20.2.14, the District is to deposit all funds within 24 hours of receipt.
	<b>Corrective Action Plan:</b>	All district Administrators and Support Staff are aware of the 24-hour deposit regulation. A dual review process has been established in the deposit process and the bank reconciliation process that will allow the Finance Department to detect compliance issues.
	<b>Responsible Party:</b>	School/Department Administrators and Support Staff and Associate Superintendent of Finance
	<b>Anticipated Completion Date:</b>	Completed
<b>06-7</b>	<b>State Compliance</b>	Open Meetings Act
	<b>Corrective Action Plan:</b>	The District Technology Department has created a timestamp to document the exact time the notice of public meeting is uploaded to and/or changed on the district web-site. The new Board of Education members have participated in an extensive training program regarding legal and compliance issues including the Open Meeting Act.
	<b>Responsible Party:</b>	Board of Education and Superintendent
	<b>Anticipated Completion Date:</b>	Completed
<b>06-8</b>	<b>State Compliance:</b>	Annual Audit Report Deadline
	<b>Corrective Action Plan:</b>	The district has hired a new Director of Finance and Associate Superintendent for Finance. A financial action plan has been developed to address the completion of all outstanding audits.

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
	<b>Responsible Party:</b>	Associate Superintendent for Finance, Director of Finance and Finance Department Administrative Staff
	<b>Anticipated Completion Date:</b>	September 2009
<b>06-9</b>	<b>Fraudulent Activity</b>	Unauthorized Electronic Debit Charges
	<b>Corrective Action Plan:</b>	The District Finance Department experienced staff turnover and delays in completing bank account reconciliations. See 07-1 above. The District has hired a new Director of Finance and Associate Superintendent for Finance. Timely bank reconciliations will create the additional controls needed to identify improper charges on the bank accounts. Access to bank accounts and banking activity has been re-evaluated and the number of staff with access has been reduced.
	<b>Responsible Party:</b>	Director of Finance and Associate Superintendent for Finance
	<b>Anticipated Completion Date:</b>	Completed
<b>07-1</b>	<b>State Compliance</b>	Destruction of Records
	<b>Corrective Action Plan:</b>	District staff have been made aware of the requirement for a witness signature. Procedures will be updated to clarify the requirement.
	<b>Responsible Party:</b>	Student Records Staff
	<b>Anticipated Completion Date:</b>	Completed
<b>07-2</b>	<b>Payroll</b>	Expenditures related to payroll should be recorded in the proper period.
	<b>Corrective Action Plan:</b>	Payroll staff are aware of the need to properly pay employees according to contract or time sheet. The underpayment was corrected in the following year.
	<b>Responsible Party:</b>	Payroll Department Staff
	<b>Anticipated Completion Date:</b>	Completed

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
07-3	<b>Grant Receivables</b>	Grant reimbursement requests should be submitted in a timely manner to Federal, State and Local agencies to ensure maximum use of grant resources.
	<b>Corrective Action Plan:</b>	The District is aware of the need to submit timely requests for reimbursement. Procedures have been implemented to monitor the status of reimbursable grants and to submit timely requests for reimbursement.
	<b>Responsible Party:</b>	Fund Accountant, Director of Finance and Associate Superintendent for Finance
	<b>Anticipated Completion Date:</b>	Completed
07-4	<b>Cash Disbursements</b>	Proper documentation should be maintained to support all transactions.
	<b>Corrective Action Plan:</b>	The District staff responsible for maintaining the supporting documentation for financial transactions has been made aware of the need for the documentation. Staff have been assigned to verify and control the access to the documents.
	<b>Responsible Party:</b>	Director of Finance and Coordinator of Financial Operations
	<b>Anticipated Completion Date:</b>	July 1, 2008
07-5	<b>Procurement</b>	The District should maintain proper documentation to support all activity related to procured goods and services.
	<b>Corrective Action Plan:</b>	The District staff responsible for maintaining the supporting documentation for financial transactions has been made aware of the need for the documentation. Staff have been assigned to verify and control the access to the documents.
	<b>Responsible Party:</b>	Director of Finance and Coordinator of Financial Operations
	<b>Anticipated Completion Date:</b>	July 1, 2008

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
<b>07-6</b>	<b>State Compliance</b>	In compliance with NMSA 22-8-11, no expenditure of public funds should be made unless the expenditure is in accordance with a properly approved budget.
	<b>Corrective Action</b>	The budget adjustment procedures will be reviewed with the appropriate staff and additional reviews will be implemented to verify that all budgets are properly adjusted.
	<b>Responsible Party</b>	Associate Superintendent for Finance and the Director of Finance
	<b>Anticipated Completion Date:</b>	Completed
<b><u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u></b>		
<b>06-4</b>	<b>Title III, Part A (CFDA 84.365)</b>	Travel expenditures that are reimbursed with federal funds should be calculated in accordance with OMB A-87 Circular requirements and N.M.A.C. 2.42.2.8 requirements.
	<b>Corrective Action Plan:</b>	The District will implement procedures to ensure compliance with the OBM Circular related to travel costs.
	<b>Responsible Party:</b>	Director of Bilingual Education
	<b>Anticipated Completion Date:</b>	Completed
<b>06-11</b>	<b>Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	The District must accurately report the number of meals and snacks served to children in order to receive funding.
	<b>Corrective Action Plan:</b>	A review process will be implemented to ensure the correct reporting of snacks served.
	<b>Responsible Party:</b>	Director of Student Nutrition
	<b>Anticipated Completion Date:</b>	Completed

(Continued)

STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

CORRECTIVE ACTION PLAN

JUNE 30, 2007

Schedule Reference Number	PROGRAM	Description
06-13	Title I, Part A (CFDA 84.010)	<p>As stipulated in the Title I, Part A program compliance, the District and Campus Improvement Plans must provide measurable performance objectives, strategies, and interim timeframes. In addition the Plans should address No Child Left Behind required components. Moreover, the Plans should be updated annually and each campus should have a complete Plan in place for the fiscal year.</p> <p><b>Corrective Action Plan:</b> The Federal Programs department will work collaboratively with the Associate Superintendent for Educational Services (e.g. curriculum and instruction) and the Title I Schoolwide schools to ensure that EPSS/Title I Schoolwide Plans provide measurable objectives and are customized to address the needs of different grade levels. Additionally the plans will be updated at minimum annually and will be referenced to the required schoolwide components as required under federal programs.</p> <p><b>Responsible Party:</b> Director of Federal Programs and Associate Superintendent for Education Services</p> <p><b>Anticipated Completion Date:</b> June 30, 2010</p>
06-15	Title I, Part A (CFDA 84.010)	<p>The District must ensure that adequate documentation for cash disbursements is maintained.</p> <p><b>Corrective Action Plan:</b> The District staff responsible for maintaining the supporting documentation for financial transactions has been made aware of the need for the documentation. Staff have been assigned to verify and control the access to the documents. The District was able to obtain documentation supporting the transaction and acknowledges the need for maintaining the documentation.</p> <p><b>Responsible Party:</b> Director of Finance and Coordinator of Financial Operations</p> <p><b>Anticipated Completion Date:</b> July 1, 2008</p>

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
<b>06-17</b>	<b>Title III, Part A (CFDA 84.365)</b>	Cash disbursements must be for allowable activities, per OMB Circular A-87 and be classified correctly.
	<b>Corrective Action Plan:</b>	The District will implement procedures to ensure items are coded properly and review for correctness in compliance with the OMB Circular.
	<b>Responsible Party:</b>	Director of Bilingual Education
	<b>Anticipated Completion Date:</b>	Completed
<b>06-18</b>	<b>Data Collection Form</b>	The Data Collection Form must be filed within nine months of the fiscal year-end.
	<b>Corrective Action Plan:</b>	The District has hired a new Director of Finance and Associate Superintendent for Finance. A financial action plan has been developed to address the completion of all outstanding audits. The Data Collection Forms will be submitted when the audits are submitted to the NM State Auditor by the District and approved for release.
	<b>Responsible Party:</b>	Associate Superintendent for Finance and Director of Finance
	<b>Anticipated Completion Date:</b>	September 2009
<b>07-7</b>	<b>Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	The District must accurately report the monthly claims for reimbursement.
	<b>Corrective Action Plan:</b>	A review process will be implemented to ensure the correct reporting on the monthly claims for reimbursement.
	<b>Responsible Party:</b>	Director of Student Nutrition
	<b>Anticipated Completion Date:</b>	Completed

(Continued)

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
07-8	<b>Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	The District must ensure that adequate documentation for cash receipts is maintained in order to properly trace it to the bank statement.
	<b>Corrective Action Plan:</b>	The receipting process will be reviewed with the responsible staff and the procedures documented.
	<b>Responsible Party:</b>	Director of Student Nutrition
	<b>Anticipated Completion Date:</b>	Completed
07-9	<b>Child Nutrition Cluster (CFDA 10.555/10.559/10.553)</b>	The District must ensure that adequate documentation for cash disbursements is maintained.
	<b>Corrective Action Plan:</b>	The District staff responsible for maintaining the supporting documentation for financial transactions has been made aware of the need for the documentation. Staff have been assigned to verify and control the access to the documents.
	<b>Responsible Party:</b>	Director of Finance and Coordinator of Financial Operations
	<b>Anticipated Completion Date:</b>	July 1, 2008
07-10	<b>Title I, Part A (CFDA 84.010)</b>	The District must use a restricted indirect cost rate for programs administered by State and local governments and their governmental sub-recipients that have a statutory requirement prohibiting the use of Federal funds to supplant non-federal funds.
	<b>Corrective Action Plan:</b>	The procedure for calculating indirect cost for programs has been reviewed with the responsible staff.
	<b>Responsible Party:</b>	Fund Accountant, Director of Finance and Associate Superintendent of Finance
	<b>Anticipated Completion Date:</b>	Completed

(Continued)



**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**CORRECTIVE ACTION PLAN**

JUNE 30, 2007

<b>Schedule Reference Number</b>	<b>PROGRAM</b>	<b>Description</b>
<b>07-11</b>	<b>Medicaid (CFDA 93.778)</b>	Proper internal controls dictate that documentation should be maintained for federal compliance purposes.
	<b>Corrective Action Plan:</b>	The District is aware of the compliance requirement for this program. The appropriate staff have been made aware of the need to have proper documentation to support billed claims.
	<b>Responsible Party:</b>	GISD Medicaid Administrative Staff
	<b>Anticipated Completion Date:</b>	Completed

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Grant or Pass-Through Number	Federal Expenditures
<b>NATIONAL SCIENCE FOUNDATION</b>			
<u>Passed Through State Department of Education</u>			
Career Access Program - National Science Foundation	47.076	25158	150,792
Total Passed Through State Department of Education			<u>150,792</u>
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<u>150,792</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
ROTC	12.000	25200	98,913
Total Direct Programs			<u>98,913</u>
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<u>98,913</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010	24101	7,480,287
ESEA, Title I, Part C - Education of Migratory Children	84.011	24103	90,154
IDEA - Part B, Entitlement*	84.027	24106	3,225,260
IDEA - Part B, Competitive*	84.027	24108	-
Total CFDA Number 84.027			<u>3,225,260</u>
Carl D Perkins Secondary - Current	84.048	24174	197,890
Carl D Perkins Secondary - PY Unliq. Obligations	84.048	24175	26,110
Total CFDA Number 84.048			<u>224,000</u>
IDEA - Part B, Preschool	84.173	24109	92,942
ESEA, Title IV - Drug Free Schools and Community ED	84.184	24128	-
ESEA, Title IV - Safe and Drug-Free-Schools	84.186A	24157	92,836
Education for Homeless Children/Youth	84.196	24113	26,654
ESEA, Title V, Part D, Subpart 6 - Jacob K. Javits Gifted and Talented Students Education Act	84.206A	24102	457
ESEA, Title I, Part B - Even Start Family Literacy	84.213	24125	19,478
Title V, Part A - Innovative Programs	84.298	24150	23,365
Title II, Part F - Enhancing Ed. Through Technology	84.318	24133	45,433
Title II, Part C - Enhancing Ed. Through Technology	84.318	24149	3,027
Total CFDA Number 84.318			<u>48,460</u>
Title III, Part A - English Language Acquisition	84.365A	24153	530,348
ESEA, Title II, Part A - Teacher/Principal Training	84.367	24154	1,085,728
Total Passed Through State Department of Education			<u>12,939,969</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<u>12,939,969</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Grant or Pass-Through Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through the NM Human Services Department</u>			
Medicaid	93.778	25153	409,483
Total Passed Through the NM Human Services Department			<u>409,483</u>
<u>Passed Through State Department of Education</u>			
Temporary Assistance for Needy Families (TANF)	93.558	25162	4,560
Total Passed Through State Department of Education			<u>4,560</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>414,043</u>
<b>CORPORATION FOR NATIONAL COMMUNITY SERVICE</b>			
<u>Passed Through State Department of Education</u>			
NM Learn and Serve America School and Community	94.004	24126	62,349
Total Passed Through State Department of Education			<u>62,349</u>
<b>TOTAL CORPORATION FOR NATIONAL COMMUNITY SERVICE</b>			<u>62,349</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Direct Programs</u>			
Fresh Fruit and Vegetables	10.582	24118	40,528
Total Direct Programs			<u>40,528</u>
<u>Passed Through the NM Human Services Department</u>			
USDA Commodities	10.550	21000	406,900
Total Passed Through the NM Human Services Department			<u>406,900</u>
<u>Passed Through the State Department of Education</u>			
School Breakfast Program*	10.553	21000	2,126,104
National School Lunch Program*	10.555	21000	4,864,424
Total Passed Through State Department of Education			<u>6,990,528</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>7,437,956</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>21,104,022</u></u>

\* Clustered Programs as required by Compliance Supplement

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2007**

---

1. The District utilizes the fund types specified by the New Mexico Public Education Department.

Special Revenue Funds - are used to account for resources restricted to or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified projects periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Fund are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund Types, the Expendable Trust Fund, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.

**STATE OF NEW MEXICO  
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16**

**EXIT CONFERENCE**

JUNE 30, 2007

---

**EXIT CONFERENCE:**

The exit conference was held September 21, 2009 and was attended by the following:

**From Gadsden Independent School District No. 16:**

Cynthia Nava, Superintendent  
Efren Yturralde, Deputy Superintendent  
Jennifer Viramontes, Board President  
Craig Ford, Vice President  
Steve W. Suggs, Associate Superintendent for finance

**From Gibson, Ruddock, Patterson LLC:**

E. Craig Gibson, CPA  
Lorena H. Webb, CPA

**FINANCIAL STATEMENTS PREPARATION**

Preparation of financial statements is the responsibility of management. Although, Gadsden Independent School District No. 16's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Gibson, Ruddock, Patterson LLC.