

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

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

OFFICIAL ROSTER

JUNE 30, 2008

BOARD OF EDUCATION

<u>Name</u>	<u>Title</u>
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 Educational Services

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, 2008, 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, 2008, 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 determine the validity of the Capital Asset Balance, stated at \$119,976,637 in the Statement of Net Assets as of June 30, 2008 and the Inventory Balance, stated at \$836,393 as of June 30, 2008. Management of the District was unable to provide appropriate records to support the Capital Asset and Inventory balances for the year ended June 30, 2008.

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 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, 2008, 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, 2008, 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 December 4, 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 that reads "Charles R. Patterson, LLC". The signature is written in a cursive, flowing style.

El Paso, Texas
December 4, 2009

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MANAGEMENT DISCUSSION AND ANALYSIS

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**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, 2008. 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, 2008 are as follows:

- The assets of the District exceeded its liabilities at the end of the fiscal year by \$117,055,253 (net assets). Of this amount, \$96,778,226 is invested in capital assets, \$3,911,680 is restricted for federal and state programs, \$993,7462 is restricted for debt service purposes and \$6,427,885 is unrestricted and may be used to meet District's ongoing obligations.
- The District's total net assets decreased by \$6,877,632, which is reflected in the District's Statement of Activities.
- The District's liabilities increased by \$2,918,527 in fiscal year 2008. This increase is due to an increase in accounts payable and other current liabilities related to construction projects.
- At June 30, 2008, the unreserved and undesignated fund balance for the general fund was (\$3,755,933), which reflects a decrease of \$3,060,515. This decrease is due to the increase in expenditures related to the opening of a new high school and elementary school as well as the impact of a mandated 5% pay increase for employees. In addition, the district completed the implementation of the three tiered licensure salary schedules for all licensed teaching staff and the minimum salary schedules for school principals.
- The District's general obligation bond debt balance is \$34,430,000, which reflects a \$2,500,000 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).

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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 four 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
- Capital Projects Fund
- Other Funds

The first three 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 16-29 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 31-34 of this report.

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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>2008</u>	<u>2007</u>
Current and other assets	\$ 48,684,441	\$ 54,968,599
Capital Assets	<u>119,976,637</u>	<u>117,651,584</u>
Total Assets	<u>\$168,661,078</u>	<u>\$172,620,183</u>
Long-term liabilities	\$ 38,769,604	\$ 27,476,588
Other liabilities	<u>12,836,221</u>	<u>21,210,710</u>
Total Liabilities	<u>\$ 51,605,825</u>	<u>\$ 48,687,298</u>
Net assets:		
Invested in capital assets, net of debt	\$ 96,778,226	\$105,043,135
Restricted for:		
Debt Service	9,937,462	8,793,026
Federal & State Programs	3,911,680	4,790,347
Capital projects		
Other activities		
Unrestricted Net Assets	<u>6,427,885</u>	<u>5,306,377</u>
Total Net Assets	<u>\$ 117,055,253</u>	<u>\$123,932,885</u>

As noted in the preceding schedule, 5% 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. 83% 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 decreased from 2007 to 2008 by \$6,284,158. This decrease was primarily due to a decrease in cash in the Bond Building Fund. Net Assets Invested in Capital Assets decreased \$8,264,909 due to depreciation and an increase in the general obligation bond debt, as noted above. The District continues to utilize local Bond Funds and State Appropriations to construct new schools and improve on other facilities. Total Liabilities increased by \$2,918,527 primarily due to an increase in Accounts Payable related to current construction projects.

Governmental activities decreased the District's net assets by \$4,752,326. This decrease is related to the District meeting salary requirements for certified staff and principals and the opening of new schools. 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 and Investments-current represent approximately 69% of the District's current assets.

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

Gadsden Independent School District's Changes in Net Assets

Governmental Activities	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues:		
Charges for services	\$ 994,352	\$ 1,046,070
Operating grants and contributions	29,168,350	22,508,867
General revenues:		
Local property taxes	\$ 10,463,959	8,407,165
Federal and state aid	103,104,942	101,708,121
Interest and investment earnings	1,230,344	1,226,113
Other	<u>224,624</u>	<u>423,902</u>
Total revenues	<u>\$145,186,571</u>	<u>\$135,320,238</u>
Expenses:		
Direct Instruction	\$ 81,057,460	\$ 72,704,888
Support Services-Student/Instruction/School Admin	25,984,770	23,205,497
Support Services-General Administration	1,235,140	1,558,449
Central Services	2,883,875	2,187,490
Operation and maintenance of plant	12,101,127	10,189,198
Food services	9,164,747	9,170,493
Community service	245,768	123,526
Student Transportation	6,798,492	5,990,888
Capital outlay	8,929,946	3,773,716
Interest on long-term debt	1,451,139	1,164,634
Issuance Costs	86,433	61,110
Total expenses	<u>\$ 149,938,897</u>	<u>\$130,129,889</u>
Net Change in Fund Balances	\$(4,752,326)	\$ 5,190,349
Beginning Fund Balance – July 1	123,932,885	120,922,680
Prior Period Adjustment	(2,125,306)	(2,180,144)
Ending Fund Balance – June 30	<u>\$117,055,253</u>	<u>\$ 123,932,885</u>

As noted in the preceding schedule, the District is heavily dependent on federal and state aid which comprises 71% of its total revenues. Correspondingly, it spends almost 71% 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 \$2,056,794 was the result of increased property tax revenues. Federal and State Aid, Operating Grants and contributions sources experienced an increase of \$8,056,304 over 2007. 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.

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The major funds noted similar variances when comparing 2007 to 2008. The Debt Service Fund has increased as a direct result of the changes in long term debt. The Capital Projects Fund is decreasing due to the payoff of Bond Anticipation Notes issued in 2006 and the District's ongoing construction projects.

General Fund Budgetary Highlights

Budget to actual comparison schedules are presented for all major funds and combined for all non-major funds in one schedule on pages 27-29, and 135-214 of this document. In addition, budget to actual comparison schedules were 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 increased by \$3,396,646 due to changes in state funding during the year. The final expenditure budget was \$107,232,013, of which \$105,907,203 was expended in the current year. Of the almost \$102.2 million revenue budget, 101% 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, 2008 is \$119,976,637. 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 community of Chaparral and remodel/addition projects throughout the District. Assets increased approximately 2% from prior year due to depreciation and the completion of construction projects in 2008.

Depreciation calculated during 2006, 2007 and 2008 as a result of GASB 34 implementation resulted in a balance of \$65,440,997, of which \$6,557,915 is for depreciation in the current year. Additional information of the District's capital assets is presented in Note 4 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 4 (G) of the financial statements.

	Balance 7/01/07	Additions	Deletions	Balance 6/30/08	Amts Due In One Yr
Governmental Activities:					
Compensated Absences	\$ 651,053	\$ 461,058	\$ 372,507	\$ 739,604	\$ 219,565
Lease Purchase Notes	2,500,000	1,500,000	400,000	3,600,000	940,000
School Bldg. Bonds	31,930,000	8,900,000	6,400,000	34,430,000	6,490,000
Bond Anticipation Notes	6,800,000	0	6,800,000	0	0
Total	\$41,881,053	\$10,861,058	\$13,972,507	\$38,769,604	\$ 7,649,565

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The District issued General Obligation Bonds in the amount of \$8,900,000 for a total of \$8,900,000 in new debt. On August 15, 2007, the District reduced the debt principal by \$6,400,000 in accordance with scheduled bond payments.

Overall, the District decreased its debt balances by \$761,449, 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 issued in November 2006 were privately placed with the New Mexico Finance Authority.
- The \$8,900,000 bonds issued in September 2007 were privately placed with the New Mexico Finance Authority.

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 state funding formula. The District anticipates that the student population will remain at the same level.

Even with a slowing in growth of the overall student population, growth continues 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.

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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 and in September 2007, \$8.9 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

Physical Address:
4950 McNutt
Sunland Park, NM 88063

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

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BASIC FINANCIAL STATEMENTS

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
STATEMENT OF NET ASSETS
JUNE 30, 2008

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 24,480,345
Investments - Current	9,027,885
Receivables (net of allowance for uncollectibles)	14,311,681
Internal Balances	31,591
Inventories	836,393
Discount or (Premium) on Issuance of Debt	(235,660)
Capitalized Debt Issuance Costs	232,206
Capital Assets:	
Land	2,558,352
Buildings, net	104,193,150
Improvements other than Buildings, net	3,210,815
Machinery and Equipment, net	513,438
Construction in Progress	9,500,882
Total Assets	168,661,078
LIABILITIES	
Accounts Payable and other current liabilities	8,319,233
Accrued Interest Payable	758,552
Deferred Revenues	1,408,436
Bonds Payable - Current	2,350,000
Noncurrent Liabilities	
Due Within One Year	7,649,565
Due in More Than One Year	31,120,039
Total Liabilities	51,605,825
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	96,778,226
Restricted for:	
Restricted for Debt Service	9,937,462
Restricted for Federal and State Programs	3,911,680
Unrestricted Net Assets	6,427,885
Total Net Assets	\$ 117,055,253

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, 2008

EXHIBIT B-1

Net (Expense)
Revenue and
Changes in Net
Assets

	Program Revenues			Primary Gov. Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
Instructional	\$ 81,057,460	\$ 201,642	\$ 11,058,264	\$ (69,797,554)
Support Services	5,530	-	-	(5,530)
Support Services- Student	13,600,715	-	2,573,214	(11,027,501)
Support Services- Instruction	6,108,052	556,531	1,532,095	(4,019,426)
Support Services- General Administration	1,235,140	-	137,536	(1,097,604)
Support Services- School Administration	6,270,473	-	-	(6,270,473)
Central Services	2,883,875	-	353,440	(2,530,435)
Operation & Maintenance of Plant	12,101,127	-	137,536	(11,963,591)
Student Transportation	6,798,492	-	510,176	(6,288,316)
Food Services	9,164,747	196,694	7,810,569	(1,157,484)
Community Services Operations	245,768	39,485	275,072	68,789
Bond Interest	1,451,139	-	-	(1,451,139)
Issuance Costs	86,433	-	-	(86,433)
Capital Outlay	8,929,946	-	4,780,448	(4,149,498)
TOTAL PRIMARY GOVERNMENT:	\$ 149,938,897	\$ 994,352	\$ 29,168,350	(119,776,195)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	277,443
Property Taxes, Levied for Debt Service	8,700,835
Property Taxes, Levied for Capital Projects	1,485,681
Grants and Contributions Not Restricted	103,104,942
Miscellaneous Revenue	224,624
Investment Earnings	1,230,344
Total General Revenues	115,023,869

Change in Net Assets

Net Assets--Beginning	123,932,885
Prior Period Adjustment	(2,125,306)
Net Assets--Ending	\$ 117,055,253

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, 2008

	General Fund	Debt Service Fund	Capital Projects
ASSETS			
Cash and Cash Equivalents	\$ 3,636,518	\$ 7,150,658	\$ 10,472,249
Investments - Current	-	-	7,354,267
Taxes Receivable	45,566	835,803	-
Allowance for Uncollectible Taxes (credit)	(12,759)	(234,025)	-
Receivables	3,544	152,519	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	5,614,948	2,135,899	5,287,859
Inventories	460,126	-	-
Total Assets	\$ 9,747,943	\$ 10,040,854	\$ 23,114,375
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 913,215	\$ -	\$ 1,694,480
Wages and Salaries Payable	3,644,746	-	-
Due to Other Funds	8,099,076	260	6,937
Bonds, Loans & Other Liabilities Payable -	-	-	2,350,000
Deferred Revenues	22,666	183,181	-
Total Liabilities	12,679,703	183,441	4,051,417
Fund Balances:			
Reserved For:			
Debt Service	-	9,857,413	-
Capital Projects	-	-	12,338,404
Encumbrances	364,047	-	6,724,554
Inventories	460,126	-	-
Special Revenue	-	-	-
Unreserved and Undesignated:			
Reported in the General Fund	(3,755,933)	-	-
Total Fund Balances	(2,931,760)	9,857,413	19,062,958
Total Liabilities and Fund Balances	\$ 9,747,943	\$ 10,040,854	\$ 23,114,375

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

Other Funds	Total Governmental Funds
\$ 3,220,920	\$ 24,480,345
1,673,618	9,027,885
283,330	1,164,699
(78,932)	(325,716)
25,310	181,373
13,291,325	13,291,325
2,497,292	15,535,998
376,267	836,393
<u>\$ 21,289,130</u>	<u>\$ 64,192,302</u>
\$ 1,502,374	\$ 4,110,069
564,418	4,209,164
7,398,134	15,504,407
-	2,350,000
1,549,298	1,755,145
<u>11,014,224</u>	<u>27,928,785</u>
80,049	9,937,462
3,255,191	15,593,595
3,027,986	10,116,587
376,267	836,393
3,535,413	3,535,413
-	(3,755,933)
<u>10,274,906</u>	<u>36,263,517</u>
<u>\$ 21,289,130</u>	<u>\$ 64,192,302</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
BALANCE SHEET
GOVERNMENTAL FUNDS - GENERAL FUND SUB FUNDS
JUNE 30, 2008

	Operational Fund	Transportation Fund	Instructional Materials Fund
ASSETS			
Cash and Cash Equivalents	\$ 3,353,539	\$ 89,974	\$ 193,005
Investments - Current	-	-	-
Taxes Receivable	45,566	-	-
Allowance for Uncollectible Taxes (credit)	(12,759)	-	-
Receivables	3,544	-	-
Special Assessments Receivable, net	-	-	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	5,472,604	-	142,344
Inventories	460,126	-	-
Total Assets	\$ 9,322,620	\$ 89,974	\$ 335,349
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	841,627	880	70,708
Wages and Salaries Payable	3,643,092	1,654	-
Due to Other Funds	8,099,076	-	-
Deferred Revenues	22,666	-	-
Total Liabilities	12,606,461	2,534	70,708
Fund Balances:			
Reserved For:			
Encumbrances	276,965	614	86,468
Inventories	460,126	-	-
Unreserved and Undesignated:			
Reported in the General Fund	(4,020,932)	86,826	178,173
Total Fund Balances	(3,283,841)	87,440	264,641
Total Liabilities and Fund Balances	\$ 9,322,620	\$ 89,974	\$ 335,349

The accompanying notes are an integral part of this statement.

	Payables Clearing Fund	Payroll Clearing Fund	Total General Fund
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,636,518
Investments - Current	-	-	-
Taxes Receivable	-	-	45,566
Allowance for Uncollectible Taxes (credit)	-	-	(12,759)
Receivables	-	-	3,544
Special Assessments Receivable, net	-	-	-
Intergovernmental Receivables	-	-	-
Due from Other Funds	-	-	5,614,948
Inventories	-	-	460,126
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,747,943</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	-	-	913,215
Wages and Salaries Payable	-	-	3,644,746
Due to Other Funds	-	-	8,099,076
Deferred Revenues	-	-	22,666
Total Liabilities	<u>-</u>	<u>-</u>	<u>12,679,703</u>
Fund Balances:			
Reserved For:			
Encumbrances	-	-	364,047
Inventories	-	-	460,126
Unreserved and Undesignated:			
Reported in the General Fund	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>(3,755,933)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,747,943</u>

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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, 2008

Total Fund Balances - Governmental Funds	\$	36,263,517
Capital assets used in governmental activities are not financial resources therefore are not reported in governmental funds.		119,976,637
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		(38,769,604)
In order to convert the statements to full accrual basis of accounting, it is necessary to recognize deferred revenue as revenue.		346,709
Interest on long term debt is not recognized in the governmental funds and therefore an adjustment is needed to convert to the full accrual basis of accounting.		(758,552)
Debt issuance costs and discounts/premiums on issuance of debt are not financial resources and therefore are not reported in governmental funds. In 2008, capitalized issuances costs of \$232,206 were reported and premiums related to issuance of debt totaled (\$235,660).		(3,454)
Net Assets of Governmental Activities	<u>\$</u>	<u>117,055,253</u>

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, 2008

	General Fund	Debt Service Fund	Capital Projects
REVENUES:			
Taxes:			
Property Taxes	\$ 283,363	\$ 9,040,302	\$ -
Intergovernmental Revenue and Grants	102,676,518	-	-
Charges for Services	27,294	-	-
Investment Earnings	149,907	65,329	898,142
Rents and Royalties	39,484	-	-
Contributions & Donations from Private Sources	309	-	-
Other Revenue	8,705	-	-
Total Revenues	103,185,580	9,105,631	898,142
EXPENDITURES:			
Current:			
Instructional	64,919,555	-	-
Support Services	-	-	-
Support Services- Student	10,425,157	-	-
Support Services- Instruction	4,246,633	-	-
Support Services- General Administration	985,200	3,410	-
Support Services- School Administration	5,928,567	-	-
Central Services	2,390,862	-	-
Operation & Maintenance of Plant	11,413,451	-	-
Student Transportation	5,958,528	-	-
Operation of Noninstructional Services:			
Food Services	-	-	-
Community Services Operations	16,645	-	-
Debt Service:			
Bond Principal	-	6,400,000	6,800,000
Bond Interest	-	1,161,258	189,901
Capital Outlay:			
Capital Outlay	-	-	9,320,041
Total Expenditures	106,284,598	7,564,668	16,309,942
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,099,018)	1,540,963	(15,411,800)
OTHER FINANCING SOURCES (USES):			
Capital-related Debt Issued (Regular Bonds)	-	-	8,900,000
Total Other Financing Sources (Uses)	-	-	8,900,000
Net Change in Fund Balances	(3,099,018)	1,540,963	(6,511,800)
Fund Balance - July 1 (Beginning)	167,258	8,316,450	25,574,758
Prior Period Adjustment	-	-	-
Fund Balance - June 30 (Ending)	\$ (2,931,760)	\$ 9,857,413	\$ 19,062,958

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

Other Funds	Total Governmental Funds
\$ 1,308,106	\$ 10,631,771
29,596,465	132,272,983
925,574	952,868
116,966	1,230,344
-	39,484
-	309
217,919	226,624
<u>32,165,030</u>	<u>145,354,383</u>
12,229,854	77,149,409
5,530	5,530
2,581,132	13,006,289
1,576,721	5,823,354
186,600	1,175,210
45,390	5,973,957
357,283	2,748,145
120,247	11,533,698
533,287	6,491,815
8,859,631	8,859,631
217,603	234,248
400,000	13,600,000
72,466	1,423,625
<u>8,439,965</u>	<u>17,760,006</u>
<u>35,625,709</u>	<u>165,784,917</u>
<u>(3,460,679)</u>	<u>(20,430,534)</u>
<u>1,500,000</u>	<u>10,400,000</u>
<u>1,500,000</u>	<u>10,400,000</u>
<u>(1,960,679)</u>	<u>(10,030,534)</u>
<u>14,360,891</u>	<u>48,419,357</u>
<u>(2,125,306)</u>	<u>(2,125,306)</u>
<u>\$ 10,274,906</u>	<u>\$ 36,263,517</u>

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, 2008

	Operational Fund	Transportation Fund	Instructional Materials Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 283,363	\$ -	\$ -
Intergovernmental Revenue and Grants	94,705,449	6,428,998	1,542,071
Charges for Services	27,294	-	-
Investment Earnings	149,907	-	-
Rents and Royalties	39,484	-	-
Contributions & Donations from Private Sources	309	-	-
Other Revenue	8,705	-	-
Total Revenues	95,214,511	6,428,998	1,542,071
EXPENDITURES:			
Current:			
Instructional	63,154,485	-	1,765,070
Support Services	-	-	-
Support Services - Student	10,425,157	-	-
Support Services - Instruction	4,097,875	-	148,758
Support Services - General Administration	985,200	-	-
Support Services - School Administration	5,928,567	-	-
Central Services	2,390,862	-	-
Operation & Maintenance of Plant	11,413,451	-	-
Student Transportation	88,643	5,869,885	-
Operation of Non-instructional Services	-	-	-
Community Services Operations	16,645	-	-
Total Expenditures	98,500,885	5,869,885	1,913,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,286,374)	559,113	(371,757)
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(3,286,374)	559,113	(371,757)
Fund Balance - July 1 (Beginning)	(9,315)	(471,673)	636,398
Prior Period Adjustment 11848	11,848	-	-
Fund Balance - June 30 (Ending)	\$ (3,283,841)	\$ 87,440	\$ 264,641

The accompanying notes are an integral part of this statement.

	Payables Clearing Fund	Payroll Clearing Fund	Total General Fund
REVENUES:			
Taxes:			
Property Taxes	\$ -	\$ -	\$ 283,363
Intergovernmental Revenue and Grants	-	-	102,676,518
Charges for Services	-	-	27,294
Investment Earnings	-	-	149,907
Rents and Royalties	-	-	39,484
Contributions & Donations from Private Sources	-	-	309
Other Revenue	-	-	8,705
Total Revenues	-	-	103,185,580
EXPENDITURES:			
Current:			
Instructional	-	-	64,919,555
Support Services	-	-	-
Support Services - Student	-	-	10,425,157
Support Services - Instruction	-	-	4,246,633
Support Services - General Administration	-	-	985,200
Support Services - School Administration	-	-	5,928,567
Central Services	-	-	2,390,862
Operation & Maintenance of Plant	-	-	11,413,451
Student Transportation	-	-	5,958,528
Operation of Non-instructional Services	-	-	-
Community Services Operations	-	-	16,645
Total Expenditures	-	-	106,284,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(3,099,018)
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	(3,099,018)
Fund Balance - July 1 (Beginning)	11,848	-	167,258
Prior Period Adjustment	(11,848)	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (2,931,760)

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, 2008

Total Net Change in Fund Balances - Governmental Funds	\$	(10,030,534)
<p>Current year capital outlays net of deletions were \$8,882,968 and long-term principal payments totaled \$13,600,000. The change in compensated absences caused a decrease of \$(88,551). Furthermore, capital related debt issued totaled \$(10,400,000) and other amounts related to amortization of premium of \$52,662 and bond issue costs of \$37,032 increased net assets. In addition, the change in interest expense accrual from the prior year caused a decrease of (\$80,176). 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 2008 capital outlays, debt principal payments and other resources is to increase net assets.</p>		
		12,003,935
<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>		
		(6,557,915)
<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 tax revenue. The total property tax revenue was allocated to the General Fund, Debt Service funds and Capital Projects fund in the amounts of \$283,363, \$9,082,566 and \$1,265,842, respectively.</p>		
		(167,812)
<p>In addition, a net adjustment was made as result of removing the collection of prior years' property taxes and recognizing the remaining uncollected portion of the current year tax levy for the General Fund, Debt Services Fund and Capital Projects Fund in the amount of (\$5,920), (\$381,731) and (\$529,559), respectively.</p>		
<p>A change in estimate was also recorded in the amount of \$749,398 in the Capital Projects fund for the recognition of prior years' taxes collected.</p>		
<p>The net effect of these resclassifications was to decrease net assets.</p>		
Change in Net Assets of Governmental Activities	\$	(4,752,326)

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, 2008

	Budgeted Amounts		Actual Amounts BUDGET BASIS	Variance With Final Budget
	Original	Final	(See Note)	Positive or (Negative)
REVENUES:				
Taxes:				
Property Taxes	\$ 215,993	\$ 215,993	\$ 277,962	\$ 61,969
Intergovernmental Revenue and Grants	98,743,866	101,543,513	102,676,518	1,133,005
Charges for Services	179,500	179,500	27,294	(152,206)
Investment Earnings	235,000	235,000	149,907	(85,093)
Rents and Royalties	3,000	3,000	39,484	36,484
Contributions & Donations from Private Sources	-	-	309	309
Other Revenue	-	-	8,679	8,679
Total Revenues	<u>99,377,359</u>	<u>102,177,006</u>	<u>103,180,153</u>	<u>1,003,147</u>
EXPENDITURES:				
Current:				
Instructional	63,211,280	65,183,026	64,643,500	539,526
Support Services:				
Support Services- Student	8,780,392	9,062,610	10,418,049	(1,355,439)
Support Services- Instruction	5,159,883	5,201,927	4,277,410	924,517
Support Services- General Administration	1,412,070	1,417,070	983,840	433,230
Support Services- School Administration	5,544,480	5,816,165	5,925,646	(109,481)
Central Services	2,149,738	2,399,738	2,381,458	18,280
Operation & Maintenance of Plant	12,050,743	12,100,743	11,302,897	797,846
Student Transportation	5,454,731	5,978,684	5,957,758	20,926
Other Public Safety	48,065	48,065	-	48,065
Operation of Noninstructional Services:				
Community Services Operations	23,985	23,985	16,645	7,340
Total Expenditures	<u>103,835,367</u>	<u>107,232,013</u>	<u>105,907,203</u>	<u>1,324,810</u>
Net Change	(4,458,008)	(5,055,007)	(2,727,050)	2,327,957
Cash Basis Fund Balance - July	-	(2,814,082)	220,843	3,034,925
Cash Basis Fund Balance - June 30 (Ending)	<u>\$ (4,458,008)</u>	<u>\$ (7,869,089)</u>	<u>\$ (2,506,207)</u>	<u>\$ 5,362,882</u>

The accompanying notes are an integral part of this statement.

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FIDUCIARY FUND FINANCIAL STATEMENTS

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GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Private Purpose Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 78,010	\$ 445,800
Due from Other Funds	16,938	5,358
Total Assets	<u>94,948</u>	<u>\$ 451,158</u>
LIABILITIES		
Wages and Salaries Payable	-	\$ 58
Due to Other Funds	16,938	36,951
Deposits held for Student Groups	-	414,149
Total Liabilities	<u>16,938</u>	<u>\$ 451,158</u>
NET ASSETS		
Unrestricted Net Assets	<u>78,010</u>	
Total Net Assets	<u>\$ 78,010</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, 2008

	Private Purpose Trust Funds
ADDITIONS:	
Investment Earnings	\$ 2,197
Contributions & Donations from Private	17,343
Total Additions	<u>19,540</u>
DEDUCTIONS:	
Miscellaneous Operating	1,500
Bank Fees	50
Total Deductions	<u>1,550</u>
Change in Net Assets	17,990
Total Net Assets - July 1 (Beginning)	<u>60,020</u>
Total Net Assets - June 30 (Ending)	<u><u>\$ 78,010</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, 2008

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, 2008, 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, 2008

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, 2008

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, 2008

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.

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, making 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, 2008

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, 2008

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, 2008

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, 2008

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 \$93,920,245 in state equalization guarantee distributions during the year ended June 30, 2008.

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 \$6,428,998 in transportation distributions during the year ended June 30, 2008.
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 \$4,037,890 state SB-9 matching during the year ended June 30, 2008.

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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 \$237,579 in Public School Capital Outlay funding during the year ended June 30, 2008.

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, 2008

**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, 2008

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, 2008

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, 2008

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	\$ 9,027,885	\$ 9,027,885	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, 2008

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	\$ 23,160	\$ 23,713,128	\$ 78,010	\$ 10,217,307
Less FDIC insurance	23,160	100,000	78,010	100,000
Uninsured public funds	-	23,613,128	-	10,117,307
50% collateral requirement	-	11,804,027	-	5,058,654
Pledged security - market value	-	21,960,827	-	11,125,167
	-	33,764,854	-	16,183,821
Over (under)-collateralized	\$ -	\$ 10,151,726	\$ -	\$ 6,066,514

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

Account Name	Account Type	Bank Balance		Book Balance
Wells Fargo Bank				
Operational	Checking	\$ 2,913,799	\$ (314,122)	\$ 2,599,677
Lunch	Checking	1,669	(90,974)	(89,305)
Building	Checking	10,452,558	-	10,452,558
Athletics	Checking	137,670	-	137,670
Activity	Checking	572,261	(286)	571,975
Accounts Payable	Checking	958,944	(868,888)	90,056
Payroll	Checking	1,057,217	(139,785)	917,432
Technology	Checking	0	5,616	5,616
Gadsden Foundation, Inc.	MMA	78,010	-	78,010
Bank of the West				
Federal	Checking	1,032,463	(382,585)	649,878
Debt service	Checking	9,567,428	-	9,567,428
Columbus B & T				
Commercial	Checking	23,160	-	23,160
Total cash and cash equivalents		\$ 26,795,179	\$ (1,791,024)	\$ 25,004,155

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

Account Name	Account Type	Bank Balance	-	Book Balance
Wells Fargo Bank				
Lunch	Certificate of Deposit	1,410,297	-	1,410,297
Activity	Certificate of Deposit	263,321	-	263,321
Building	Certificate of Deposit	7,354,267	-	7,354,267
Athletics	Certificate of Deposit	-	-	-
Total certificates of deposit		<u>9,027,885</u>	-	<u>9,027,885</u>

Detail of collateral. Following is the detail for collateral.

Institution/Location	Type	Number	CUSIP	Maturity	Fair Market
Wells Fargo Bank					
Federal Reserve Bank	FNCL	870616	31409GGZ3	06/01/2036	8,327,140
Federal Reserve Bank	FNCL	22226	31409WGB1	07/01/2036	2,972,076
Federal Reserve Bank	FNCL	12707	31415AZ79	05/01/2038	2,785,222
Federal Reserve Bank	FNCL	10966	31414RTA3	02/01/2038	<u>7,876,389</u>
Total collateral at Wells Fargo Bank					<u>21,960,827</u>

Bank of the West

Wells Fargo Brokerage Services	STHWT	-	843789DE5	08/01/2014	\$ 152,252
Wells Fargo Brokerage Service	STHWT	-	843789DH8	08/01/2017	195,698
Wells Fargo Brokerage Services	DONHG	-	257578CM4	08/01/2008	300,489
Wells Fargo Brokerage Services	UNMHG	-	914684CU7	08/01/2022	100,473
Wells Fargo Brokerage Services	STHWT	-	843789DD7	08/01/2013	351,427
Wells Fargo Brokerage Services	WACDE	-	930024AW4	02/01/2029	95,110
Wells Fargo Brokerage Services	STHWT	-	843789DD7	08/01/2013	5,093

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

Institution/Location	Type	Number	CUSIP	Maturity	Fair Market
Wells Fargo Brokerage Services	FG	-	31282R6J8	12/01/2010	201,781
Wells Fargo Brokerage Services	PRTSL	-	36170UBX8	12/25/2039	<u>9,722,844</u>
Total collateral at Bank of the West					<u>11,125,167</u>

Reconciliation to State Department of Education (PED) reports.

	Operational	Transportation	Instructional Materials	Subtotal General Fund
Cash per PED at 06/30/07	\$ 4,516,281	\$ (468,733)	\$ 636,421	\$ 4,683,969
Per PED report				
Revenues	95,209,085	6,428,998	1,542,071	103,180,154
Expenditures	<u>(98,996,086)</u>	<u>(5,870,291)</u>	<u>(1,843,143)</u>	<u>(106,709,520)</u>
Cash per PED report	729,280	89,974	335,349	1,154,603
Due to/from funds	2,620,382	-	(142,344)	2,478,038
Audit adjustments:				
Current Year	<u>3,878</u>	<u>-</u>	<u>-</u>	<u>3,878</u>
Audited Cash 06/30/08	<u>\$ 3,353,540</u>	<u>\$ 89,974</u>	<u>\$ 193,005</u>	<u>\$ 3,636,519</u>

	Athletics	Activity	Other Special Revenue	Capital Projects
Cash per PED at 06/30/07	191,297	411,814	(2,566,989)	27,235,780
Per PED report				
Revenues	115,184	624,966	18,152,624	11,345,743
Expenditures	<u>(167,185)</u>	<u>(602,770)</u>	<u>(17,227,913)</u>	<u>(16,095,062)</u>
Cash per PED report	139,296	434,010	(1,642,278)	22,486,461
Due to/from funds	(1,626)	(31,285)	2,212,995	(4,682,266)
Audit adjustments:				
Current Year	<u>-</u>	<u>(16,178)</u>	<u>84,774</u>	<u>-</u>
Audited Cash 06/30/08	<u>\$ 137,670</u>	<u>\$ 386,547</u>	<u>\$ 655,491</u>	<u>\$ 17,804,195</u>

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Debt Service	Food Service	Total All Funds
Cash per PED at 06/30/07	\$ 8,619,080	\$ 3,800,801	\$ 42,375,752
Per PED report			
Revenues	8,992,193	5,918,563	148,329,427
Expenditures	(8,037,168)	(8,398,210)	(157,237,828)
Cash per PED report	9,574,105	1,321,154	33,467,351
Due to/from funds	(6,677)	(772)	(31,593)
Audit adjustments:			
Current Year	(1)	-	72,473
Audited Cash 06/30/08	<u>\$ 9,567,427</u>	<u>\$ 1,320,382</u>	<u>\$ 33,508,231</u>

B. Other Receivables

Other receivables of \$181,373 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 10th and April 10th 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, 2008.

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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, 2008 consisted of the following individual fund balances:

	Due From Other Funds	Due to Other Funds
General Fund		
Non Major Special Revenue	4,841,296	2,956,732
Instructional Materials	142,344	142,344
Capital Projects	-	5,000,000
Non Major Capital Projects	599,517	-
Debt Service	200	-
Agency Funds	31,591	-
Total	5,614,948	8,099,076
Debt Service Fund		
Capital Projects	6,937	-
Non Major Debt Service Fund	2,128,962	-
Non Major Special Revenue Fund	-	60
General Fund	-	200
Total	2,135,899	260
Capital Projects Fund		
Non Major Capital Projects Fund	75,562	-
Non Major Debt Service Fund	-	6,937
Non Major Special Revenue Fund	212,297	-
General Fund	5,000,000	-
Total	5,287,859	6,937
Non Major Special Revenue Funds		
Capital Projects	-	212,297
Non Major Capital Project Fund	-	114,466
Non Major Special Revenue Fund	-	-
Debt Service Fund	60	-
General Fund	2,151,538	4,048,057
Total	2,151,598	4,374,820

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Due From Other Funds	Due to Other Funds
Non Major Capital Project Funds		
Capital Projects	-	75,562
Non Major Debt Service Fund	217,942	-
Non Major Special Revenue Fund	114,466	-
General Fund	13,286	600,848
Total	345,694	676,410
Non Major Debt Service Fund		
Debt Service Fund	-	2,128,962
Non Major Capital Projects Fund	-	217,942
Total	-	2,346,904
Agency Funds		
General Fund	-	36,951
Gadsden Foundation, Inc.	5,360	-
Private Purpose Trust Fund	16,938	16,938
Total	22,298	53,889
	\$ 15,558,296	\$ 15,558,296

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

F. Capital Asset

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,558,073	\$ 279	\$ -	\$ 2,558,352
Construction in progress	3,524,798	6,264,597	288,513	9,500,882
Total capital assets, not being depreciated	6,082,871	6,264,876	288,513	12,059,234
Capital assets, being depreciated:				
Buildings and improvements	144,263,367	1,712,852	(288,513)	146,264,732
Machinery and equipment	19,981,322	531,945	-	20,513,267
Land improvements	6,207,103	373,295	-	6,580,398
Total capital assets, being depreciated	170,451,792	2,618,092	(288,513)	173,358,397
Less restated accumulated depreciation for:				
Building and improvements	37,261,337	4,810,245	-	42,071,582
Machinery and equipment	18,734,347	1,265,482	-	19,999,829
Land improvements	2,887,395	482,188	-	3,369,583
Total accumulated depreciation	58,883,079	6,557,915	-	65,440,994
Total capital assets, being depreciated, net	111,568,713	(3,939,823)	(288,513)	107,917,403
Governmental activities capital assets, net	\$ 117,651,584	\$ 2,325,053	\$ -	\$ 119,976,637

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$	3,819,500
Support services - instruction		284,698
Support services - General Administration		59,930
Central services		135,730
Operation and maintenance of plant		567,429
Support services - student		643,919
Pupil transportation		322,333
Food services		416,340
Community Services Operations		11,520
Support Services - School Administration		296,516
Total depreciation	<u>\$</u>	<u>6,557,915</u>

Construction commitments

The District has active construction projects as of June 30, 2008, 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	\$ 1,382,034	\$ 8,833
Santa Teresa High School Additions	609,289	4,218,646
Chaparral High School	6,948,252	861,088
Gadsden Middle School Renovation	394,591	793,584
Gadsden Administrative Complex	455,230	122,712
Total	<u>\$ 9,789,396</u>	<u>\$ 6,004,863</u>

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

G. Changes in Long-Term Liabilities

Long-term activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<u>Bonds and Notes Payable:</u>					
School Building Bonds	\$ 38,730,000	\$ 8,900,000	\$ 13,200,000	\$ 34,430,000	\$ 6,490,000
Lease Purchase Notes	2,500,000	1,500,000	400,000	3,600,000	940,000
Total Bonds Payable	41,230,000	10,400,000	13,600,000	38,030,000	7,430,000
<u>Other Long-Term Liabilities:</u>					
Compensated Absences	651,053	461,058	372,507	739,604	219,565
Total Other Liabilities	651,053	461,058	372,507	739,604	219,565
Total Governmental Long-term Liabilities	\$ 41,881,053	\$ 10,861,058	\$ 13,972,507	\$ 38,769,604	\$ 7,649,565

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, 2008 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Outstanding 06/30/07	Issued	Retired	Outstanding 06/30/08	Due Within One Year
School Building Bonds Series 1997	4.25 - 6.25%	4,700,000	575,000	-	200,000	375,000	375,000
School Building Bonds Series 1998	4.0 - 5.35%	4,925,000	1,125,000	-	250,000	875,000	250,000
School Building Bonds Series 1999	4.3 - 5.8%	5,375,000	2,100,000	-	700,000	1,400,000	700,000
School Building Bonds Series 2000	4.375 - 5.85%	6,000,000	2,200,000	-	400,000	1,800,000	400,000
School Building Bonds Series 2001	3.5 - 4.2%	4,350,000	1,200,000	-	200,000	1,000,000	200,000
School Building and Refunding Bonds Series 2002	3.5 - 5.0%	8,770,000	2,200,000	-	500,000	1,700,000	500,000

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

Description	Interest Rate Payable	Amounts Original Issue	Outstanding 06/30/07	Issued	Retired	Outstanding 06/30/08	Due Within One Year
School Building Bonds Series 2003	2.5 - 3.7%	9,800,000	4,700,000	-	1,000,000	3,700,000	1,000,000
School Building Bonds Series 2004	2.3 - 3.5%	8,000,000	2,800,000	-	2,100,000	700,000	100,000
Education Technology Lease Purchase Series 2005	2.002 - 2.394%	1,575,000	1,000,000	-	400,000	600,000	400,000
School Building Bonds Series 2005	3.1 - 4.5%	3,200,000	2,780,000	-	600,000	2,180,000	200,000
2006 - Anticipation Bonds	3.540%	6,800,000	6,800,000	-	6,800,000	-	-
2006 - Building Bonds	3.54 - 3.91%	12,250,000	12,250,000	-	450,000	11,800,000	1,000,000
2006 - Series Ed Tech Note	3.12 - 3.18%	1,500,000	1,500,000	-	-	1,500,000	325,000
Bond Anticipation Notes, Series 2007B	3.70%	2,350,000	-	2,350,000	-	2,350,000	2,350,000
School Building Bonds, Series 2007A	3.62%-4.01%	8,900,000	-	8,900,000	-	8,900,000	1,765,000
Lease Purchase Series, Series 2007C	3.895%	1,500,000	-	1,500,000	-	1,500,000	215,000
Total			\$ 41,230,000	\$ 12,750,000	\$ 13,600,000	\$ 40,380,000	\$ 9,780,000

Total interest expense paid during fiscal year 2008 totaled \$1,423,626.

Premium payable for the year ended June 30, 2008 is as follows:

Description	Premium Outstanding 07/01/07	Additions	Premium Retired	Premium Outstanding 06/30/08
2002 Series	\$ 183,135	\$ -	\$ 36,627	\$ 146,507
2003 Series	48,595	-	8,099	40,496
2004 Series	56,593	-	7,936	48,657
Total Premium Payable	\$ 288,323	\$ -	\$ 52,662	\$ 235,660

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

Bond issuance costs for the year ended June 30, 2008 were as follows:

Description	Beginning Balance	Current Year Issuance	Current Year Amortization	Ending Balance
2002 Series	\$ 30,140	\$ -	\$ 6,028	\$ 24,112
2003 Series	14,201	-	2,367	11,834
2004 Series	21,039	-	2,950	18,089
2005 Ed Tech	16,299	-	7,656	8,643
2005 Series	34,348	-	4,224	30,124
2006 Anticipation Notes	12,009	-	12,009	-
2006 Series	50,530	-	5,000	45,530
2006 Ed Tech	16,608	-	4,034	12,574
2007 Go Bond	-	49,160	3,935	45,225
2007 Lease Note	-	36,130	5,281	30,849
2007 Bond Anticipation	-	38,175	32,949	5,226
Total Bond Issuance Costs	\$ 195,174	\$ 123,465	\$ 86,433	\$ 232,206

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>
2009	\$ 9,780,000	\$ 1,522,631	\$ 11,302,631
2010	6,525,000	1,025,232	7,550,232
2011	5,025,000	807,677	5,832,677
2012	4,290,000	634,769	4,924,769
2013	3,070,000	500,385	3,570,385
2014 - 2018	11,690,000	1,062,274	12,752,274
Total	\$ 40,380,000	\$ 5,552,968	\$ 45,932,968

On September 14, 2007, the District issued General Obligation School Building Bond, 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. Notes principal payments are payable August 15 of each year, commencing August 15, 2008 and ending August 15, 2017. The bonds, which are the fourth series of \$38,000,000 authorized by voters through an election held on February 7, 2006, were issued for the purpose 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.

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

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 September 15, 2008. The bonds, which are the fifth 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 October 16, 2007, the District entered a Lease Purchase Agreement, 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. The Lease Purchase Agreement, which is the sixth series of \$38,000,000 authorized by voters through an election held on February 7, 2006, was issued for deposit for the acquisition of technology equipment and to pay costs of issuance.

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, 2008.

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, 2008, as follows:

<u>Year Ending June 30,</u>	
2009	\$ 178,359
2010	174,205
2011	173,204
2012	168,721
2013	<u>41,576</u>
Total Minimum Rentals	<u>\$ 736,065</u>

Rental Expenditures in Fiscal year 2008 amounted to \$158,709.

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:

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

<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

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, 2008	\$ 651,053
Additions	461,058
Reductions	<u>372,507</u>
Ending Balance	<u>\$ 739,604</u>
Due Within One Year	<u>\$ 219,565</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.

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

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 \$52 and \$224 if covered by Medicare and up to \$747 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.

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, 2008, Gadsden Independent School District remitted \$1,001,422 in employer contributions and \$500,711 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%.

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

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.

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, 2008 was \$14,320,146, which consisted of \$8,397,444, (10.88% of covered payroll) from the School District and \$5,922,702 (7.67% of covered payroll) from employees.

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 payroll for employees covered by ERB for the year ended June 30, 2008 was \$77,180,198. The total payroll for all employees of the School District was \$78,053,895.

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

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.

The NMPSIA provides coverage for up to a maximum of \$750,000,000 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, 2008, 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	\$ 22,666	\$ -	\$ 203,202	\$ 120,843	\$ 346,711
State revenue	-	1,260,957	-	-	1,260,957
Local Grant	-	35,195	-	-	35,195
Federal	-	112,282	-	-	112,282
Total deferred revenue	\$ 22,666	\$ 1,408,434	\$ 203,202	\$ 120,843	\$ 1,755,145

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

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, 2008, 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 New Mexico Department of Health and Human Services.

Fund	State Entitlements and Grants	Federal Grants	Other Governments	Total
General fund	-	-	-	\$ -
Special revenue	1,055,592	5,431,257	378,447	6,865,296
Capital projects	6,426,029	-	-	6,426,029
Total	<u>\$ 7,481,621</u>	<u>\$ 5,431,257</u>	<u>\$ 378,447</u>	<u>\$ 13,291,325</u>

O. Litigation

During the normal course of business, the District is subject to various legal claims. As of June 30, 2008, 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	\$ 364,047
Special Revenue Funds	1,105,234
Capital Projects Funds	<u>8,647,306</u>
Total	<u>\$ 10,116,587</u>

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

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, 2008 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.

R. Related Party Transactions

There were no significant related party transactions during the 2007-2008 fiscal year.

S. Prior Period Adjustments

A prior period adjustment was recorded in fiscal year 2008 for the Capital Improvements SB-9 fund, a Capital Projects Fund. The adjustment in the amount of \$2,124,220 decreased fund balance as a result of a receivable that was erroneously left on the books as of and for the year ended June 30, 2007.

The Family & Youth Resource Pro PED fund, 27140, experienced a prior period adjustment in the amount of \$1,086 during fiscal year 2008. Management of the District erroneously recorded accounts payable in this fund during fiscal year 2007 that should have been recorded in the general fund.

T. Grants Receivable and Overexpended Grants

During fiscal year 2008, management of the District estimated a total of \$431,537 of current year claims for reimbursement for federal, state and local grants were deemed unreimbursable. As a result, and in accordance with state law, NMAC 6.20.2.9 A, the District has presented a deficit fund balance for each fund whose claims were estimated to be unreimbursable. The District plans to settle the deficit with a cash transfer in fiscal year 2009 upon approval by the State.

In addition, per NMAC 6.20.2.14 F, prior years' claims, which are presented as intergovernmental receivables, have remained on the books of the District until approval has been obtained from the State to write off the receivables. A total \$222,326 of prior years' receivables has been presented on these financial statements as of and for the year ended June 30, 2008.

U. 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, 2008.

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

V. Private Purpose Trust Fund-Scholarship Fund

During fiscal year 2008, 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.

W. 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, 2008, is presented.

	General	Operational	Transportation	Instructional Materials	Debt Service
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	\$ (2,727,050)	\$ (2,985,860)	\$ 559,884	\$ (301,073)	\$ 1,335,258
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	5,427	5,427	-	-	205,705
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(377,395)	(305,941)	(771)	(70,684)	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ (3,099,018)</u>	<u>\$ (3,286,374)</u>	<u>\$ 559,113</u>	<u>\$ (371,757)</u>	<u>\$ 1,540,963</u>

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Bond Building	Food Services	Athletics	Non- Instructional Support	Title I - IASA
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(5,530,403)	(2,449,711)	(52,001)	22,448	(621,430)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	2,558,657	-	(2,000)	520,589
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(981,397)	(475,726)	(151)	2,713	100,841
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ (6,511,800)</u>	<u>\$ (366,780)</u>	<u>\$ (52,152)</u>	<u>\$ 23,161</u>	<u>\$ -</u>

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Javits Gifted & Talented Students	Migrant Children Education	Entitlement IDEA-B	Competitive IDEA-B	Preschool IDEA-B
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	1,873	103,056	-	1,391
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	(1,781)	(109,178)	-	11,257
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	(92)	6,122	-	(12,648)
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, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Title VI	Education of Homeless	Title II IASA Math/Science	Fruit & Vegetable Program	Enhancing ED thru Tech (E2T2-F)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	(469)	-	(20)	(465)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	469	-	-	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	-	20	465
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, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Title I Family Literacy IASA	Learn & Services (CNCS)	Title IV Drug Free Schools & Community	Enhancing ED thru Tech (E2T2-C)	Title V - Part A Innovative ED Pro Strategies
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	17,739	-	-	(15,557)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	(19,758)	-	-	13,857
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	2,019	-	-	1,700
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, 2008

IV. DETAILED NOTES ON ALL FUNDS

	English Language Acquisition	Teacher/ Principle Training & Recruiting	Safe & Drug Free Schools & Community	Title I School Improvement	Legis Approp- Laws 2007 Promise for Success
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	168,556	(168,919)	(3,031)	8,557	(19,435)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(381,102)	79,425	5,130	881	128,390
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	51,802	(10,593)	(2,099)	(881)	(108,955)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ (160,744)	\$ (100,087)	\$ -	\$ 8,557	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Kindergarten Three Plus	After School Enrichment Program	Pre-Kinder Special State	Libraries SB301 BO Bonds	Carl D Perkins Secondary- Current
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	136,497	(151,680)	(9,084)	(70,846)	96,211
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(99,609)	168,281	9,311	72,465	(96,572)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(36,888)	(19,621)	(227)	(1,619)	361
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ (3,020)	\$ -	\$ -	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Carl D Perkins Secondary - PY Unliq. Obligations	Carl D Perkins Redistribution	Carl D Perkins Post Secondary - Redistribution	Title VII Bilingual	Bilingual Ed/Comp School Grants
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(12,661)	(5,977)	-	-	-
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	10,697	29,328	-	-	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	1,964	(23,351)	-	-	-
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, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Pres Teaching Award NSF	Grads Child Care CYFD	Title XIX Medicaid 3/21 Years	Career Access Program NSF	TANF/ GRADS HSD
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	465	127,779	139,148	7,760
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	(465)	20,514	(140,651)	(8,000)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	32,006	1,503	240
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ 180,299	\$ -	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Title III	ROTC	RETA	Reserved for Future State Definition	ENLACE- UNM
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	(38,789)	-	-	13,028
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	36,250	-	-	(15,964)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	639	-	-	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ (1,900)	\$ -	\$ -	\$ (2,936)

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Jordan Fundamentals Grant	PNM Foundation Inc.	Milken Family Foundation	Daniels Fund	Paso Del Norte Health Foundation
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	(4,542)	(4)	-	(12,643)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	4,971	4	-	(2,979)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	(429)	-	-	3,659
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ -	\$ -	\$ (11,963)

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Center for Services Learning	Microsoft Settlement Funds	NM Community Foundation Grant	TANF PED (School- Aged Child Care)	Technology For Education PED
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	(169,162)	(40,181)	-	838,736
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	97,520	40,181	-	(838,736)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	-	-	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ (71,642)	\$ -	\$ -	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	TANF Full Day Kindergarten	Incentives For School Improvement Act PED	Family & Youth Resource Program PED	Truancy Initiative PED	Legislative Appropriation Laws of NM 2005
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	-	156,220	134,290	(16,599)	-
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	-	(166,401)	(134,290)	16,624	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	10,181	1,086	(252)	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ 1,086	\$ (227)	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Libraries GO Bonds Laws of 2004	Federal Relief Fund	Pre-K Initiative	Beg. Teacher Mentoring Program	Breakfast for Elementary Students
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	248,973	-	(45,218)	48,002	69,672
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(248,973)	-	(13,507)	(48,159)	(69,672)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	12,820	157	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ -	\$ (45,905)	\$ -	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Kinder Plus	Fiesta Educativa	Pre-K Start-Up Cost	Schools On The Rise	Coordinated Approach to Child Health
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	84,889	7,000	13,166	(3,989)	(2,698)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(89,017)	(7,000)	(13,166)	3,989	2,698
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	4,128	-	-	-	-
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, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Suicide Prevention	School to Work/NM Works Proj. NMSU	GEAR UP	Private Direct Grants	School Based Health Center
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	58,778	-	(111,392)	5,003	111,563
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	167,128	-	66,472	22,500	(185,284)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(250,462)	-	20,364	(27,503)	73,721
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ (24,556)	\$ -	\$ (24,556)	\$ -	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

	Wallace Foundation	A+ For Energy Grant	Advanced Placement Program	School in Need of Improvement	Outdoor Classroom Initiative
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	(30,000)	83	(5,926)	(13,054)	2,610
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	5,926	33,571	4,363	(28,957)	(2,610)
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	24,074	(33,654)	1,563	42,011	-
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, 2008

IV. DETAILED NOTES ON ALL FUNDS

	McCuen Charitable Foundation	Total ED. Tech. Debt Service Subfund	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)	1,440	(399,087)	(523,638)	14,319	(969,925)
Adjustments:					
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(1,440)	2,560	-	-	1,216,383
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	-	-	2	-	(397,867)
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ -	\$ (396,527)	\$ (523,636)	\$ 14,319	\$ (151,409)

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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)	368,908	-	(1,939,727)	-
Adjustments:				
To adjust revenues for tax accruals, earnings on investments, and other deferrals and accruals	(474)	-	-	-
To adjust expenditures for payables, payroll taxes, prepaid expenses, inventory, and other accruals	(153,574)	-	(1,532,156)	-
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$ 214,860	\$ -	\$ (3,471,883)	\$ -

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

X. Budget Variances

The Bond Building Fund experienced a budget variance in the amount of \$6,989,901 for fiscal year 2008 related to a bond issuance. However, the current Uniform Chart of Accounts maintained by the NM Public Education Department does not currently contain account codes to address this type of transaction in the Bond Building Fund.

The Public School Capital Outlay Fund experienced a budget variance in the amount of \$663,972 for fiscal year 2008 related to Capital Outlay. The overage occurred as a result of management not following the proper procedures to amend the budget.

At the close of fiscal year 2008, the following funds experienced budget variances at the function level:

Fund	Function	Variance
24126 - Learn & Services	10 - Instructional	\$ (2,019)
24154 - Teacher/Principal Training and Recruiting	21 - Support Services - Student	(11,772)
27168 - After School Enrichment Program	23 - Support Services - General Administration	(1,831)
26126 - Milken Family Foundation	10 - Instructional	(4)
27159 - Kinder Plus	10 - Instructional	(25)
28178 - Gear Up	10 - Instructional	(26)
	21 - Support Services - Student	<u>(115)</u>
		<u>\$ (15,792)</u>

The final budget for the funds listed above was not adjusted to reflect the actual expenditures.

Y. Subsequent Event

On August 15, 2008, the District issued general obligation school building bonds, series 2008A in the amount of \$7,000,000. Interest is payable February 15 and August 15 of each year, commencing February 15, 2009, and ending on August 15, 2018. Bond principal payments are payable August 15 of each year, commencing August 15, 2009, and ending August 15, 2018 also. The bonds, which are the third 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.

(Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS

On August 19, 2008, the District issued Education Technology Notes, Series 2008B in the amount of \$1,797,000. Interest is payable on February 15 and August 15 of each year, commencing on February 15, 2009, and ending August 15, 2009. Principal payments are payable August 15 of each year, commencing with one payment due August 15, 2009.

On May 14, 2009 the Board of Education approved a temporary cash transfer from the Public School Capital Outlay Fund in the amount of \$3,500,000. On June 11, 2009 the Board of Education approved an additional temporary cash transfer from the same fund in the amount of \$299,611. The transfers are for the purpose of providing additional cash for the General Fund of the District. The temporary cash transfer will be paid back to the Public School Capital Outlay Fund in various amounts commencing in the 2009-10 fiscal year and ending in the 2018-19 fiscal year.

SUPPLEMENTARY INFORMATION FOR MAJOR FUNDS

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, 2008

EXHIBIT E-1

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Taxes:				
Property Taxes	\$ 7,561,259	\$ 7,561,259	\$ 8,834,597	\$ 1,273,338
Investment Earnings	25,000	25,000	65,329	40,329
Total Revenues	<u>7,586,259</u>	<u>7,586,259</u>	<u>8,899,926</u>	<u>1,313,667</u>
EXPENDITURES:				
Current:				
Support Services:				
Support Services- General Administration	75,613	75,613	3,410	72,203
Debt Service:				
Bond Principal	-	6,400,000	6,400,000	-
Bond Interest	-	1,161,259	1,161,258	1
Total Expenditures	<u>75,613</u>	<u>7,636,872</u>	<u>7,564,668</u>	<u>72,204</u>
Change in Fund Balance	7,510,646	(50,613)	1,335,258	1,385,871
Fund Balance - July (Beginning)	-	8,146,254	7,951,038	(195,216)
				-
Fund Balance - June 30 (Ending)	<u>\$ 7,510,646</u>	<u>\$ 8,095,641</u>	<u>\$ 9,286,296</u>	<u>\$ 1,190,655</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, 2008

EXHIBIT E-2

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Investment Earnings	\$ 475,000	\$ 475,000	\$ 898,142	\$ 423,142
Total Revenues	475,000	475,000	898,142	423,142
EXPENDITURES:				
Current:				
Debt Service:				
Bond Principal	-	-	6,800,000	(6,800,000)
Bond Interest	-	-	189,901	(189,901)
Capital Outlay:				
Capital Outlay	18,753,821	23,013,920	8,338,644	14,675,276
Total Expenditures	18,753,821	23,013,920	15,328,545	7,685,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,278,821)	(22,538,920)	(14,430,403)	8,108,517
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	4,260,099	8,900,000	4,639,901
Total Other Financing Sources (Uses)	-	4,260,099	8,900,000	4,639,901
Change in Fund Balance	(18,278,821)	(18,278,821)	(5,530,403)	12,748,418
Fund Balance - July (Beginning)	-	(4,482,186)	26,287,841	30,770,027
				-
Fund Balance - June 30 (Ending)	\$ (18,278,821)	\$ (22,761,007)	\$ 20,757,438	\$ 43,518,445

The accompanying notes are an integral part of this statement.

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SUPPLEMENTARY INFORMATION

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Food Services	Athletics	Non Instructional Support	Title I IASA
ASSETS				
Cash and Cash Equivalents	\$ (89,915)	\$ 137,670	\$ 123,226	\$ 215,500
Investments - Current	1,410,297	-	263,321	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables	-	-	-	-
Intergovernmental Receivables	2,933,598	-	-	1,337,079
Due from Other Funds	259,098	164,730	33,854	169,989
Inventories	376,267	-	-	-
Total Assets	<u><u>\$ 4,889,345</u></u>	<u><u>\$ 302,400</u></u>	<u><u>\$ 420,401</u></u>	<u><u>\$ 1,722,568</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 91,384	\$ 176	\$ 12,993	\$ 80,447
Wages and Salaries Payable	133,927	-	1,754	196,879
Due to Other Funds	258,326	163,104	4,569	1,445,242
Deferred Revenues	-	-	-	-
Total Liabilities	<u><u>483,637</u></u>	<u><u>163,280</u></u>	<u><u>19,316</u></u>	<u><u>1,722,568</u></u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Encumbrances	46,075	168,221	15,130	159,315
Inventories	376,267	-	-	-
Special Revenue	3,983,366	(29,101)	385,955	(159,315)
Total Fund Balances	<u><u>4,405,708</u></u>	<u><u>139,120</u></u>	<u><u>401,085</u></u>	<u><u>-</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 4,889,345</u></u>	<u><u>\$ 302,400</u></u>	<u><u>\$ 420,401</u></u>	<u><u>\$ 1,722,568</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
\$ -	\$ 17,371	\$ 404,334	\$ -	\$ 16,149	\$ (8,603)	\$ 9,181	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,760	538,052	-	18,684	8,603	11,405	-
-	760	38,472	-	507	-	113	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 20,891</u>	<u>\$ 980,858</u>	<u>\$ -</u>	<u>\$ 35,340</u>	<u>\$ -</u>	<u>\$ 20,699</u>	<u>\$ -</u>
\$ -	\$ 998	\$ 79,065	\$ -	\$ 13,238	\$ -	\$ -	\$ -
-	2,010	92,170	-	2,757	-	-	-
-	17,883	809,623	-	19,345	-	20,699	-
-	-	-	-	-	-	-	-
-	20,891	980,858	-	35,340	-	20,699	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	41,066	64,359	-	13,888	-	5,572	-
-	-	-	-	-	-	-	-
-	(41,066)	(64,359)	-	(13,888)	-	(5,572)	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 20,891</u>	<u>\$ 980,858</u>	<u>\$ -</u>	<u>\$ 35,340</u>	<u>\$ -</u>	<u>\$ 20,699</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Fruit & Vegetable Program	Enhancing ED thru Tech (E2T2-F)	Title I Family Literacy IASA	Learn & Services (CNCS)
ASSETS				
Cash and Cash Equivalents	\$ 15,141	\$ 30,847	\$ 10,372	\$ (47,312)
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables	-	-	-	-
Intergovernmental Receivables	-	-	1,241	40,123
Due from Other Funds	-	-	1,704	-
Inventories	-	-	-	-
Total Assets	<u>\$ 15,141</u>	<u>\$ 30,847</u>	<u>\$ 13,317</u>	<u>\$ (7,189)</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 1	\$ -	\$ -
Wages and Salaries Payable	-	-	30	-
Due to Other Funds	-	9,561	13,287	(7,189)
Deferred Revenues	15,141	21,285	-	-
Total Liabilities	<u>15,141</u>	<u>30,847</u>	<u>13,317</u>	<u>(7,189)</u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Encumbrances	-	-	-	-
Inventories	-	-	-	-
Special Revenue	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 15,141</u>	<u>\$ 30,847</u>	<u>\$ 13,317</u>	<u>\$ (7,189)</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	Legis Approp-Laws 2007
\$ 889	\$ (43,807)	\$ (11,937)	\$ (69,236)	\$ 210,690	\$ 7,149	\$ (8,557)	\$ (10,082)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	66,718	19,455	220	219,168	42,035	881	128,390
-	-	-	-	8,985	1,178	-	-
-	-	-	-	-	-	-	-
<u>\$ 889</u>	<u>\$ 22,911</u>	<u>\$ 7,518</u>	<u>\$ (69,016)</u>	<u>\$ 438,843</u>	<u>\$ 50,362</u>	<u>\$ (7,676)</u>	<u>\$ 118,308</u>
\$ -	\$ -	\$ -	\$ 220	\$ 22,355	\$ 10,900	\$ 881	\$ 108,954
-	-	-	98	27,612	2,053	-	367
-	22,911	7,518	91,410	488,963	37,409	-	8,987
889	-	-	-	-	-	-	-
<u>889</u>	<u>22,911</u>	<u>7,518</u>	<u>91,728</u>	<u>538,930</u>	<u>50,362</u>	<u>881</u>	<u>118,308</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	28	35,273	10,900	2,164	233,756
-	-	-	-	-	-	-	-
-	-	-	(160,772)	(135,360)	(10,900)	(10,721)	(233,756)
-	-	-	(160,744)	(100,087)	-	(8,557)	-
<u>\$ 889</u>	<u>\$ 22,911</u>	<u>\$ 7,518</u>	<u>\$ (69,016)</u>	<u>\$ 438,843</u>	<u>\$ 50,362</u>	<u>\$ (7,676)</u>	<u>\$ 118,308</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Kindergarten Three Plus	After School Enrichment Program	Pre Kindergarten Special State	Libraries SB301 BO Bonds
ASSETS				
Cash and Cash Equivalents	\$ 185,885	\$ (107,786)	\$ 34,726	\$ (38,880)
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables	-	-	-	-
Intergovernmental Receivables	-	168,281	9,310	72,465
Due from Other Funds	-	56,129	1	-
Inventories	-	-	-	-
Total Assets	<u>\$ 185,885</u>	<u>\$ 116,624</u>	<u>\$ 44,037</u>	<u>\$ 33,585</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 36,888	\$ 19,622	\$ 226	\$ 1,619
Wages and Salaries Payable	39,964	8,674	-	-
Due to Other Funds	9,423	91,348	43,811	31,966
Deferred Revenues	99,610	-	-	-
Total Liabilities	<u>185,885</u>	<u>119,644</u>	<u>44,037</u>	<u>33,585</u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Encumbrances	99,357	28,928	1,769	1,672
Inventories	-	-	-	-
Special Revenue	(99,357)	(31,948)	(1,769)	(1,672)
Total Fund Balances	<u>-</u>	<u>(3,020)</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 185,885</u>	<u>\$ 116,624</u>	<u>\$ 44,037</u>	<u>\$ 33,585</u>

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

Carl D Perkins Current	Carl D Perkins PY Obligation	Carl D Perkins Redistributio	Carl D Perkins Post Secondary	Title VII Bilingual	Bilingual Ed/Comp School Grant	Pres Teaching Award NSF	Grads Child Care CYFD
\$ 58,647	\$ (87,672)	\$ (5,905)	\$ (243)	\$ (122,139)	\$ -	\$ -	\$ 2,612
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	112,564	29,328	-	-	-	-	-
-	-	-	-	122,688	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 58,647</u>	<u>\$ 24,892</u>	<u>\$ 23,423</u>	<u>\$ (243)</u>	<u>\$ 549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,612</u>
\$ -	\$ 10,066	\$ 23,352	\$ -	\$ -	\$ -	\$ -	\$ 1
-	-	-	(88)	9	-	-	-
11,252	14,826	71	(155)	-	-	-	2,146
47,395	-	-	-	540	-	-	465
<u>58,647</u>	<u>24,892</u>	<u>23,423</u>	<u>(243)</u>	<u>549</u>	<u>-</u>	<u>-</u>	<u>2,612</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
31,818	-	16,910	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(31,818)</u>	<u>-</u>	<u>(16,910)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>\$ 58,647</u>	<u>\$ 24,892</u>	<u>\$ 23,423</u>	<u>\$ (243)</u>	<u>\$ 549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,612</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Title XIX Medicaid 3/21 Years	Career Access Program NSF	TANF GRADS HSD	Title III
ASSETS				
Cash and Cash Equivalents	\$ 492,504	\$ 34,281	\$ 21,343	\$ -
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables	-	-	-	-
Intergovernmental Receivables	48,324	91	-	-
Due from Other Funds	38,772	3,211	-	-
Inventories	-	-	-	-
Total Assets	<u>\$ 579,600</u>	<u>\$ 37,583</u>	<u>\$ 21,343</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 3,976	\$ 201	\$ -	\$ -
Wages and Salaries Payable	12,287	29	-	-
Due to Other Funds	60,799	37,353	(149)	-
Deferred Revenues	-	-	21,492	-
Total Liabilities	<u>77,062</u>	<u>37,583</u>	<u>21,343</u>	<u>-</u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Encumbrances	4,065	102	-	-
Inventories	-	-	-	-
Special Revenue	498,473	(102)	-	-
Total Fund Balances	<u>502,538</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 579,600</u>	<u>\$ 37,583</u>	<u>\$ 21,343</u>	<u>\$ -</u>

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

ROTC	RETA	Reserved for Future State Definition	ENLACE UNM	Jordan Fundamentals Grant	PNM Foundation Inc	Milken Family Foundation	Daniels Fund
\$ (21,200)	\$ 5,075	\$ -	\$ (2,413)	\$ 155	\$ (491)	\$ 221	\$ (50,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
929	-	-	-	-	-	-	-
-	-	-	-	-	2,000	-	50,000
-	-	-	-	-	-	-	-
<u>\$ (20,271)</u>	<u>\$ 5,075</u>	<u>\$ -</u>	<u>\$ (2,413)</u>	<u>\$ 155</u>	<u>\$ 1,509</u>	<u>\$ 221</u>	<u>\$ -</u>
\$ 929	\$ -	\$ -	\$ -	\$ -	\$ 429	\$ -	\$ -
-	-	-	8	-	-	-	-
(19,300)	-	-	515	-	1,080	-	-
-	5,075	-	-	155	-	221	-
<u>(18,371)</u>	<u>5,075</u>	<u>-</u>	<u>523</u>	<u>155</u>	<u>1,509</u>	<u>221</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
928	-	-	-	-	301	-	-
-	-	-	-	-	-	-	-
(2,828)	-	-	(2,936)	-	(301)	-	-
<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>(2,936)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (20,271)</u>	<u>\$ 5,075</u>	<u>\$ -</u>	<u>\$ (2,413)</u>	<u>\$ 155</u>	<u>\$ 1,509</u>	<u>\$ 221</u>	<u>\$ -</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Paso Del Norte Health Foundation	Center for Services Learning	Microsoft Settlement Funds	NM Community Foundation Grant
ASSETS				
Cash and Cash Equivalents	\$ (15,069)	\$ -	\$ (523,566)	\$ 35,111
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables	-	-	-	-
Intergovernmental Receivables	-	-	451,924	-
Due from Other Funds	5	-	-	-
Inventories	-	-	-	-
Total Assets	<u>\$ (15,064)</u>	<u>\$ -</u>	<u>\$ (71,642)</u>	<u>\$ 35,111</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1	\$ -	\$ -	\$ -
Wages and Salaries Payable	(383)	-	-	292
Due to Other Funds	(2,719)	-	-	-
Deferred Revenues	-	-	-	34,819
Total Liabilities	<u>(3,101)</u>	<u>-</u>	<u>-</u>	<u>35,111</u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Encumbrances	5,325	-	-	-
Inventories	-	-	-	-
Special Revenue	(17,288)	-	(71,642)	-
Total Fund Balances	<u>(11,963)</u>	<u>-</u>	<u>(71,642)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ (15,064)</u>	<u>\$ -</u>	<u>\$ (71,642)</u>	<u>\$ 35,111</u>

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

School Aged Child Care	Technology for Education	TANF Full Day Kindergarten	Incentives for School Improvement	Family Youth Resource Program	Truancy Initiative	Legislative Appropriation Laws of 2005	Libraries Go Bonds Laws of 2004
\$ 25,381	\$ 177,879	\$ 23,901	\$ 78,419	\$ 1,980	\$ (34,419)	\$ (7,334)	\$ 18,226
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	52,273	-	7,472
-	664,800	6,213	177,675	787	-	7,334	-
-	-	-	-	-	-	-	-
<u>\$ 25,381</u>	<u>\$ 842,679</u>	<u>\$ 30,114</u>	<u>\$ 256,094</u>	<u>\$ 2,767</u>	<u>\$ 17,854</u>	<u>\$ -</u>	<u>\$ 25,698</u>
\$ -	\$ -	\$ (2)	\$ 7,227	\$ -	\$ 252	\$ -	\$ -
-	3,858	6,925	1,508	(6,349)	682	-	-
-	42,501	18,338	46,011	9,116	17,147	-	25,698
25,381	796,320	4,853	201,348	-	-	-	-
<u>25,381</u>	<u>842,679</u>	<u>30,114</u>	<u>256,094</u>	<u>2,767</u>	<u>18,081</u>	<u>-</u>	<u>25,698</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	8,601	-	252	-	-
-	-	-	-	-	-	-	-
-	-	-	(8,601)	-	(479)	-	-
-	-	-	-	-	(227)	-	-
<u>\$ 25,381</u>	<u>\$ 842,679</u>	<u>\$ 30,114</u>	<u>\$ 256,094</u>	<u>\$ 2,767</u>	<u>\$ 17,854</u>	<u>\$ -</u>	<u>\$ 25,698</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Federal Relief Fund	Pre K Initiative	Beg. Teacher Mentoring Program	Breakfast for Elementary Students
ASSETS				
Cash and Cash Equivalents	\$ (99,950)	\$ (56,008)	\$ (117,000)	\$ 69,960
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables	-	-	-	-
Intergovernmental Receivables	-	233,087	15,709	-
Due from Other Funds	99,950	30,356	178,807	-
Inventories	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 207,435</u>	<u>\$ 77,516</u>	<u>\$ 69,960</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 4,643	\$ -	\$ -
Wages and Salaries Payable	-	21,450	1,193	-
Due to Other Funds	-	227,247	76,323	288
Deferred Revenues	-	-	-	69,672
Total Liabilities	<u>-</u>	<u>253,340</u>	<u>77,516</u>	<u>69,960</u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Encumbrances	-	8,739	-	120
Inventories	-	-	-	-
Special Revenue	-	(54,644)	-	(120)
Total Fund Balances	<u>-</u>	<u>(45,905)</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 207,435</u>	<u>\$ 77,516</u>	<u>\$ 69,960</u>

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

Kinder Plus	Fiesta Educativa	Pre K Start-up Cost	School on the Rise	Coordinated Approach to Child Health	Healthier Schools DOH	Suicide Prevention	School to Work
\$ 5,603	\$ -	\$ -	\$ (2,881)	\$ (1,195)	\$ -	\$ 48,488	\$ 4,656
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	5,393	2,691	-	-	-
542	-	-	-	904	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 6,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,512</u>	<u>\$ 2,400</u>	<u>\$ -</u>	<u>\$ 48,488</u>	<u>\$ 4,656</u>
\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 1	\$ -
4,871	-	-	-	176	-	-	-
1,001	-	-	2,511	2,224	-	(2,885)	3,963
273	-	-	-	-	-	51,372	693
<u>6,145</u>	<u>-</u>	<u>-</u>	<u>2,512</u>	<u>2,400</u>	<u>-</u>	<u>48,488</u>	<u>4,656</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	600	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(600)	-
-	-	-	-	-	-	-	-
<u>\$ 6,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,512</u>	<u>\$ 2,400</u>	<u>\$ -</u>	<u>\$ 48,488</u>	<u>\$ 4,656</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Gear - Up	Private DIR Grant	School Based Health Center	Wallace Foundation
ASSETS				
Cash and Cash Equivalents	\$ (209,809)	\$ 13,173	\$ 115,572	\$ 297
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables	-	-	-	-
Intergovernmental Receivables	234,253	-	3,809	30,000
Due from Other Funds	31,437	29	20,050	-
Inventories	-	-	-	-
Total Assets	<u>\$ 55,881</u>	<u>\$ 13,202</u>	<u>\$ 139,431</u>	<u>\$ 30,297</u>
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ 1,267	\$ -	\$ 96,349	\$ -
Wages and Salaries Payable	7,885	-	-	-
Due to Other Funds	71,285	5,900	43,082	30,297
Deferred Revenues	-	7,302	-	-
Total Liabilities	<u>80,437</u>	<u>13,202</u>	<u>139,431</u>	<u>30,297</u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Encumbrances	-	-	100,000	-
Inventories	-	-	-	-
Special Revenue	(24,556)	-	(100,000)	-
Total Fund Balances	<u>(24,556)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 55,881</u>	<u>\$ 13,202</u>	<u>\$ 139,431</u>	<u>\$ 30,297</u>

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

A+ for Energy Grant	Advanced Placement Program	School in Need of Improvement	Outdoor Classroom Initiative	Mccune Charitable Foundation	Total Nonmajor Special Revenue Funds	Total ED Tech Debt Service	Public School Capital Outlay
\$ 478	\$ (4,386)	\$ (34,280)	\$ 2,840	\$ 2,615	\$ 826,472	\$ 2,416,769	\$ (837,292)
-	-	-	-	-	1,673,618	-	-
-	-	-	-	-	-	36,908	-
-	-	-	-	-	-	(10,334)	-
-	-	-	-	-	-	3,630	-
-	5,926	13,054	-	-	6,865,295	-	3,097,155
-	-	30,517	-	-	2,201,597	-	-
-	-	-	-	-	376,267	-	-
<u>\$ 478</u>	<u>\$ 1,540</u>	<u>\$ 9,291</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>	<u>\$ 11,943,249</u>	<u>\$ 2,446,973</u>	<u>\$ 2,259,863</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 628,660	\$ -	\$ -
-	-	1,770	-	-	564,418	-	-
394	1,540	7,521	230	1,175	4,324,822	2,346,904	75,562
84	-	-	2,610	1,440	1,408,435	20,020	-
<u>478</u>	<u>1,540</u>	<u>9,291</u>	<u>2,840</u>	<u>2,840</u>	<u>6,926,335</u>	<u>2,366,924</u>	<u>75,562</u>
-	-	-	-	-	-	80,049	-
-	-	-	-	-	-	-	2,156,287
-	-	-	-	-	1,105,234	-	28,014
-	-	-	-	-	376,267	-	-
-	-	-	-	-	3,535,413	-	-
-	-	-	-	-	5,016,914	80,049	2,184,301
<u>\$ 478</u>	<u>\$ 1,540</u>	<u>\$ 9,291</u>	<u>\$ 2,840</u>	<u>\$ 75,562</u>	<u>\$ 11,943,249</u>	<u>\$ 2,446,973</u>	<u>\$ 2,259,863</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Special Capital Outlay-Local	Special Capital Outlay-State	Capital Improvements SB-9	Energy Efficiency Act
ASSETS				
Cash and Cash Equivalents	\$ 1,022,275	\$ (1,603,378)	\$ 563,957	\$ -
Investments - Current	-	-	-	-
Taxes Receivable	-	-	246,422	-
Allowance for Uncollectible Taxes (credit)	-	-	(68,598)	-
Receivables	-	-	21,680	-
Intergovernmental Receivables	-	2,315,799	1,013,076	-
Due from Other Funds	-	13,208	268,175	-
Inventories	-	-	-	-
Total Assets	<u>\$ 1,022,275</u>	<u>\$ 725,629</u>	<u>\$ 2,044,712</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ -	\$ 424,666	\$ 321,019	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	50,000	-	591,409	-
Deferred Revenues	-	-	120,843	-
Total Liabilities	<u>50,000</u>	<u>424,666</u>	<u>1,033,271</u>	<u>-</u>
Fund Balances:				
Reserved For:				
Debt Service	-	-	-	-
Capital Projects	972,275	(626,574)	448,515	-
Encumbrances	-	927,537	562,926	-
Inventories	-	-	-	-
Special Revenue	-	-	-	-
Total Fund Balances	<u>972,275</u>	<u>300,963</u>	<u>1,011,441</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,022,275</u>	<u>\$ 725,629</u>	<u>\$ 2,044,712</u>	<u>\$ -</u>

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

Ed Tech Equipment Act	Public School Capital Outlay - 20%	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 832,117	\$ -	\$ (22,321)	\$ 3,220,920
-	-	-	1,673,618
-	-	246,422	283,330
-	-	(68,598)	(78,932)
-	-	21,680	25,310
-	-	6,426,030	13,291,325
14,312	-	295,695	2,497,292
-	-	-	376,267
<u>\$ 846,429</u>	<u>\$ -</u>	<u>\$ 6,898,908</u>	<u>\$ 21,289,130</u>
\$ 128,029	\$ -	\$ 873,714	\$ 1,502,374
-	-	-	564,418
9,437	-	726,408	7,398,134
-	-	120,843	1,549,298
<u>137,466</u>	<u>-</u>	<u>1,720,965</u>	<u>11,014,224</u>
-	-	-	80,049
304,688	-	3,255,191	3,255,191
404,275	-	1,922,752	3,027,986
-	-	-	376,267
-	-	-	3,535,413
<u>708,963</u>	<u>-</u>	<u>5,177,943</u>	<u>10,274,906</u>
<u>\$ 846,429</u>	<u>\$ -</u>	<u>\$ 6,898,908</u>	<u>\$ 21,289,130</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, 2008

	Food Services	Athletics	Non Instructional Support	Title I IASA
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	8,220,859	-	-	7,608,903
Charges for Services	200,934	112,023	612,617	-
Investment Earnings	55,428	3,161	10,349	-
Other Revenue	-	-	-	-
Total Revenues	<u>8,477,221</u>	<u>115,184</u>	<u>622,966</u>	<u>7,608,903</u>
EXPENDITURES:				
Current:				
Instructional	-	167,336	599,805	5,756,332
Support Services	-	-	-	-
Support Services- Student	-	-	-	535,725
Support Services- Instruction	-	-	-	846,705
Support Services- General Administration	-	-	-	92,853
Support Services- School Administration	-	-	-	15,020
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	12,670
Student Transportation	-	-	-	349,598
Operation of Noninstructional Services:				
Food Services	8,844,001	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,844,001</u>	<u>167,336</u>	<u>599,805</u>	<u>7,608,903</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(366,780)</u>	<u>(52,152)</u>	<u>23,161</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(366,780)	(52,152)	23,161	-
Fund Balance - July 1 (Beginning)	4,772,488	191,272	377,924	-
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ 4,405,708</u>	<u>\$ 139,120</u>	<u>\$ 401,085</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	94,368	3,266,419	-	97,536	-	48,950	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	94,368	3,266,419	-	97,536	-	48,950	-
-	-	1,117,774	-	23,369	-	4,991	-
-	-	-	-	-	-	-	-
-	77,616	1,228,825	-	64,884	-	43,367	-
-	14,485	425,520	-	-	-	-	-
-	1,140	39,495	-	1,025	-	592	-
-	-	-	-	-	-	-	-
-	-	166,689	-	8,258	-	-	-
-	1,127	70,513	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	217,603	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	94,368	3,266,419	-	97,536	-	48,950	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2008

	Fruit & Vegetable Program	Enhancing ED thru Tech (E2T2-F)	Title I Family Literacy IASA	Learn & Services (CNCS)
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Instructional	-	-	-	-
Support Services	-	-	-	-
Support Services- Student	-	-	-	-
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:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
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.

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	Legis Approp-Laws 2007
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	25,592	170,292	1,300,227	116,761	881	128,390
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	25,592	170,292	1,300,227	116,761	881	128,390
-	-	25,264	301,506	1,382,797	273	9,438	2,844
-	-	-	-	-	-	-	-
-	-	-	883	587	53,217	-	15,003
-	-	-	19,305	-	57,541	-	110,543
-	-	328	4,615	16,786	1,386	-	-
-	-	-	4,727	144	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,344	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	25,592	331,036	1,400,314	116,761	9,438	128,390
-	-	-	(160,744)	(100,087)	-	(8,557)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(160,744)	(100,087)	-	(8,557)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ (160,744)	\$ (100,087)	\$ -	\$ (8,557)	\$ -

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, 2008

	Kindergarten Three Plus	After School Enrichment Program	Pre Kindergarten Special State	Libraries SB301 BO Bonds
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	385,935	302,592	107,634	72,465
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	385,935	302,592	107,634	72,465
EXPENDITURES:				
Current:				
Instructional	256,774	301,390	77,634	-
Support Services	-	-	-	-
Support Services- Student	-	-	-	-
Support Services- Instruction	-	-	-	72,465
Support Services- General Administration	-	4,222	-	-
Support Services- School Administration	25,161	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	104,000	-	30,000	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	385,935	305,612	107,634	72,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,020)	-	-
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(3,020)	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ (3,020)	\$ -	\$ -

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

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, 2008

	Title XIX Medicaid 3/21 Years	Career Access Program NSF	TANF GRADS HSD	Title III
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	511,320	121,169	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	511,320	121,169	-	-
EXPENDITURES:				
Current:				
Instructional	-	120,179	-	-
Support Services	-	-	-	-
Support Services- Student	217,082	(494)	-	-
Support Services- Instruction	-	-	-	-
Support Services- General Administration	4,386	1,484	-	-
Support Services- School Administration	-	-	-	-
Central Services	109,553	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	331,021	121,169	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	180,299	-	-	-
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	180,299	-	-	-
Fund Balance - July 1 (Beginning)	322,239	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	\$ 502,538	\$ -	\$ -	\$ -

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

ROTC	RETA	Reserved for Future State Definition	ENLACE UNM	Jordan Fundamentals Grant	PNM Foundation Inc	Milken Family Foundation	Daniels Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
147,233	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,750	-	4,971	-	-
<u>147,233</u>	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>-</u>	<u>4,971</u>	<u>-</u>	<u>-</u>
149,133	-	-	4,686	-	4,971	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>149,133</u>	<u>-</u>	<u>-</u>	<u>4,686</u>	<u>-</u>	<u>4,971</u>	<u>-</u>	<u>-</u>
<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>(2,936)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>(2,936)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>\$ (1,900)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,936)</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, 2008

	Paso Del Norte Health Foundation	Center for Services Learning	Microsoft Settlement Funds	NM Foundation Grant
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	(2,979)	-	97,520	75,181
Total Revenues	<u>(2,979)</u>	<u>-</u>	<u>97,520</u>	<u>75,181</u>
EXPENDITURES:				
Current:				
Instructional	-	-	170,313	-
Support Services	-	-	-	-
Support Services- Student	8,984	-	-	73,350
Support Services- Instruction	-	-	(1,151)	-
Support Services- General Administration	-	-	-	-
Support Services- School Administration	-	-	-	338
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	1,493
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,984</u>	<u>-</u>	<u>169,162</u>	<u>75,181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,963)</u>	<u>-</u>	<u>(71,642)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(11,963)	-	(71,642)	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ (11,963)</u>	<u>\$ -</u>	<u>\$ (71,642)</u>	<u>\$ -</u>

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

School Aged Child Care	Technology for Education	TANF Full Day Kindergarten	Incentives for School Improvement	Family Youth Resource Program	Truancy Initiative	Legislative Appropriation Laws of 2005	Libraries Go Bonds Laws of 2004
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	73,672	-	128,940	-	52,272	-	7,595
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	73,672	-	128,940	-	52,272	-	7,595
-	-	-	128,940	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(1,086)	51,870	-	-
-	889	-	-	-	629	-	7,595
-	-	-	-	-	-	-	-
-	72,783	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	73,672	-	128,940	(1,086)	52,499	-	7,595
-	-	-	-	1,086	(227)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,086	(227)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(1,086)	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (227)	\$ -	\$ -

Label School
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Federal Relief Fund	Pre K Initiative	Beg. Teacher Mentoring Program	Breakfast for Elementary Students
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	99,950	983,162	122,870	15,630
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>99,950</u>	<u>983,162</u>	<u>122,870</u>	<u>15,630</u>
EXPENDITURES:				
Current:				
Instructional	-	915,067	120,095	-
Support Services	-	-	-	-
Support Services- Student	-	-	1,290	-
Support Services- Instruction	-	21,721	-	-
Support Services- General Administration	-	12,590	1,485	-
Support Services- School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	30,000	-	-
Student Transportation	-	49,689	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	15,630
Community Services Operations	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	99,950	-	-	-
Total Expenditures	<u>99,950</u>	<u>1,029,067</u>	<u>122,870</u>	<u>15,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(45,905)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(45,905)	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ (45,905)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Label School
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Gear - Up	Private DIR Grant	School Based Health Center	Wallace Foundation
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	234,120	2,497	178,613	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	30,000
Total Revenues	<u>234,120</u>	<u>2,497</u>	<u>178,613</u>	<u>30,000</u>
EXPENDITURES:				
Current:				
Instructional	258,346	2,497	2,400	30,000
Support Services	-	-	-	-
Support Services- Student	230	-	176,213	-
Support Services- Instruction	-	-	-	-
Support Services- General Administration	-	-	-	-
Support Services- School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	100	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>258,676</u>	<u>2,497</u>	<u>178,613</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,556)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(24,556)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ (24,556)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

A+ for Energy Grant	Advanced Placement Program	School in Need of Improvement	Outdoor Classroom Initiative	Mccune Charitable Foundation	Total Nonmajor Special Revenue Funds	Total ED Tech Debt Service	Public School Capital Outlay
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,264	\$ -
-	5,926	43,571	4,363	-	24,954,360	-	237,579
-	-	-	-	-	925,574	-	-
-	-	-	-	-	68,938	33,709	-
9,916	-	-	-	1,560	217,919	-	-
<u>9,916</u>	<u>5,926</u>	<u>43,571</u>	<u>4,363</u>	<u>1,560</u>	<u>26,166,791</u>	<u>75,973</u>	<u>237,579</u>
9,796	-	43,571	4,363	1,560	12,229,854	-	-
-	5,068	-	-	-	5,068	-	-
-	-	-	-	-	2,581,132	-	-
-	858	-	-	-	1,576,721	-	-
120	-	-	-	-	186,548	34	-
-	-	-	-	-	45,390	-	-
-	-	-	-	-	357,283	-	-
-	-	-	-	-	120,247	-	-
-	-	-	-	-	533,287	-	-
-	-	-	-	-	8,859,631	-	-
-	-	-	-	-	217,603	-	-
-	-	-	-	-	-	400,000	-
-	-	-	-	-	-	72,466	-
-	-	-	-	-	99,950	-	761,215
<u>9,916</u>	<u>5,926</u>	<u>43,571</u>	<u>4,363</u>	<u>1,560</u>	<u>26,812,714</u>	<u>472,500</u>	<u>761,215</u>
-	-	-	-	-	(645,923)	(396,527)	(523,636)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(645,923)	(396,527)	(523,636)
-	-	-	-	-	5,663,923	476,576	2,707,937
-	-	-	-	-	(1,086)	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,016,914</u>	<u>\$ 80,049</u>	<u>\$ 2,184,301</u>

Label_School
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Special Capital Outlay-Local	Special Capital Outlay-State	Capital Improvements SB-9	Energy Efficiency Act
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 1,265,842	\$ -
Intergovernmental Revenue and Grants	-	1,409,181	2,995,345	-
Charges for Services	-	-	-	-
Investment Earnings	14,319	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>14,319</u>	<u>1,409,181</u>	<u>4,261,187</u>	<u>-</u>
EXPENDITURES:				
Current:				
Instructional	-	-	-	-
Support Services	-	-	462	-
Support Services- Student	-	-	-	-
Support Services- Instruction	-	-	-	-
Support Services- General Administration	-	-	18	-
Support Services- School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Operation of Noninstructional Services:				
Food Services	-	-	-	-
Community Services Operations	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	1,560,590	4,046,327	-
Total Expenditures	<u>-</u>	<u>1,560,590</u>	<u>4,046,807</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,319</u>	<u>(151,409)</u>	<u>214,380</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	14,319	(151,409)	214,380	-
Fund Balance - July 1 (Beginning)	957,956	452,372	2,921,281	-
Prior Period Adjustment	-	-	(2,124,220)	-
Fund Balance - June 30 (Ending)	<u>\$ 972,275</u>	<u>\$ 300,963</u>	<u>\$ 1,011,441</u>	<u>\$ -</u>

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

Ed Tech Equipment Act	Public School Capital Outlay - 20%	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,265,842	\$ 1,308,106
-	-	4,642,105	29,596,465
-	-	-	925,574
-	-	14,319	116,966
-	-	-	217,919
-	-	<u>5,922,266</u>	<u>32,165,030</u>
-	-	-	12,229,854
-	-	462	5,530
-	-	-	2,581,132
-	-	-	1,576,721
-	-	18	186,600
-	-	-	45,390
-	-	-	357,283
-	-	-	120,247
-	-	-	533,287
-	-	-	8,859,631
-	-	-	217,603
-	-	-	400,000
-	-	-	72,466
<u>1,971,883</u>	-	<u>8,340,015</u>	<u>8,439,965</u>
<u>1,971,883</u>	-	<u>8,340,495</u>	<u>35,625,709</u>
<u>(1,971,883)</u>	-	<u>(2,418,229)</u>	<u>(3,460,679)</u>
<u>1,500,000</u>	-	<u>1,500,000</u>	<u>1,500,000</u>
<u>1,500,000</u>	-	<u>1,500,000</u>	<u>1,500,000</u>
(471,883)	-	(918,229)	(1,960,679)
1,180,846	-	8,220,392	14,360,891
-	-	(2,124,220)	(2,125,306)
<u>\$ 708,963</u>	<u>\$ -</u>	<u>\$ 5,177,943</u>	<u>\$ 10,274,906</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING STATEMENT OF NET ASSETS
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2008

	Private Purpose Trust Fund	Gadsden Foundation Inc.	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 78,010	\$ 78,010
Due from Other Funds	16,938	-	16,938
Total Assets	<u>\$ 16,938</u>	<u>\$ 78,010</u>	<u>\$ 94,948</u>
LIABILITIES			
Due to Other Funds	-	16,938	16,938
Total Liabilities	<u>-</u>	<u>16,938</u>	<u>16,938</u>
NET ASSETS			
Unrestricted Net Assets	16,938	61,072	78,010
Total Net Assets	<u>\$ 16,938</u>	<u>\$ 61,072</u>	<u>\$ 78,010</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, 2008

Data Control Codes	Private Purpose Trust Fund	Gadsden Foundation Inc.	Total Private Purpose Trust Funds
ADDITIONS:			
Investment Earnings	\$ 552	\$ 1,645	\$ 2,197
Contributions & Donations from Private	-	17,343	17,343
Total Additions	<u>552</u>	<u>18,988</u>	<u>19,540</u>
DEDUCTIONS:			
Miscellaneous Operating	-	1,500	1,500
Bank Fees	-	50	50
Total Deductions	<u>-</u>	<u>1,550</u>	<u>1,550</u>
Change in Net Assets	552	17,438	17,990
Total Net Assets - July 1 (Beginning)	<u>16,386</u>	<u>43,634</u>	<u>60,020</u>
Total Net Assets - June 30 (Ending)	<u>\$ 16,938</u>	<u>\$ 61,072</u>	<u>\$ 78,010</u>

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

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BUDGET COMPARISONS

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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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
REVENUES:				
Taxes:				
Property Taxes	\$ 215,993	\$ 215,993	\$ 277,962	\$ 61,969
Intergovernmental Revenue and Grants	92,056,496	94,128,714	94,705,449	576,735
Charges for Services	179,500	179,500	27,294	(152,206)
Investment Earnings	235,000	235,000	149,907	(85,093)
Rents and Royalties	3,000	3,000	39,484	36,484
Contributions & Donations from Private Sources	-	-	309	309
Other Revenue	-	-	8,679	8,679
Total Revenues	92,689,989	94,762,207	95,209,084	446,877
EXPENDITURES:				
Current:				
Instructional	61,321,530	63,131,844	62,943,148	188,696
Support Services				-
Support Services - Student	8,780,392	9,062,610	10,418,049	(1,355,439)
Support Services - Instruction	5,052,748	5,052,748	4,134,618	918,130
Support Services - General Administration	1,412,070	1,417,070	983,840	433,230
Support Services - School Administration	5,544,480	5,816,165	5,925,646	(109,481)
Central Services	2,149,738	2,399,738	2,381,458	18,280
Operation & Maintenance of Plant	12,050,743	12,100,743	11,302,897	797,846
Student Transportation	90,550	90,550	88,644	1,906
Other	48,065	48,065	-	48,065
Operation of Noninstructional Services	-	-	-	-
Community Services Operations	23,985	23,985	16,645	7,340
Total Expenditures	96,474,301	99,143,518	98,194,944	948,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,784,312)	(4,381,311)	(2,985,860)	1,395,451
	35,080,721			
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	-	-
Capital Contributions	-	(596,999)	-	-
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	-	(596,999)	-	-
Change in Fund Balance	(3,784,312)	(4,978,310)	(2,985,860)	1,395,451
Fund Balance - July 1 (Beginning)	(575,006)	(2,391,138)	55,986	2,447,124
Fund Balance - June 30 (Ending)	<u>\$ (4,359,318)</u>	<u>\$ (7,369,448)</u>	<u>\$ (2,929,874)</u>	<u>\$ 3,842,575</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
REVENUES:				
Intergovernmental Revenue and Grants	5,364,181	5,888,134	6,428,998	540,864
Total Revenues	5,364,181	5,888,134	6,428,998	540,864
EXPENDITURES:				
Current:				
Support Services	-	-	-	-
Student Transportation	5,364,181	5,888,134	5,869,114	19,020
Total Expenditures	5,364,181	5,888,134	5,869,114	19,020
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	559,884	559,884
Change in Fund Balance	-	-	559,884	559,884
Fund Balance - July 1 (Beginning)	-	7,404	(471,564)	(478,968)
Fund Balance - June 30 (Ending)	\$ -	\$ 7,404	\$ 88,320	\$ 80,916

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	BUDGET BASIS (See Note)	
REVENUES:				
Intergovernmental Revenue and Grants	1,323,189	1,526,665	1,542,071	15,406
Total Revenues	<u>1,323,189</u>	<u>1,526,665</u>	<u>1,542,071</u>	<u>15,406</u>
EXPENDITURES:				
Current:				
Instructional	1,889,750	2,051,182	1,700,352	350,830
Support Services - Instruction	107,135	149,179	142,792	6,387
Total Expenditures	<u>1,996,885</u>	<u>2,200,361</u>	<u>1,843,144</u>	<u>357,217</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(673,696)</u>	<u>(673,696)</u>	<u>(301,073)</u>	<u>372,623</u>
Change in Fund Balance	(673,696)	(673,696)	(301,073)	372,623
Fund Balance - July 1 (Beginning)	<u>41,074</u>	<u>421,814</u>	<u>636,422</u>	<u>214,608</u>
Fund Balance - June 30 (Ending)	<u>\$ (632,622)</u>	<u>\$ (251,882)</u>	<u>\$ 335,349</u>	<u>\$ 587,231</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.

(24176) Carl Perkins Redistribution - The funds are used to address the performance measures that New Mexico is currently not meeting; and to ensure compliance with communications to the State from the U.S. Department of Education's Office of Vocational and Adult Education.

(24179) Carl D. Perkins Post -Secondary - Redistribution - The purpose of this federal grant is to assist eligible school districts in implementing programs that meet the definition of Career and Technical Education contained in the Carl D. Perkins.

(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.

(25149) GRADS - Child Component - Funds to be used for intervention component for teen parents. 16-24 student case management and summer case management. July 1, 2007 to June 30, 2008.

(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.

(25166) Title III - The funds are used to purchase library materials.

(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.

(25383) Reserved for Future State Definition - Funds are to be used for the continued implementation of the extended kindergarten program. Drug Free - Funds are to be used for gang and drug free conferences. Fiesta Educativa - Funds are to be used for Fiesta Educativa Parent Conference and Outreach activities.

(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.

(26125) Wallace Foundation- Funds are to be used for tracking improvement of performance benchmark achievement. October 19, 2007 to June 15, 2008.

(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.

(26179) A+ for Energy Grant - The Gadsden Open Solar Car Design and Race - using basic solar-car kits students will work in teams to design and create aerodynamically and mechanically efficient model cars that can be powered by battery and/or solar panels. July 1, 2007 to June 30, 2008.

(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.

(27129) Advanced Placement Program - Monies provided through PED to fund training for teachers and administrators to support the implementation of Pre-AP/AP Strategies in grades 7-12. February 19, 2008 to June 30, 2008.

(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.

(27163) School Framework - To support narrowing the achievement gap by paying the cost of one interventionist teacher. July 1, 2007 to June 30, 2008.

(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.

(27165) Legis Approp - Laws 2007 Promise for Success - Funds are to be used to implement strategies and programs for the purpose of establishing a Promise for Success Programs and a District Wide Student Discipline Advisory Council that is unique to New Mexico populations and cultures that will assist students to stay in school and succeed.

(27166) Kindergarten Three Plus - The K-3 Plus pilot project provides funding for approved full-day kindergarten and grades one through three to be extended by twenty-five days prior to the start of the school year. The program provides funding for extended year classrooms. July 1, 2007 to June 30, 2008. Must be expended or encumbered by June 30, 2008.

(27168) After School Enrichment - The purpose of the funding is to support the partnership with the New Mexico Community Foundation as part of the Atlantic Philanthropies grant for Gadsden Middle School. The allocated funds for the purpose of implementing quality before and/or after school programs and to provide opportunities for students to attend before and/or after school programs. July 1, 2007 to June 30, 2008.

(27169) Pre-Kindergarten State Special - The purpose of the New Mexico PreK program is to increase statewide access to voluntary quality NM PreK programs; focus on enrolling new children and building community capacity; provide developmentally appropriate activities for New Mexico children; focus on school readiness; and expand early childhood community capacity. July 1, 2007 to June 30, 2008.

(27170) GO Bond - The funds must be used to fund each library facility \$3,000 for improvement or acquisition and to acquire library books and library resources to support the library program. The Library Task Force that supported and worked for this funding recommends that libraries and their collections are updated so that students will have greater access to reading and reference materials. All funds generated by these GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. September 20, 2007 to June 20, 2010.

(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.

(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.

(28185) Outdoor Classroom Initiative - Funds will cover costs for field trips for fifth grade students as part of a special appropriation for Dona Ana county public schools sponsored by State Sen. Jeff Steinborn and approved by the 2007 New Mexico Legislature. January 29, 2008 to June 30, 2008. No carry over allowed.

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

(29114) McCuen Charitable Foundation - Funds are to be used for general operating support.

(29130) School Based Health Center - The fund is used to meet the requirements associated with a School Based Health Center.

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, 2008

EXHIBIT J-4

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 5,975,000	\$ 5,975,000	\$ 5,662,202	\$ (312,798)
Charges for Services	400,000	400,000	200,934	(199,066)
Investment Earnings	32,000	32,000	55,428	23,428
Total Revenues	<u>6,407,000</u>	<u>6,407,000</u>	<u>5,918,564</u>	<u>(488,436)</u>
EXPENDITURES:				
Current:				
Operation of Noninstructional Services:				
Food Services	8,907,000	8,907,000	8,368,275	538,725
Total Expenditures	<u>8,907,000</u>	<u>8,907,000</u>	<u>8,368,275</u>	<u>538,725</u>
Change in Fund Balance	(2,500,000)	(2,500,000)	(2,449,711)	50,289
Fund Balance - July (Beginning)	<u>-</u>	<u>(1,347,805)</u>	<u>3,636,936</u>	<u>4,984,741</u>
				-
Fund Balance - June 30 (Ending)	<u>\$ (2,500,000)</u>	<u>\$ (3,847,805)</u>	<u>\$ 1,187,225</u>	<u>\$ 5,035,030</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, 2008

EXHIBIT J-5

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Charges for Services	\$ 100,000	\$ 114,156	\$ 112,023	\$ (2,133)
Investment Earnings	-	-	3,161	3,161
Total Revenues	<u>100,000</u>	<u>114,156</u>	<u>115,184</u>	<u>1,028</u>
EXPENDITURES:				
Current:				
Instructional	325,110	339,266	167,185	172,081
Total Expenditures	<u>325,110</u>	<u>339,266</u>	<u>167,185</u>	<u>172,081</u>
Change in Fund Balance	(225,110)	(225,110)	(52,001)	173,109
Fund Balance - July (Beginning)	-	(126,698)	191,297	317,995
				-
Fund Balance - June 30 (Ending)	<u>\$ (225,110)</u>	<u>\$ (351,808)</u>	<u>\$ 139,296</u>	<u>\$ 491,104</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, 2008

EXHIBIT J-6

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Charges for Services	\$ 650,000	\$ 650,000	\$ 614,617	\$ (35,383)
Investment Earnings	20,000	20,000	10,349	(9,651)
Total Revenues	<u>670,000</u>	<u>670,000</u>	<u>624,966</u>	<u>(45,034)</u>
EXPENDITURES:				
Current:				
Instructional	1,067,979	1,067,979	602,518	465,461
Total Expenditures	<u>1,067,979</u>	<u>1,067,979</u>	<u>602,518</u>	<u>465,461</u>
Change in Fund Balance	(397,979)	(397,979)	22,448	420,427
Fund Balance - July (Beginning)	<u>-</u>	<u>(262,641)</u>	<u>393,631</u>	<u>656,272</u>
				-
Fund Balance - June 30 (Ending)	<u>\$ (397,979)</u>	<u>\$ (660,620)</u>	<u>\$ 416,079</u>	<u>\$ 1,076,699</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, 2008

EXHIBIT J-7

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 6,729,160	\$ 8,124,529	\$ 7,088,314	\$ (1,036,215)
Total Revenues	6,729,160	8,124,529	7,088,314	(1,036,215)
EXPENDITURES:				
Current:				
Instructional	5,261,309	6,198,292	5,834,073	364,219
Support Services:				
Support Services- Student	642,068	643,068	574,464	68,604
Support Services- Instruction	607,934	792,092	832,462	(40,370)
Support Services- General Administration	80,649	98,532	92,853	5,679
Support Services- School Administration	10,200	20,802	15,020	5,782
Operation & Maintenance of Plant	12,000	21,125	11,422	9,703
Student Transportation	115,000	350,618	349,450	1,168
Total Expenditures	6,729,160	8,124,529	7,709,744	414,785
Change in Fund Balance	-	-	(621,430)	(621,430)
Fund Balance - July (Beginning)	-	1,032,832	(628,908)	(1,661,740)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 1,032,832	\$ (1,250,338)	\$ (2,283,170)

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, 2008

EXHIBIT J-8

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (Beginning)	-	-	1	1
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, 2008

EXHIBIT J-9

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 120,000	\$ 96,149	\$ (23,851)
Total Revenues	<u>-</u>	<u>120,000</u>	<u>96,149</u>	<u>(23,851)</u>
EXPENDITURES:				
Current:				
Instructional	-	7,191	-	7,191
Support Services:				
Support Services- Student	-	115,904	77,525	38,379
Support Services- Instruction	-	17,100	14,484	2,616
Support Services- General Administration	-	1,718	1,140	578
Operation & Maintenance of Plant	-	1,200	1,127	73
Total Expenditures	<u>-</u>	<u>143,113</u>	<u>94,276</u>	<u>48,837</u>
Change in Fund Balance	-	(23,113)	1,873	24,986
Fund Balance - July (Beginning)	-	4,022	(3,636)	(7,658)
				-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ (19,091)</u>	<u>\$ (1,763)</u>	<u>\$ 17,328</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 - ENTITLEMENT IDEA - B
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-10

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 2,989,284	\$ 3,470,255	\$ 3,375,597	\$ (94,658)
Total Revenues	2,989,284	3,470,255	3,375,597	(94,658)
EXPENDITURES:				
Current:				
Instructional	953,060	1,173,059	1,105,053	68,006
Support Services:				
Support Services- Student	910,163	1,160,163	1,251,667	(91,504)
Support Services- Instruction	683,307	462,807	425,520	37,287
Support Services- General Administration	79,483	59,483	39,495	19,988
Central Services	185,746	216,718	164,975	51,743
Operation & Maintenance of Plant	60,000	110,500	70,497	40,003
Operation of Noninstructional Services:				
Community Services Operations	117,525	287,525	215,334	72,191
Total Expenditures	2,989,284	3,470,255	3,272,541	197,714
Change in Fund Balance	-	-	103,056	103,056
Fund Balance - July (Beginning)	-	688,036	(562,044)	(1,250,080)
	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ 688,036	\$ (458,988)	\$ (1,147,024)

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, 2008

EXHIBIT J-11

	\$	-	\$	-	\$	-	\$	-
Change in Fund Balance		-		-		-		-
Fund Balance - July (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 - PRESCHOOL IDEA - B
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-12

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 80,148	\$ 107,571	\$ 86,279	\$ (21,292)
Total Revenues	<u>80,148</u>	<u>107,571</u>	<u>86,279</u>	<u>(21,292)</u>
EXPENDITURES:				
Current:				
Instructional	9,000	24,994	10,223	14,771
Support Services:				
Support Services- Student	61,078	71,507	65,382	6,125
Support Services- General Administration	2,153	2,153	1,025	1,128
Central Services	7,917	8,917	8,258	659
Total Expenditures	<u>80,148</u>	<u>107,571</u>	<u>84,888</u>	<u>22,683</u>
Change in Fund Balance	-	-	1,391	1,391
Fund Balance - July (Beginning)	<u>-</u>	<u>19,006</u>	<u>(6,836)</u>	<u>(25,842)</u>
				-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 19,006</u>	<u>\$ (5,445)</u>	<u>\$ (24,451)</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 VI
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-13

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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 - EDUCATION OF HOMELESS
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-14

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 50,000	\$ 48,481	\$ (1,519)
Total Revenues	-	50,000	48,481	(1,519)
EXPENDITURES:				
Current:				
Instructional	-	5,000	4,991	9
Support Services:				
Support Services- Student	-	49,402	43,367	6,035
Support Services- General Administration	-	660	592	68
Total Expenditures	-	55,062	48,950	6,112
Change in Fund Balance	-	(5,062)	(469)	4,593
Fund Balance - July (Beginning)	-	803	(10,934)	(11,737)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (4,259)	\$ (11,403)	\$ (7,144)

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, 2008

EXHIBIT J-15

	\$	-	\$	-	\$	-	\$	-
Change in Fund Balance		-		-		-		-
Fund Balance - July (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 - FRUIT & VEGETABLE PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-16

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 30,552	\$ -	\$ (30,552)
Total Revenues	<u>-</u>	<u>30,552</u>	<u>-</u>	<u>(30,552)</u>
EXPENDITURES:				
Current:				
Operation of Noninstructional Services:				
Food Services	-	30,552	20	30,532
Total Expenditures	<u>-</u>	<u>30,552</u>	<u>20</u>	<u>30,532</u>
Change in Fund Balance	-	-	(20)	(20)
Fund Balance - July (Beginning)	<u>-</u>	<u>-</u>	<u>15,161</u>	<u>15,161</u>
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,141</u>	<u>\$ 15,141</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 - ENHANCING ED THRU TECH - (E2T2-F)
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-17

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 69,718	\$ -	\$ (69,718)
Total Revenues	-	69,718	-	(69,718)
EXPENDITURES:				
Current:				
Instructional	-	69,718	465	69,253
Total Expenditures	-	69,718	465	69,253
Change in Fund Balance	-	-	(465)	(465)
Fund Balance - July (Beginning)	-	24,418	21,751	(2,667)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 24,418	\$ 21,286	\$ (3,132)

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, 2008

EXHIBIT J-18

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (Beginning)	-	3,641	(1,240)	(4,881)
Fund Balance - June 30 (Ending)	\$ -	\$ 3,641	\$ (1,240)	\$ (4,881)

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, 2008

EXHIBIT J-19

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 19,758	\$ 19,758
Total Revenues	-	-	19,758	19,758
EXPENDITURES:				
Current:				
Instructional	-	-	2,019	(2,019)
Total Expenditures	-	-	2,019	(2,019)
Change in Fund Balance	-	-	17,739	17,739
Fund Balance - July (Beginning)	-	(49,756)	(57,861)	(8,105)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (49,756)	\$ (40,122)	\$ 9,634

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, 2008

EXHIBIT J-20

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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-C)
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-21

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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, 2008

EXHIBIT J-22

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 17,996	\$ 28,915	\$ 11,735	\$ (17,180)
Total Revenues	<u>17,996</u>	<u>28,915</u>	<u>11,735</u>	<u>(17,180)</u>
EXPENDITURES:				
Current:				
Instructional	17,781	28,569	26,964	1,605
Support Services:				
Support Services- General Administration	<u>215</u>	<u>346</u>	<u>328</u>	<u>18</u>
Total Expenditures	<u>17,996</u>	<u>28,915</u>	<u>27,292</u>	<u>1,623</u>
Change in Fund Balance	-	-	(15,557)	(15,557)
Fund Balance - July (Beginning)	<u>-</u>	<u>568,890</u>	<u>(3,900)</u>	<u>(572,790)</u>
				-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 568,890</u>	<u>\$ (19,457)</u>	<u>\$ (588,347)</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, 2008

EXHIBIT J-23

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 505,960	\$ 598,590	\$ 551,394	\$ (47,196)
Total Revenues	505,960	598,590	551,394	(47,196)
EXPENDITURES:				
Current:				
Instructional	429,338	544,968	353,449	191,519
Support Services:				
Support Services- Student	10,000	4,000	883	3,117
Support Services- Instruction	30,500	26,500	19,164	7,336
Support Services- General Administration	6,122	6,122	4,615	1,507
Support Services- School Administration	30,000	17,000	4,727	12,273
Total Expenditures	505,960	598,590	382,838	215,752
Change in Fund Balance	-	-	168,556	168,556
Fund Balance - July (Beginning)	-	(590,485)	(329,301)	261,184
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (590,485)	\$ (160,745)	\$ 429,740

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, 2008

EXHIBIT J-24

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 1,162,602	\$ 1,518,559	\$ 1,220,802	\$ (297,757)
Total Revenues	<u>1,162,602</u>	<u>1,518,559</u>	<u>1,220,802</u>	<u>(297,757)</u>
EXPENDITURES:				
Current:				
Instructional	1,138,703	1,490,404	1,361,019	129,385
Support Services:				
Support Services- Student	-	-	11,772	(11,772)
Support Services- General Administration	13,899	18,155	16,786	1,369
Support Services- School Administration	10,000	10,000	144	9,856
Total Expenditures	<u>1,162,602</u>	<u>1,518,559</u>	<u>1,389,721</u>	<u>128,838</u>
Change in Fund Balance	-	-	(168,919)	(168,919)
Fund Balance - July (Beginning)	<u>-</u>	<u>-</u>	<u>(127,979)</u>	<u>(127,979)</u>
				-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (296,898)</u>	<u>\$ (296,898)</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, 2008

EXHIBIT J-25

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 108,121	\$ 131,491	\$ 111,631	\$ (19,860)
Total Revenues	<u>108,121</u>	<u>131,491</u>	<u>111,631</u>	<u>(19,860)</u>
EXPENDITURES:				
Current:				
Instructional	3,000	1,000	273	727
Support Services:				
Support Services- Student	55,834	62,489	46,544	15,945
Support Services- Instruction	46,494	57,709	57,541	168
Support Services- General Administration	1,293	1,293	1,386	(93)
Operation & Maintenance of Plant	1,500	9,000	8,918	82
Total Expenditures	<u>108,121</u>	<u>131,491</u>	<u>114,662</u>	<u>16,829</u>
Change in Fund Balance	-	-	(3,031)	(3,031)
Fund Balance - July (Beginning)	-	(4,185)	(27,831)	(23,646)
				-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ (4,185)</u>	<u>\$ (30,862)</u>	<u>\$ (26,677)</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, 2008

EXHIBIT J-26

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 10,762	\$ -	\$ (10,762)
Total Revenues	-	10,762	-	(10,762)
EXPENDITURES:				
Current:				
Instructional	-	10,762	8,557	2,205
Total Expenditures	-	10,762	8,557	2,205
Change in Fund Balance	-	-	(8,557)	(8,557)
Fund Balance - July (Beginning)	-	(15,053)	-	15,053
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (15,053)	\$ (8,557)	\$ 6,496

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 APPROP-LAWS 2007 PROMISE FOR SUCCESS
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-27

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 269,000	\$ -	\$ (269,000)
Total Revenues	-	269,000	-	(269,000)
EXPENDITURES:				
Current:				
Instructional	-	4,000	860	3,140
Support Services:				
Support Services- Student	-	15,000	15,003	(3)
Support Services- Instruction	-	250,000	3,572	246,428
Total Expenditures	-	269,000	19,435	249,565
Change in Fund Balance	-	-	(19,435)	(19,435)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (19,435)	\$ (19,435)

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 - KINDERGARTEN-THREE PLUS
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-28

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 22,135	\$ 484,545	\$ 485,544	\$ 999
Total Revenues	<u>22,135</u>	<u>484,545</u>	<u>485,544</u>	<u>999</u>
EXPENDITURES:				
Current:				
Instructional	22,135	342,306	219,886	122,420
Support Services:				
Support Services- General Administration	-	819	-	819
Support Services- School Administration	-	37,420	25,161	12,259
Student Transportation	-	104,000	104,000	-
Total Expenditures	<u>22,135</u>	<u>484,545</u>	<u>349,047</u>	<u>135,498</u>
Change in Fund Balance	-	-	136,497	136,497
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,497</u>	<u>\$ 136,497</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 - AFTER SCHOOL ENRICHMENT PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-29

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 328,070	\$ 134,311	\$ (193,759)
Total Revenues	-	328,070	134,311	(193,759)
EXPENDITURES:				
Current:				
Instructional	-	325,679	281,769	43,910
Support Services:				
Support Services- General Administration	-	2,391	4,222	(1,831)
Total Expenditures	-	328,070	285,991	42,079
Change in Fund Balance	-	-	(151,680)	(151,680)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (151,680)	\$ (151,680)

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 - PRE-KINDERGARTEN-SPECIAL STATE
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-30

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 109,200	\$ 98,323	\$ (10,877)
Total Revenues	-	109,200	98,323	(10,877)
EXPENDITURES:				
Current:				
Instructional	-	79,200	77,407	1,793
Support Services:				
Student Transportation	-	30,000	30,000	-
Total Expenditures	-	109,200	107,407	1,793
Change in Fund Balance	-	-	(9,084)	(9,084)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (9,084)	\$ (9,084)

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 SB301 BO BONDS
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-31

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 84,946	\$ -	\$ (84,946)
Total Revenues	-	84,946	-	(84,946)
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Instruction	-	84,946	70,846	14,100
Total Expenditures	-	84,946	70,846	14,100
Change in Fund Balance	-	-	(70,846)	(70,846)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (70,846)	\$ (70,846)

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, 2008

EXHIBIT J-32

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 228,872	\$ 283,940	\$ 55,068
Investment Earnings	-	1,698	-	(1,698)
Total Revenues	-	230,570	283,940	53,370
EXPENDITURES:				
Current:				
Instructional	-	212,801	177,342	35,459
Support Services:				
Support Services- Student	-	15,000	8,116	6,884
Support Services- General Administration	-	2,769	2,271	498
Total Expenditures	-	230,570	187,729	42,841
Change in Fund Balance	-	-	96,211	96,211
Fund Balance - July (Beginning)	-	-	(48,816)	(48,816)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 47,395	\$ 47,395

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, 2008

EXHIBIT J-33

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ -	\$ 13,370	\$ -	\$ (13,370)
Total Revenues	-	13,370	-	(13,370)
EXPENDITURES:				
Current:				
Instructional	-	13,160	12,508	652
Support Services:				
Support Services- Student	-	50	-	50
Support Services- General Administration	-	160	153	7
Total Expenditures	-	13,370	12,661	709
Change in Fund Balance	-	-	(12,661)	(12,661)
Fund Balance - July (Beginning)	-	(89,711)	(89,836)	(125)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (89,711)	\$ (102,497)	\$ (12,786)

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 REDISTRIBUTION
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-34

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 109,366	\$ -	\$ (109,366)
Total Revenues	-	109,366	-	(109,366)
EXPENDITURES:				
Current:				
Instructional	-	89,744	3,945	85,799
Support Services:				
Support Services- Student	-	19,622	2,032	17,590
Total Expenditures	-	109,366	5,977	103,389
Change in Fund Balance	-	-	(5,977)	(5,977)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (5,977)	\$ (5,977)

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 POST-SECONDARY-REDISTRIBUTION
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-35

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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 VII BILINGUAL
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-36

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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 - BILINGUAL ED/COMP SCHOOL GRANTS
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-37

	\$	-	\$	-	\$	-	\$	-
Change in Fund Balance		-		-		-		-
Fund Balance - July (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 - PRES TEACHING AWARD NSF
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-38

	\$	-	\$	-	\$	-	\$	-
Change in Fund Balance		-		-		-		-
Fund Balance - July (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 - GRADS CHILD CARE CYFD
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-39

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 5,000	\$ 5,000	\$ -
Total Revenues	-	5,000	5,000	-
EXPENDITURES:				
Current:				
Instructional	-	5,000	4,535	465
Total Expenditures	-	5,000	4,535	465
Change in Fund Balance	-	-	465	465
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 465	\$ 465

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, 2008

EXHIBIT J-40

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 464,418	\$ 464,418	\$ 490,806	\$ 26,388
Total Revenues	<u>464,418</u>	<u>464,418</u>	<u>490,806</u>	<u>26,388</u>
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Student	284,512	284,512	220,011	64,501
Support Services- General Administration	200,000	200,000	37,282	162,718
Central Services	324,790	324,790	105,734	219,056
Total Expenditures	<u>809,302</u>	<u>809,302</u>	<u>363,027</u>	<u>446,275</u>
Change in Fund Balance	(344,884)	(344,884)	127,779	472,663
Fund Balance - July (Beginning)	-	128,584	329,985	201,401
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30 (Ending)	<u>\$ (344,884)</u>	<u>\$ (216,300)</u>	<u>\$ 457,764</u>	<u>\$ 674,064</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, 2008

EXHIBIT J-41

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 123,349	\$ 261,820	\$ 138,471
Total Revenues	-	123,349	261,820	138,471
EXPENDITURES:				
Current:				
Instructional	-	121,100	120,550	550
Support Services:				
Support Services- Student	-	638	638	-
Support Services- General Administration	-	1,611	1,484	127
Total Expenditures	-	123,349	122,672	677
Change in Fund Balance	-	-	139,148	139,148
Fund Balance - July (Beginning)	-	443	(139,237)	(139,680)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 443	\$ (89)	\$ (532)

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, 2008

EXHIBIT J-42

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 8,000	\$ 8,000	\$ -
Total Revenues	-	8,000	8,000	-
EXPENDITURES:				
Current:				
Instructional	-	8,000	240	7,760
Total Expenditures	-	8,000	240	7,760
Change in Fund Balance	-	-	7,760	7,760
Fund Balance - July (Beginning)	-	52	13,732	13,680
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 52	\$ 21,492	\$ 21,440

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, 2008

EXHIBIT J-43

	\$	-	\$	-	\$	-	\$	-
Change in Fund Balance		-		-		-		-
Fund Balance - July (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 - ROTC
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-44

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 113,771	\$ 110,983	\$ (2,788)
Total Revenues	-	113,771	110,983	(2,788)
EXPENDITURES:				
Current:				
Instructional	61,481	175,252	149,772	25,480
Total Expenditures	61,481	175,252	149,772	25,480
Change in Fund Balance	(61,481)	(61,481)	(38,789)	22,692
Fund Balance - July (Beginning)	-	35,324	36,888	1,564
				-
Fund Balance - June 30 (Ending)	\$ (61,481)	\$ (26,157)	\$ (1,901)	\$ 24,256

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, 2008

EXHIBIT J-45

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Instruction	\$ -	\$ 5,075	\$ -	\$ 5,075
Total Expenditures	-	5,075	-	5,075
Change in Fund Balance	-	(5,075)	-	5,075
Fund Balance - July (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 - RESERVED FOR FUTURE STATE DEFINITION
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-46

	\$	-	\$	-	\$	-	-
Change in Fund Balance		-		-		-	-
Fund Balance - July (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 - ENLACE-UNM
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-47

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ 7,000	\$ 7,000	\$ 17,714	\$ 10,714
Total Revenues	7,000	7,000	17,714	10,714
EXPENDITURES:				
Current:				
Instructional	-	7,000	4,686	2,314
Support Services:				
Support Services- Student	7,000	-	-	-
Total Expenditures	7,000	7,000	4,686	2,314
Change in Fund Balance	-	-	13,028	13,028
Fund Balance - July (Beginning)	-	-	(15,964)	(15,964)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (2,936)	\$ (2,936)

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, 2008

EXHIBIT J-48

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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, 2008

EXHIBIT J-49

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ -	\$ 4,925	\$ -	\$ (4,925)
Total Revenues	-	4,925	-	(4,925)
EXPENDITURES:				
Current:				
Instructional	-	4,925	4,542	383
Total Expenditures	-	4,925	4,542	383
Change in Fund Balance	-	-	(4,542)	(4,542)
Fund Balance - July (Beginning)	-	46	2,971	2,925
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 46	\$ (1,571)	\$ (1,617)

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, 2008

EXHIBIT J-50

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
EXPENDITURES:				
Current:				
Instructional	\$ -	\$ -	\$ 4	\$ (4)
Total Expenditures	-	-	4	(4)
Change in Fund Balance	-	-	(4)	(4)
Fund Balance - July (Beginning)	-	-	225	225
				-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 221	\$ 221

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, 2008

EXHIBIT J-51

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (Beginning)	-	-	(50,000)	(50,000)
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, 2008

EXHIBIT J-52

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Student	\$ -	\$ 18,723	\$ 12,643	\$ 6,080
Total Expenditures	-	18,723	12,643	6,080
Change in Fund Balance	-	(18,723)	(12,643)	6,080
Fund Balance - July (Beginning)	-	10,551	680	(9,871)
Fund Balance - June 30 (Ending)	\$ -	\$ (8,172)	\$ (11,963)	\$ (3,791)

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
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-53

QRL		\$	-	\$	-	\$	-	\$	-
1200	Change in Fund Balance		-		-		-		-
0100	Fund Balance - July (Beginning)		-		-		-		-
			-		-		-		-
3000	Fund Balance - June 30 (Ending)	\$	-	\$	-	\$	-	\$	-

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, 2008

EXHIBIT J-54

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ 680,104	\$ 680,104	\$ -	\$ (680,104)
Total Revenues	680,104	680,104	-	(680,104)
EXPENDITURES:				
Current:				
Instructional	266,270	266,270	170,313	95,957
Support Services:				
Support Services- Instruction	413,834	413,834	(1,151)	414,985
Total Expenditures	680,104	680,104	169,162	510,942
Change in Fund Balance	-	-	(169,162)	(169,162)
Fund Balance - July (Beginning)	-	-	(354,404)	(354,404)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (523,566)	\$ (523,566)

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, 2008

EXHIBIT J-55

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ -	\$ 110,000	\$ 35,000	\$ (75,000)
Total Revenues	-	110,000	35,000	(75,000)
EXPENDITURES:				
Current:				
Instructional	-	8,000	-	8,000
Support Services:				
Support Services- Student	-	75,000	73,350	1,650
Support Services- School Administration	-	25,000	338	24,662
Operation & Maintenance of Plant	-	2,000	1,493	507
Total Expenditures	-	110,000	75,181	34,819
Change in Fund Balance	-	-	(40,181)	(40,181)
Fund Balance - July (Beginning)	-	-	75,000	75,000
				-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 34,819	\$ 34,819

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, 2008

EXHIBIT J-56

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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, 2008

EXHIBIT J-57

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 254,948	\$ 912,408	\$ 657,460
Total Revenues	-	254,948	912,408	657,460
EXPENDITURES:				
Current:				
Support Services:				
Support Services- General Administration	-	2,774	889	1,885
Central Services	-	252,174	72,783	179,391
Total Expenditures	-	254,948	73,672	181,276
Change in Fund Balance	-	-	838,736	838,736
Fund Balance - July (Beginning)	-	99,088	(42,416)	(141,504)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 99,088	\$ 796,320	\$ 697,232

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, 2008

EXHIBIT J-58

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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, 2008

EXHIBIT J-59

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 181,939	\$ 295,341	\$ 113,402
Total Revenues	-	181,939	295,341	113,402
EXPENDITURES:				
Current:				
Instructional	-	181,939	139,121	42,818
Total Expenditures	-	181,939	139,121	42,818
Change in Fund Balance	-	-	156,220	156,220
Fund Balance - July (Beginning)	-	44	52,356	52,312
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 44	\$ 208,576	\$ 208,532

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, 2008

EXHIBIT J-60

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 134,290	\$ 134,290
Total Revenues	-	-	134,290	134,290
Change in Fund Balance	-	-	134,290	134,290
Fund Balance - July (Beginning)	-	(4,566)	(134,290)	(129,724)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (4,566)	\$ -	\$ 4,566

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, 2008

EXHIBIT J-61

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 60,000	\$ 35,648	\$ (24,352)
Total Revenues	-	60,000	35,648	(24,352)
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Student	-	58,400	51,618	6,782
Support Services- General Administration	-	1,600	629	971
Total Expenditures	-	60,000	52,247	7,753
Change in Fund Balance	-	-	(16,599)	(16,599)
Fund Balance - July (Beginning)	-	-	(35,648)	(35,648)
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (52,247)	\$ (52,247)

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, 2008

EXHIBIT J-62

	\$	-	\$	-	\$	-	\$	-
Change in Fund Balance		-		-		-		-
Fund Balance - July (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, 2008

EXHIBIT J-63

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 7,595	\$ 256,568	\$ 248,973
Total Revenues	-	7,595	256,568	248,973
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Instruction	-	7,595	7,595	-
Total Expenditures	-	7,595	7,595	-
Change in Fund Balance	-	-	248,973	248,973
Fund Balance - July (Beginning)	-	-	(256,445)	(256,445)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (7,472)	\$ (7,472)

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 - FEDERAL RELIEF FUND
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-64

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 200,000	\$ 200,000	\$ 99,950	\$ (100,050)
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>99,950</u>	<u>(100,050)</u>
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	200,000	200,000	200,000	-
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Change in Fund Balance	-	-	(100,050)	(100,050)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,050)</u>	<u>\$ (100,050)</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 - PREK INITIATIVE
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-65

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 997,481	\$ 996,669	\$ (812)
Total Revenues	-	997,481	996,669	(812)
EXPENDITURES:				
Current:				
Instructional	-	935,434	927,930	7,504
Support Services:				
Support Services- Student	-	1,000	-	1,000
Support Services- Instruction	-	22,389	21,678	711
Support Services- General Administration	-	12,582	12,590	(8)
Operation & Maintenance of Plant	-	30,000	30,000	-
Student Transportation	-	49,689	49,689	-
Total Expenditures	-	1,051,094	1,041,887	9,207
Change in Fund Balance	-	(53,613)	(45,218)	8,395
Fund Balance - July (Beginning)	-	-	(229,131)	(229,131)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (53,613)	\$ (274,349)	\$ (220,736)

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, 2008

EXHIBIT J-66

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 123,549	\$ 171,029	\$ 47,480
Total Revenues	<u>-</u>	<u>123,549</u>	<u>171,029</u>	<u>47,480</u>
EXPENDITURES:				
Current:				
Instructional	-	120,754	120,252	502
Support Services:				
Support Services- Student	-	1,300	1,290	10
Support Services- General Administration	-	1,495	1,485	10
Total Expenditures	<u>-</u>	<u>123,549</u>	<u>123,027</u>	<u>522</u>
Change in Fund Balance	-	-	48,002	48,002
Fund Balance - July (Beginning)	-	(14,199)	(63,712)	(49,513)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ (14,199)</u>	<u>\$ (15,710)</u>	<u>\$ (1,511)</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 - BREAKFAST FOR ELEMENTARY STUDENTS
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-67

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 85,302	\$ 85,302	\$ 85,302	\$ -
Total Revenues	<u>85,302</u>	<u>85,302</u>	<u>85,302</u>	<u>-</u>
EXPENDITURES:				
Current:				
Operation of Noninstructional Services:				
Food Services	85,302	85,302	15,630	69,672
Total Expenditures	<u>85,302</u>	<u>85,302</u>	<u>15,630</u>	<u>69,672</u>
Change in Fund Balance	-	-	69,672	69,672
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,672</u>	<u>\$ 69,672</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, 2008

EXHIBIT J-68

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 95,787	\$ 95,787
Total Revenues	-	-	95,787	95,787
EXPENDITURES:				
Current:				
Instructional	-	7,820	7,845	(25)
Support Services:				
Support Services- Instruction	-	3,514	3,053	461
Total Expenditures	-	11,334	10,898	436
Change in Fund Balance	-	(11,334)	84,889	96,223
Fund Balance - July (Beginning)	-	-	(84,889)	(84,889)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (11,334)	\$ -	\$ 11,334

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, 2008

EXHIBIT J-69

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 7,000	\$ 7,000
Total Revenues	-	-	7,000	7,000
Change in Fund Balance	-	-	7,000	7,000
Fund Balance - July (Beginning)	-	-	(7,000)	(7,000)
				-
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 - PRE-K START-UP COST
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-70

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 33,122	\$ 33,122
Total Revenues	-	-	33,122	33,122
EXPENDITURES:				
Current:				
Instructional	-	19,956	19,956	-
Total Expenditures	-	19,956	19,956	-
Change in Fund Balance	-	(19,956)	13,166	33,122
Fund Balance - July (Beginning)	-	-	(13,167)	(13,167)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (19,956)	\$ (1)	\$ 19,955

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, 2008

EXHIBIT J-71

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 4,000	\$ -	\$ (4,000)
Total Revenues	-	4,000	-	(4,000)
EXPENDITURES:				
Current:				
Instructional	-	4,000	3,989	11
Total Expenditures	-	4,000	3,989	11
Change in Fund Balance	-	-	(3,989)	(3,989)
Fund Balance - July (Beginning)	-	-	(1,404)	(1,404)
			-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (5,393)	\$ (5,393)

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 - COORDINATED APPROACH TO CHILD HEALTH
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-72

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 4,400	\$ 90	\$ (4,310)
Total Revenues	-	4,400	90	(4,310)
EXPENDITURES:				
Current:				
Instructional	-	4,400	2,788	1,612
Total Expenditures	-	4,400	2,788	1,612
Change in Fund Balance	-	-	(2,698)	(2,698)
Fund Balance - July (Beginning)	-	2,676	8	(2,668)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 2,676	\$ (2,690)	\$ (5,366)

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, 2008

EXHIBIT J-73

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 60,000	\$ 67,000	\$ 7,000
Total Revenues	-	60,000	67,000	7,000
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Student	-	117,880	8,123	109,757
Support Services- General Administration	-	1,714	99	1,615
Total Expenditures	-	119,594	8,222	111,372
Change in Fund Balance	-	(59,594)	58,778	118,372
Fund Balance - July (Beginning)	-	-	(7,406)	(7,406)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (59,594)	\$ 51,372	\$ 110,966

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, 2008

EXHIBIT J-74

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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, 2008

EXHIBIT J-75

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 279,146	\$ 167,648	\$ (111,498)
Total Revenues	-	279,146	167,648	(111,498)
EXPENDITURES:				
Current:				
Instructional	-	278,684	278,710	(26)
Support Services:				
Support Services- Student	-	115	230	(115)
Support Services- School Administration	-	115	-	115
Operation & Maintenance of Plant	-	232	100	132
Total Expenditures	-	279,146	279,040	106
Change in Fund Balance	-	-	(111,392)	(111,392)
Fund Balance - July (Beginning)	-	-	(146,149)	(146,149)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (257,541)	\$ (257,541)

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, 2008

EXHIBIT J-76

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 7,500	\$ 7,500	\$ -
Total Revenues	-	7,500	7,500	-
EXPENDITURES:				
Current:				
Instructional	-	7,500	2,497	5,003
Total Expenditures	-	7,500	2,497	5,003
Change in Fund Balance	-	-	5,003	5,003
Fund Balance - July (Beginning)	-	6,408	2,300	(4,108)
				-
Fund Balance - June 30 (Ending)	\$ -	\$ 6,408	\$ 7,303	\$ 895

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 HEALTH CENTER
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-77

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 285,000	\$ 195,200	\$ (89,800)
Total Revenues	-	285,000	195,200	(89,800)
EXPENDITURES:				
Current:				
Support Services:				
Support Services- Student	-	83,971	83,637	334
Support Services- General Administration	-	1,029	-	1,029
Capital Outlay:				
Capital Outlay	-	200,000	-	200,000
Total Expenditures	-	285,000	83,637	201,363
Change in Fund Balance	-	-	111,563	111,563
Fund Balance - July (Beginning)	-	(55,393)	(19,022)	36,371
				-
Fund Balance - June 30 (Ending)	\$ -	\$ (55,393)	\$ 92,541	\$ 147,934

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 - WALLACE FOUNDATION
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-78

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

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 - A+ FOR ENERGY GRANT
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-79

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ -	\$ 10,000	\$ 10,000	\$ -
Total Revenues	-	10,000	10,000	-
EXPENDITURES:				
Current:				
Instructional	-	9,880	9,797	83
Support Services:				
Support Services- General Administration	-	120	120	-
Total Expenditures	-	10,000	9,917	83
Change in Fund Balance	-	-	83	83
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 83	\$ 83

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 - ADVANCED PLACEMENT PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-80

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 23,596	\$ -	\$ (23,596)
Total Revenues	-	23,596	-	(23,596)
EXPENDITURES:				
Current:				
Support Services	-	21,483	5,068	16,415
Support Services- Instruction	-	2,113	858	1,255
Total Expenditures	-	23,596	5,926	17,670
Change in Fund Balance	-	-	(5,926)	(5,926)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (5,926)	\$ (5,926)

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 IN NEED OF IMPROVEMENT
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-81

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 60,000	\$ 30,517	\$ (29,483)
Total Revenues	-	60,000	30,517	(29,483)
EXPENDITURES:				
Current:				
Instructional	-	60,000	43,571	16,429
Total Expenditures	-	60,000	43,571	16,429
Change in Fund Balance	-	-	(13,054)	(13,054)
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ (13,054)	\$ (13,054)

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 - OUTDOOR CLASSROOM INITIATIVE
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-82

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 6,973	\$ 6,973	\$ -
Total Revenues	-	6,973	6,973	-
EXPENDITURES:				
Current:				
Instructional	-	6,973	4,363	2,610
Total Expenditures	-	6,973	4,363	2,610
Change in Fund Balance	-	-	2,610	2,610
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 2,610	\$ 2,610

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 - MCCUNE CHARITABLE FOUNDATION
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-83

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ -	\$ 3,000	\$ 3,000	\$ -
Total Revenues	-	3,000	3,000	-
EXPENDITURES:				
Current:				
Instructional	-	3,000	1,560	1,440
Total Expenditures	-	3,000	1,560	1,440
Change in Fund Balance	-	-	1,440	1,440
Fund Balance - July (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 1,440	\$ 1,440

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
Debt Service Funds

(43000) Education Technology Debt Service Fund - The fund is used to account for the accumulation of resources for, and the payment of, education technology debt principal and interest.

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, 2008

EXHIBIT J-84

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Taxes:				
Property Taxes	\$ 479,822	\$ 479,822	\$ 39,704	\$ (440,118)
Investment Earnings	10,000	10,000	33,709	23,709
Total Revenues	<u>489,822</u>	<u>489,822</u>	<u>73,413</u>	<u>(416,409)</u>
EXPENDITURES:				
Current:				
Support Services:				
Support Services- General Administration	4,798	4,798	34	4,764
Debt Service:				
Bond Principal	-	400,000	400,000	-
Bond Interest	-	72,467	72,466	1
Total Expenditures	<u>4,798</u>	<u>477,265</u>	<u>472,500</u>	<u>4,765</u>
Change in Fund Balance	485,024	12,557	(399,087)	(411,644)
Fund Balance - July (Beginning)	<u>-</u>	<u>607,282</u>	<u>468,954</u>	<u>(138,328)</u>
				-
Fund Balance - June 30 (Ending)	<u>\$ 485,024</u>	<u>\$ 619,839</u>	<u>\$ 69,867</u>	<u>\$ (549,972)</u>

The accompanying notes are an integral part of this statement.

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, 2008

EXHIBIT J-85

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 8,745	\$ 237,579	\$ 228,834
Total Revenues	-	8,745	237,579	228,834
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	88,500	97,245	761,217	(663,972)
Total Expenditures	88,500	97,245	761,217	(663,972)
Change in Fund Balance	(88,500)	(88,500)	(523,638)	(435,138)
Fund Balance - July (Beginning)	-	(3,435,900)	(389,217)	3,046,683
				-
Fund Balance - June 30 (Ending)	\$ (88,500)	\$ (3,524,400)	\$ (912,855)	\$ 2,611,545

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, 2008

EXHIBIT J-86

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Investment Earnings	\$ -	\$ -	\$ 14,319	\$ 14,319
Total Revenues	-	-	14,319	14,319
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	989,975	989,975	-	989,975
Total Expenditures	989,975	989,975	-	989,975
Change in Fund Balance	(989,975)	(989,975)	14,319	1,004,294
Fund Balance - July (Beginning)	-	22,454	1,007,956	985,502
				-
Fund Balance - June 30 (Ending)	\$ (989,975)	\$ (967,521)	\$ 1,022,275	\$ 1,989,796

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, 2008

EXHIBIT J-87

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 1,221,500	\$ 1,241,859	\$ 192,798	\$ (1,049,061)
Total Revenues	<u>1,221,500</u>	<u>1,241,859</u>	<u>192,798</u>	<u>(1,049,061)</u>
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	3,294,745	3,315,104	1,162,723	2,152,381
Total Expenditures	<u>3,294,745</u>	<u>3,315,104</u>	<u>1,162,723</u>	<u>2,152,381</u>
Change in Fund Balance	(2,073,245)	(2,073,245)	(969,925)	1,103,320
Fund Balance - July (Beginning)	<u>-</u>	<u>(640,807)</u>	<u>(620,245)</u>	<u>20,562</u>
				-
Fund Balance - June 30 (Ending)	<u>\$ (2,073,245)</u>	<u>\$ (2,714,052)</u>	<u>\$ (1,590,170)</u>	<u>\$ 1,123,882</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, 2008

EXHIBIT J-88

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Taxes:				
Property Taxes	\$ 1,160,392	\$ 1,160,392	\$ 1,236,846	\$ 76,454
Intergovernmental Revenue and Grants	2,040,565	4,384,252	3,024,815	(1,359,437)
Total Revenues	<u>3,200,957</u>	<u>5,544,644</u>	<u>4,261,661</u>	<u>(1,282,983)</u>
EXPENDITURES:				
Current:				
Support Services	-	-	462	(462)
Support Services- General Administration	11,605	11,605	18	11,587
Capital Outlay:				
Capital Outlay	3,189,352	5,533,039	3,892,273	1,640,766
Total Expenditures	<u>3,200,957</u>	<u>5,544,644</u>	<u>3,892,753</u>	<u>1,651,891</u>
Change in Fund Balance	-	-	368,908	368,908
Fund Balance - July (Beginning)	-	(885,401)	(128,186)	757,215
	<u>-</u>	<u>(885,401)</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ (885,401)</u>	<u>\$ 240,722</u>	<u>\$ 1,126,123</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, 2008

EXHIBIT J-89

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
Change in Fund Balance	-	-	-	-
Fund Balance - July (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 - ED. TECHNOLOGY EQUIPMENT ACT
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT J-90

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	BUDGET BASIS (See Note)	Final Budget Positive or (Negative)
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	\$ 1,302,107	\$ 2,802,107	\$ 1,939,727	\$ 862,380
Total Expenditures	1,302,107	2,802,107	1,939,727	862,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,302,107)	(2,802,107)	(1,939,727)	862,380
OTHER FINANCING SOURCES (USES):				
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	(1,302,107)	(1,302,107)	(439,727)	862,380
Fund Balance - July (Beginning)	-	89,247	1,276,719	1,187,472
				-
Fund Balance - June 30 (Ending)	\$ (1,302,107)	\$ (1,212,860)	\$ 836,992	\$ 2,049,852

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, 2008

EXHIBIT J-91

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

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, 2008

	Balance June 30, 2007	Receipts	Disbursements	Balance June 30, 2008
Chaparral Middle School	\$ 13,526	\$ 13,915	\$ 10,053	\$ 17,388
Chaparral High School	20,391	81,054	57,236	44,209
Gadsden Middle School	28,774	41,155	39,777	30,152
Gadsden High School	196,621	399,507	411,549	184,579
Santa Teresa Middle School	24,449	16,671	31,257	9,863
Santa Teresa High School	89,014	169,549	145,089	113,474
Construction Surplus	759	5,322	1,481	4,600
La Union JTP	135	45	-	180
Gadsden Foundation	6,761	8,020	10,920	3,861
Fiesta Educativa	16,526	-	-	16,526
PAWS-Gadsden High School	683	-	-	683
Feds. Christmas Food Baskets	95	-	-	95
Literacy Fest	-	386	-	386
Service Learning Project	11,531	-	-	11,531
Teacher of the Year	9,409	40,725	37,215	12,919
Trucha - Drug Free Program	54	-	-	54
Nurse's Dept.	400	200	-	600
Accounts payable	191	723,661	723,794	58
Due to Due From	(4,502)	51,081	51,938	(5,359)
	<u>\$ 414,817</u>	<u>\$ 1,551,291</u>	<u>\$ 1,520,309</u>	<u>\$ 445,799</u>

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FEDERAL AWARDS SECTION

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

Mr. Hector H. Balderas, State Auditor 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, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 4, 2009. The report on the District's basic financial statements was qualified because we were not able to obtain sufficient documentary evidence to determine the validity of the Capital Asset balance, stated at \$119,976,637 in the Statement of Net Assets as of 6/30/08 and the Inventory balance, stated at \$836,393 as of 6/30/08. 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 06-4, 06-6 through 06-8, and 07-2, 07-3 and 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.

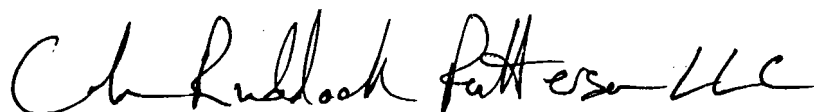
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose 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 06-12, 06-18, 07-7, and 08-1 through 08-8.

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.



El Paso, Texas
December 4, 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, 2008. 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, 2008. 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 06-12, 06-18, 07-7, 08-1 through 08-8.

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.


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.

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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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
December 4, 2009

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
<u>SUMMARY OF AUDITOR'S RESULTS</u>		
<u>Financial Statements</u>		
	Type of Auditor's Report issued:	Qualified
	Internal control over financial reporting:	
	Material weaknesses identified?	Yes, items 06-1, 06-2 and 06-3
	Significant deficiencies identified that are not considered to be material weaknesses?	Yes, items 06-4, 06-6 through 06-8 and 07-2, 07-3 and 07-6
	Noncompliance material to the financial statements:	Yes
<u>Federal Awards</u>		
	Internal control over major programs:	
	Material weaknesses identified?	No
	Significant deficiencies identified that are not considered to be material weaknesses?	No
	Type of auditor's report issued on compliance for major programs:	Unqualified
	Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No. However, findings 06-12, 06-18, 07-7, and 08-1 through 08-8 describe compliance issues for which amounts are immaterial, or materiality could not be determined.
	Major Federal Programs:	Title I, Part A (CFDA 84.010); Title II, Part A (CFDA 84.367); IDEA B Cluster (CFDA 84.027/84.173); Child Nutrition Cluster (CFDA 10.555/10.559/10.553)
	Dollar threshold used to distinguish between type A and type B programs:	\$667,318
	Auditee qualified as low-risk auditee?	No

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
<u>FINANCIAL STATEMENT FINDINGS</u>		
06-1	Cash Reconciliations	
	Criteria:	Controls over cash require timely preparation of reconciliations of the bank statements and the general ledger.
	Condition Found:	The bank reconciliations were not prepared in a timely manner for all accounts the District holds for fiscal year 2007-2008. In addition, we noted cash transactions were recorded before actual cash was received.
	Cause:	The District incurred significant turnover in its accounting department, and staff hired to fill positions fell behind in their assigned duties.
	Effect:	By not preparing timely bank reconciliations on a monthly basis the District may not be 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.
	Recommendation:	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.
	Management's Response:	See corrective action plan.
06-2	Capital Asset Inventory	
	Criteria:	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.
	Condition Found:	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, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Cause:	The District incurred significant employee turnover in this area and there is lack of proper training for capital assets.
	Effect:	The capital asset inventory listing was not complete and account balances may have been misstated.
	Management's Response:	See corrective action plan.
06-3	Supply Inventory Controls	
	Criteria:	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.
	Condition Found:	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 for fiscal year 2007-2008.
	Cause:	It appears there is a lack of segregation of duties and supervisory oversight.
	Effect:	A lack of proper internal controls which creates a risk that errors or fraud may occur and not be detected in a timely manner.
	Recommendation:	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.
	Management's Response:	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, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
06-4	Travel Disbursements	
	Criteria:	Mileage reimbursements should be calculated based on the District's travel policy.
	Condition Found:	In one instance, an employee was reimbursed under the incorrect mileage rate for fiscal year 2007-2008. According to the district policy, employees were to be reimbursed at \$.32 per mile. The employee was reimbursed at \$.405 per mile for a total overpayment of \$4.25.
	Cause:	Incorrect mileage rate was used.
	Effect:	Overpayment of \$4.25 to employee.
	Recommendation:	The District should ensure the proper mileage rate is used when reimbursing employees.
	Management's Response:	See corrective action plan.
06-6	State Compliance	Cash Controls
	Criteria:	In compliance with N.M.A.C.6-20.2.14, the District is to deposit all funds within 24 hours of receipt.
	Condition Found:	In eight instances deposits for fiscal year 2007-2008 were not made within 24 hours pursuant to state requirements. These instances totaled \$3,926.32. There was also one receipt that could not be traced to the bank statement due to lack of supporting documentation. The receipt amount was for \$5.00, but the total deposit is unknown.
	Cause:	Significant turnover in staff and lack of proper training.
	Effect:	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.

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Recommendation:	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.
	Management's Response:	See corrective action plan.
06-7	State Compliance	Open Meetings Act
	Criteria:	In accordance with state compliance requirements, the District must provide proper notice to its citizens of any board meeting dates.
	Condition Found:	For 6 notices of Board Meetings posted on the District's website for fiscal year 2007-2008, no timestamp was used to document the exact time of when the notice was uploaded to the system.
	Cause:	It appears that the responsible personnel had a lack of understanding of the requirements.
	Effect:	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.
	Recommendation:	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.
	Management's Response:	See corrective action plan.
06-8	State Compliance	Annual Audit Report Deadline
	Criteria:	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, 2008.
	Condition Found:	This report was not submitted to the State Auditor by the due date.

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Cause:	Due to inadequate personnel, management was unable to provide key information needed to complete the audit by the State's deadline.
	Effect:	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 obtain financing.
	Recommendation:	We encourage management to continue its efforts to ensure adequate staffing.
	Management's Response:	See corrective action plan.
07-2	Payroll	
	Criteria:	Expenditures related to payroll should be recorded in the correct amount, based on contracts and district policies.
	Condition Found:	During our payroll review for fiscal year 2007-2008 we noted a teacher was over paid by \$48.75 for extra curricular activities.
	Cause:	Inadequate personnel and lack of proper training.
	Effect:	Payroll expense was over stated by \$48.75 for fiscal year 2008 .
	Recommendation:	The District should ensure that all payroll expenditures are in accordance with district policies.
	Management's Response:	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, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
07-3	Grant Receivables and Over-Expended Grants	
	Criteria:	Grant reimbursement requests cannot be in excess of the approved grant amount.
	Condition Found:	The following funds were over expended for fiscal year 2008: 24153 – English Language Acquisition for \$160,744; 24154 – Teacher/Principal Training & Recruiting for \$100,087; 24162 – Title I School Improvement for \$8,557; 27168 – After School Enrichment Program for \$3,020; 25200 – ROTC for \$1,900; 26103 – ENLACE for \$2,936, 26153 – Paso Del Norte Health Foundation for \$11,963; 26170 – Microsoft Settlement Funds for \$71,642; 27141 – Truancy Initiative for \$227; 27149 – Pre K Initiative for \$45,905 and 28178 – Gear Up for \$24,556. The total over-expended amount was \$431,537 for the funds listed above.
	Cause:	It appears that significant turnover in staff resulted in inadequate monitoring of grant activities.
	Instances/Universe:	Eleven instances.
	Effect:	Funds were disbursed without complete approval which resulted in potential loss of reimbursement for the District.
	Recommendation:	Management should ensure that no cash is disbursed without the proper approvals, which includes a verification of adequate budgeted funds.
	Management's Response:	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, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
07-6	State Compliance	Budget Variances
	Criteria:	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.
	Condition Found:	Several funds experienced budget overages at the function level. Fund 24126 - Learn & Services was over budget for \$2,019, fund 24154 - Teacher/Principal Training & Recruiting for \$11,772, fund 27168 - After School Enrichment Program for \$1,831, fund 26126 - Milken Family Foundation for \$4, fund 27159 - Kinder Plus for \$25, fund 28178 - Gear Up for \$141, fund 31200 - Public School Capital Outlay for \$663,972, and fund 31100 - Bond Building for \$6,989,901.
	Cause:	The funds were over-expended at the function level, which appears to be related to a lack of monitoring due to a shortage of staff.
	Effect:	Funds were disbursed without the complete approval that includes verification of adequate budget.
	Recommendation:	Management should ensure that no cash is disbursed unless it has been properly budgeted.
	Management's Response:	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, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>		
06-12	U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title I, Part A (CFDA 84.010)	
	Criteria:	Title I, Part A compliance requirements stipulate that Districts maintain proper documentation to support the number of students reported in the low income category.
	Condition Found:	Two students were incorrectly reported in the low-income category of the Title I application for fiscal year 2007-2008. This resulted in an over allocation of \$284 for Chaparral and Vado Elementary for each student.
	Cause:	Misunderstanding of program requirements.
	Questioned Cost/Basis:	Approximately \$568.
	Instances/Universe:	Unable to determine.
	Effect:	The District is classifying students as low-income which could potentially be ineligible for low income classification.
	Recommendation:	We recommend that the District develop procedures to ensure that low-income students' information noted on surveys is reviewed to ensure correct categorization and reporting.
	Management's Response:	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, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
06-18	Data Collection Form and Reporting Package	
	Criteria:	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.
	Condition Found:	Due to the delays encountered in completing the audit, the Data Collection Form and reporting package was not filed timely for Fiscal Year 2007-2008.
	Cause:	Due to inadequate personnel, management was unable to provide key information needed to complete the audit in a timely manner.
	Questioned Cost/Basis:	Not applicable.
	Instances/Universe:	Not applicable.
	Effect:	The information was not provided to the Federal Clearinghouse in a timely manner.
	Recommendation:	We encourage management to continue its efforts to ensure adequate staffing.
	Management's Response:	See corrective action plan.
07-7	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)	
	Criteria:	The District must accurately report the number of meals and snacks served to children in order to receive the proper funding.
	Condition Found:	For the month of September of 2007, it was noted that 55 student snacks were counted twice. The total amount of over reported snack claims, resulted in \$37.

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Cause:	Unintentional oversight by Food Services personnel.
	Questioned Cost/Basis:	Approximately \$37.
	Instances/Universe:	Unable to determine.
	Effect:	The District's Food Service operation was over funded by \$37 for the 2007-2008 school year.
	Recommendation:	The District should ensure that accurate counts of meals and snacks served are properly reported in order to receive the proper amount of funds.
	Management's Response:	See corrective action plan.
08-1	U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title I, Part A (CFDA 84.010)	
	Criteria:	The District is required to maintain time and effort distribution records in accordance with OMB A-87.
	Condition Found:	We noted that the District did not maintain adequate documentation such as semi-annual certifications for teachers receiving salaries and/or stipends under this grant.
	Cause:	Unintentional oversight by personnel and lack of communication between the Human Resources department and the Programs department.
	Questioned Cost/Basis:	Unable to determine.
	Instances/Universe:	Unable to determine.
	Effect:	The District cannot adequately support these expenditures.
	Recommendation:	The District should ensure that adequate documentation is in place to meet this requirement.
	Management's Response:	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, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
08-2	U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education IDEA B Cluster (CFDA 84.027/84.173)	<p>Criteria: Cash disbursements must be for allowable activities, per OMB Circular A-87 and be reasonable and necessary for the grant.</p> <p>Condition Found: In two instances, trophies and awards were bought for the Special Olympics teachers and staff that contributed to the event. The costs for these awards appear to not be reasonable or allowable per communication with the US Department of Education. Three awards for \$75 each, 12 awards for \$58 each, and \$82 for one plaque were found in our sample.</p> <p>Cause: Misunderstanding of program requirements.</p> <p>Questioned Cost/Basis: Approximately \$1,003.</p> <p>Instances/Universe: Unable to determine.</p> <p>Effect: The District could be required to reimburse the grantor for the unallowable expenditures which were charged to the program.</p> <p>Recommendation: Management should ensure that cash expended under this program is for allowable activities only.</p> <p>Management's Response: See corrective action plan.</p>
08-3	U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education IDEA B Cluster (CFDA 84.027/84.173)	<p>Criteria: The District is required to provide a count of children with disabilities receiving special education to the State.</p>

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Condition Found:	We noted that the reports used to compile the count of children with disabilities did not agree to each other. It appears the District may have under reported the count by three students.
	Cause:	Problems with the compatibility of the reporting systems, and unintentional oversight by personnel.
	Questioned Cost/Basis:	Unable to determine.
	Instances/Universe:	Three students were not reported in the final student count submitted to the State.
	Effect:	The District may not have received potential funding for three students.
	Recommendation:	The District should ensure that adequate procedures are put in place for reporting to the State.
	Management's Response:	See corrective action plan.
08-4	U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education IDEA B Cluster (CFDA 84.027/84.173)	
	Criteria:	The District is required to maintain time and effort distribution records in accordance with OMB A-87.
	Condition Found:	We noted that the District did not maintain adequate documentation such as semi-annual certifications for teachers working under the grant.
	Cause:	Lack of understanding of program requirements.
	Questioned Cost/Basis:	Unable to determine.
	Instances/Universe:	All employees receiving salaries under this grant.
	Effect:	The District cannot adequately support these expenditures.

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Recommendation:	The District should ensure that adequate documentation is in place to meet this requirement.
	Management's Response:	See corrective action plan.
08-5	U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title II, Part A (CFDA 84.367)	
	Criteria:	The District is required to maintain time and effort distribution records in accordance with OMB A-87.
	Condition Found:	We noted that the District did not maintain adequate documentation such as semi-annual certifications for teachers receiving salaries and/or stipends under this grant.
	Cause:	Unintentional oversight by personnel and lack of communication between the Human Resources department and the Programs department.
	Questioned Cost/Basis:	Unable to determine.
	Instances/Universe:	Unable to determine.
	Effect:	The District cannot adequately support these expenditures.
	Recommendation:	The District should ensure that adequate documentation is in place to meet this requirement.
	Management's Response:	See corrective action plan.
08-6	U.S. DEPARTMENT OF EDUCATION Passed through the State Department of Education Title I, Part A (CFDA 84.010)	
	Criteria:	The District is required to maintain records and have an appropriate control system to safeguard equipment.

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Condition Found:	The capital asset inventory listing has not been updated to reflect information found on the physical assets in regards to tag numbers, location or category.
	Cause:	The District incurred significant turnover in its accounting department and key positions have not been filled.
	Questioned Cost/Basis:	Unable to determine.
	Instances/Universe:	Unable to determine.
	Effect:	The District's capital asset inventory listing was not complete and account balances are inaccurate.
	Recommendation:	The District should make every effort to hire an employee to fill the capital asset position, and ensure personnel are properly trained. In addition, the capital assets database should be updated to reflect physical assets held and in use by the District. The database should provide complete information for each asset as to its asset type, cost, useful life, accumulated depreciation as well as tag number assigned and current location.
	Management's Response:	See corrective action plan.
08-7	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)	
	Criteria:	Proper internal controls dictate that an adequate inventory system be maintained. Supervisory controls should be in place if inadequate personnel exist.
	Condition Found:	There is a lack of a perpetual inventory system, and no written policies are in place for personnel to follow. Inventory at year-end is not properly documented.

(Continued)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	PROGRAM	DESCRIPTION
	Cause:	Lack of adequate controls and supervisory oversight.
	Questioned Cost/Basis:	Unable to determine.
	Instances/Universe:	Unable to determine.
	Effect:	A lack of a perpetual system, and the related internal controls, can create a risk that errors or fraud may occur and not be detected in a timely manner.
	Recommendation:	Management should implement a perpetual inventory system to timely account for the issue or usage of items.
	Management's Response:	See corrective action plan.
08-8	No Child Left Behind Act of 2001	
	Criteria:	Core academic subject teachers must be assessed as Highly Qualified in the areas of teaching per NCLB requirements.
	Condition Found:	In performing our tests of payroll we noted that two teachers were not properly assessed as Highly Qualified for the fiscal year under audit.
	Cause:	The Human Resources department of the District did not obtain proper documentation in a timely manner
	Questioned Cost/Basis:	Unable to determine.
	Instances/Universe:	Unable to determine.
	Effect:	Highly Qualified requirements per NCLB were not met.
	Recommendation:	The District must ensure that all teachers who are required to be Highly Qualified are properly and timely assessed.
	Management's Response:	See corrective action plan.

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

PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	Prior Year Finding/ Noncompliance	Status of Prior Year's Findings/ Noncompliance
<u>Financial Statement Findings</u>		
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.
06-06	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	No recurrence noted this year.
07-1	Destruction of Records	No recurrence noted this year.
07-2	Payroll expenditure	A similar situation continues to exist.
07-3	Grant Receivables	This situation continues to exist.
07-4	Cash Disbursements	No recurrence noted this year.
07-5	Procurement	No recurrence noted this year.
07-6	Budget Variances	A similar situation continues to exist.
<u>Federal Award Findings and Questioned Costs</u>		
06-11	Child Nutrition Cluster (CFDA 10.555/10.559/10.553)	No recurrence noted this year.
06-13	Title I, Part A (CFDA 84.010)	No recurrence noted this year.
06-15	Title I, Part A (CFDA 84.010)	No recurrence noted this year.
06-17	Title III Part A (CFDA 84.365)	No recurrence noted this year for this grant.
06-18	Data Collection Form	This situation continues to exist.

(Continued)

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

PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2008

Schedule Reference Number	Prior Year Finding/ Noncompliance	Status of Prior Year's Findings/ Noncompliance
07-7	Child Nutrition Cluster (CFDA 10.555/10.559/10.553)	A similar situation continues to exist.
07-8	Child Nutrition Cluster (CFDA 10.555/10.559/10.553)	No recurrence this year.
07-9	Child Nutrition Cluster (CFDA 10.555/10.559/10.553)	No recurrence this year.
07-10	Medicaid (CFDA 93.778)	No recurrence this year.
07-11	Medicaid (CFDA 93.778)	No recurrence this year.

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
06-1	Cash Reconciliations	Controls over cash require timely preparation of bank reconciliations to the general ledger.
	Corrective Action Plan:	The Finance Department has re-assigned duties among the Finance Administrative staff and hired temporary staff to address the backlog.
	Responsible Party:	Director of Finance and Associate Superintendent for Finance
	Anticipated Completion Date:	September 2008
06-2	Capital Asset Inventory	The District has implemented a capital asset inventory system which requires that all capital assets be tagged and properly recorded in the system.
	Corrective Action Plan:	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.
	Responsible Party:	Associate Superintendent for Finance and Director of Finance
	Anticipated Completion Date:	June 30, 2010
06-3	Inventory Controls	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.
	Corrective Action Plan:	The District will conduct an evaluation of the current inventory procedures and develop procedures to properly account for the Student Nutrition Inventories.

(Continued)

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
	Responsible Party:	Director of Student Nutrition
	Anticipated Completion Date:	June 10, 2010
06-4	Travel Disbursement	Mileage reimbursements should be calculated based on the District's travel policy.
	Corrective Action Plan:	The staff responsible for verifying travel reimbursements has been made aware of the correct mileage rates.
	Responsible Party:	Associate Superintendent for Finance
	Anticipated Completion Date:	Completed.
06-6	Cash Controls	In compliance with N.M.A.C.6-20.2.14, the District is to deposit all funds within 24 hours of receipt.
	Corrective Action Plan:	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.
	Responsible Party:	School/Department Administrators and Support Staff and Associate Superintendent for Finance
	Anticipated Completion Date:	Completed.
06-7	State Compliance	Open Meetings Act
	Corrective Action Plan:	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 Meetings Act.
	Responsible Party:	Board of Education and Superintendent
	Anticipated Completion Date:	Completed

(Continued)

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
06-8	State Compliance: Corrective Action Plan: Responsible Party: Anticipated Completion Date:	Annual Audit Report Deadline 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. Associate Superintendent for Finance, Director of Finance and Finance Department Administrative Staff. November 2009
07-2	Payroll Corrective Action Plan: Responsible Party: Anticipated Completion Date:	Expenditures related to payroll should be recorded in the correct amount. The staff responsible for processing payroll transactions have been informed of the requirement to verify payroll transactions before payroll is processed and the need for accuracy in calculating employee pay. Coordinator of Financial Operations and Associated Superintendent for Finance Completed.
07-3	Grant Receivables and Over-Expended Grants Corrective Action Plan: Responsible Party: Anticipated Completion Date:	Grant reimbursement requests cannot be in excess of the approved grant amount. The District has implemented additional procedures to monitor the reimbursements and developed a system for tracking reimbursements. Staff has been trained on the additional procedures. Associate Superintendent for Finance and Director of Finance. June 2009

(Continued)

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
07-6	State Compliance Corrective Action Plan:	Budget Variances The District has hired a new Director of Finance and Associate Superintendent for Finance. A financial action plan has been developed to address budget control. The appropriate staff have been trained on budget monitoring procedures and additional system controls have been implemented to monitor the budgets of the individual funds. The Bond Building Fund reflects a budget overage due to the District's payment of Principal and Interest on a Bond Anticipation Note in the fiscal year ended June 30, 2008. The current Uniform Chart of Accounts maintained by the NM Public Education Department does not currently contain account codes to address this type of payment in the Bond Building Fund. The District will work with PED to address the missing account codes in the chart of accounts.
	Responsible Party:	Associate Superintendent for Finance and Director of Finance
	Anticipated Completion Date:	Completed September 2009.

(Continued)

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>		
06-12	Title I, Part A (CFDA 84.010)	Title I, Part A compliance requirements stipulate that Districts maintain proper documentation to support the number of students reported in the low income category.
	Corrective Action Plan:	District staff are aware of the requirements related to documentation required for compliance with Title I programs. The appropriate staff have been trained on the requirements to support the number of students reported.
	Responsible Party:	Director of Federal Programs
	Anticipated Completion Date:	Completed.
06-18	Data Collection Form	The Data Collection Form must be filed within nine months of the fiscal year-end.
	Corrective Action Plan:	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.
	Responsible Party:	Associate Superintendent for Finance and Director of Finance
	Anticipated Completion Date:	November 2009
07-7	Child Nutrition Cluster (CFDA 10.555/10.559/10.553)	The District must accurately report the number of meals and snacks served to children in order to receive the proper funding.
	Corrective Action Plan:	A review process will be implemented to ensure the correct reporting of snacks served.
	Responsible Party:	Director of Student Nutrition
	Anticipated Completion Date:	Completed

(Continued)

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
08-1	Title I, Part A (CFDA 84.010)	The District is required to maintain time and effort distribution records in accordance with OMB A-87.
	Corrective Action Plan:	The appropriate staff have been informed of the requirement and the necessary records to be maintained. Additional procedures have been implemented to keep the records on file to support the time and effort requirement.
	Responsible Party:	Director of Federal Programs
	Anticipated Completion Date:	Completed.
08-2	IDEA B Cluster (CFDA 84.027/84.173)	Cash disbursements must be for allowable activities, per OMB Circular A-87 and be classified correctly.
	Corrective Action Plan:	District staff have been made aware of the requirements related to allowable costs under the IDEA-B program.
	Responsible Party:	Director of Special Education
	Anticipated Completion Date:	Completed.
08-3	IDEA B Cluster (CFDA 84.027/84.173)	The District is required to provide a count of children with disabilities receiving special education to the State.
	Corrective Action Plan:	District staff have been made aware of the need for accurately reporting student counts. Additional review procedures will be implemented to ensure proper reporting.
	Responsible Party:	Director of Special Education
	Anticipated Completion Date:	Completed.

(Continued)

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
08-4	IDEA B Cluster (CFDA 84.027/84.173)	The District is required to maintain time and effort distribution records in accordance with OMB A-87.
	Corrective Action Plan:	The appropriate staff have been informed of the requirement and the necessary records to be maintained. Additional procedures have been implemented to keep the records on file to support the time and effort requirement.
	Responsible Party:	Director of Special Education
	Anticipated Completion Date:	Completed.
08-5	Title II, Part A(CFDA 84.367)	The District is required to maintain time and effort distribution records in accordance with OMB A-87.
	Corrective Action Plan:	The appropriate staff have been informed of the requirement and the necessary records to be maintained. Additional procedures have been implemented to keep the records on file to support the time and effort requirement.
	Responsible Party:	Director of Federal Programs
	Anticipated Completion Date:	Completed.
08-6	Title I, Part A (CFDA 84.010)	The District is required to maintain records and have an appropriate control system to safeguard equipment.
	Corrective Action Plan:	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.
	Responsible Party:	Director of Federal Programs and Associate Superintendent for Finance
	Anticipated Completion Date:	June 2010

(Continued)

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

CORRECTIVE ACTION PLAN

JUNE 30, 2008

Schedule Reference Number	PROGRAM	Description
08-7	Child Nutrition Cluster (CFDA 10.555/10.559/10.553)	Proper internal controls dictate that an adequate inventory system be maintained. Supervisory controls should be in place if inadequate personnel exist.
	Corrective Action Plan:	The District will review the current procedures for inventory and develop additional procedures to address the inventory controls needed.
	Responsible Party:	Director of Student Nutrition
	Anticipated Completion Date:	June 30, 2010
08-8	No Child Left Behind Act of 2001	Core academic subject teachers must be assessed as Highly Qualified in the areas of teaching per NCLB requirements.
	Corrective Action Plan:	The appropriate staff have been informed of the requirement and additional review procedures will be implemented to insure compliance with this requirement.
	Responsible Party:	Associate Superintendent for Human Resources
	Anticipated Completion Date:	Completed.

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Grant or Pass-Through Number	Federal Expenditures
NATIONAL SCIENCE FOUNDATION			
<u>Passed Through State Department of Education</u>			
Career Access Program - National Science Foundation	47.076	25158	121,169
Total Passed Through State Department of Education			<u>121,169</u>
TOTAL NATIONAL SCIENCE FOUNDATION			<u>121,169</u>
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.000	25200	149,133
Total Direct Programs			<u>149,133</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>149,133</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010	24101	7,608,904
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24162	9,438
ESEA, Title I, Part C - Education of Migratory Children	84.011	24103	94,367
IDEA - Part B, Entitlement*	84.027	24106	3,266,419
IDEA - Part B, Preschool*	84.173	24109	97,536
Total CFDA Number 84.027/84.173			<u>3,363,955</u>
Education for Homeless Children/Youth	84.196	24113	48,950
ESEA, Title IV - Safe and Drug-Free-Schools	84.186A	24157	116,761
Title V, Part A - Innovative Programs	84.298	24150	25,592
Title III, Part A - English Language Acquisition	84.365A	24153	331,037
ESEA, Title II, Part A - Teacher/Principal Training	84.367A	24154	1,400,314
Carl D Perkins Secondary - Current	84.048	24174	187,368
Carl D Perkins Secondary - PY Unliq. Obligations	84.048	24175	10,697
Carl D Perkins Redistribution	84.048	24176	29,328
Total CFDA Number 84.048			<u>227,393</u>
Total Passed Through State Department of Education			<u>13,226,711</u>
TOTAL DEPARTMENT OF EDUCATION			<u>13,226,711</u>

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Grant or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through the NM Human Services Department</u>			
Medicaid	93.778	25153	<u>331,021</u>
Total Passed Through the NM Human Services Department			<u>331,021</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>331,021</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the NM Human Services Department</u>			
USDA Commodities	10.550	21000	<u>428,118</u>
Total Passed Through the NM Human Services Department			<u>428,118</u>
<u>Passed Through the State Department of Education</u>			
School Breakfast Program*	10.553	21000	2,802,971
National School Lunch Program*	10.555	21000	<u>5,612,912</u>
Total Passed Through State Department of Education			<u>8,415,883</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>8,844,002</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>22,672,036</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, 2008

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, 2008

EXIT CONFERENCE:

The exit conference was held on December 7, 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
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.