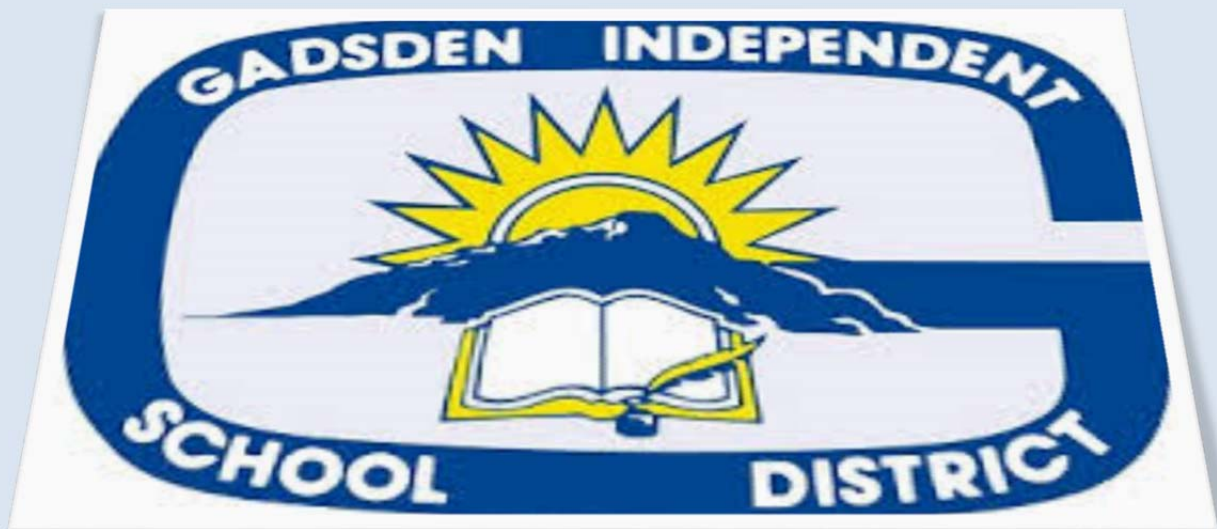


GADSDEN INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

(WITH AUDITORS' REPORT THEREON)



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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2014
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		5
Official Roster		9
FINANCIAL SECTION		
Independent Auditors' Report		13
Management's Discussion and Analysis		17
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	26
Statement of Activities	A-2	28
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	30
Reconciliation of the Balance Sheet to the Statement of Net Position		33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		37
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
General Fund	C-1	38
Transportation Fund	C-2	39
Instructional Materials Fund	C-3	40
Food Services Fund	C-4	41
Title I Special Revenue Fund	C-5	42
Statement of Fiduciary Net Position	D-1	43
Statement of Changes in Fiduciary Net Position	D-2	44
Notes to the Financial Statements		45-69
	<u>Statement</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	77
Nonmajor Special Revenue Fund Descriptions		80-83
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	84-93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	94-103
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Athletics Special Revenue Fund	B-3	104
Non-Instructional Materials Special Revenue Fund	B-4	105
Migrant Children Education Special Revenue Fund	B-5	106
Entitlement IDEA-B Special Revenue Fund	B-6	107
Discretionary IDEA-B Special Revenue Fund	B-7	108
NM Autism Project Special Education Special Revenue Fund	B-8	109
Preschool IDEA-B Special Revenue Fund	B-9	110

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2014
TABLE OF CONTENTS
(Continued)

	<u>Statement</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance		
– Budget (Non-GAAP Budgetary Basis) and Actual:		
IDEA-B Early Intervention Special Revenue Fund	B-10	111
Education of the Homeless Special Revenue Fund	B-11	112
IDEA-B Private School Share Special Revenue Fund	B-12	113
Fresh Fruits & Vegetables Special Revenue Fund	B-13	114
21 st Century Special Revenue Fund	B-14	115
IDEA – B “Risk Pool” Special Revenue Fund	B-15	116
English Language Acquisition Special Revenue Fund	B-16	117
Teacher/Principal Training & Recruiting Special Revenue Fund	B-17	118
Immigrant Funding Title III Special Revenue Fund	B-18	119
Carl D Perkins Secondary - Current Special Revenue Fund	B-19	120
Carl D Perkins Secondary PY Obligation Special Revenue Fund	B-20	121
Carl D Perkins Secondary Redistribution Special Revenue Fund	B-21	122
High Schools That Work Award Special Revenue Fund	B-22	123
Carl D Perkins HSTW – Redistribution Special Revenue Fund	B-23	124
Title XIX Medicaid 3/21 Years Special Revenue Fund	B-24	125
Save the Children Special Revenue Fund	B-25	126
Spaceport GRT Grant Dona Ana County Special Revenue Fund	B-26	127
The Bridge of Southern New Mexico Special Revenue Fund	B-27	128
Dual Credit Special Revenue Fund	B-28	129
Library G.O. Bonds Special Revenue Fund	B-29	130
2012 GO Bond Student Library Special Revenue Fund	B-30	131
NM Leads to Read K-3 Special Revenue Fund	B-31	132
Teacher/Leader Stipend-At Risk Advanced Placement Special Revenue Fund	B-32	133
Pre-K Initiative Special Revenue Fund	B-33	134
Breakfast for Elementary Students Special Revenue Fund	B-34	135
Kindergarten Three Plus Special Revenue Fund	B-35	136
2010 GOB Instructional Materials Special Revenue Fund	B-36	137
Science Instructional Materials Special Revenue Fund	B-37	138
Next Generation Assessments Special Revenue Fund	B-38	139
Start Smart K-3 Utah State University Study Special Revenue Fund	B-39	140
Private Direct Grants Special Revenue Fund	B-40	141
Industrial Revenue Bond Payments in Lieu of Taxes Special Revenue Fund	B-41	142

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2014
TABLE OF CONTENTS
(Continued)

	<u>Statement</u>	<u>Page</u>
Nonmajor Capital Projects Fund Descriptions		145
Combining Balance Sheet – Nonmajor Capital Project Funds	C-1	146-147
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	C-2	148-149
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Bond Building Capital Project Fund	C-3	150
Public School Capital Outlay Capital Projects Fund	C-4	151
Special Capital Outlay - Local Capital Projects Fund	C-5	152
Special Capital Outlay - State Capital Projects Fund	C-6	153
Capital Improvements SB-9 Capital Projects Fund	C-7	154
Education Technology Equipment Act Capital Projects Fund	C-8	155
Nonmajor Debt Service Fund Descriptions		158
Combining Balance Sheet – Nonmajor Debt Service Funds	D-1	159
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	D-2	160
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Debt Service Fund	D-3	161
Educational Technology Debt Service Fund	D-4	162
Fiduciary Funds:		
Combining Statement of Net Position	E-1	164
Combining Statement of Revenues, Expenses and Changes in Net Position	E-2	165
 SUPPORTING SCHEDULES		
Schedule of Changes in Assets and Liabilities – Agency Funds	I	169
Schedule of Collateral Pledged by Depository for Public Funds	II	170-171
Schedule of Cash and Temporary Investment Accounts	III	173
Cash Reconciliation	IV	174-177
 COMPLIANCE SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		181
 FEDERAL FINANCIAL ASSISTANCE		
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133		187
Schedule of Expenditures of Federal Awards	V	190-191
Schedule of Findings and Questioned Costs	VI	193

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
OFFICIAL ROSTER
JUNE 30, 2014

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Daniel Castillo		President
Jennifer Viramontes		Vice President
Gloria Y. Irigoyen		Secretary
Maria Saenz		Member
Craig Ford		Member
	<u>School Officials</u>	
Efren Yturralde		Superintendent
Steven W. Suggs		Deputy Superintendent/Chief Financial Officer
Barbara Browder		Associate Superintendent for Human Resources
Richard Chavez		Associate Superintendent for Support Services

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Gadsden Independent Schools
Sunland Park, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund and major special revenue funds of Gadsden Independent Schools (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the combining financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital project fund, major debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gadsden Independent Schools, as of June 30, 2014, and the respective changes in financial position thereof, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2014, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the major capital projects fund, major debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 17 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations and Supporting Schedules I through IV required by 2.2.2 NMAC* are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV required by 2.2.2 NMAC* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2014, 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* in considering the District's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
October 23, 2014

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**State of New Mexico
Gadsden Independent Schools**

Management's Discussion and Analysis

As management of the Gadsden Independent Schools (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, 2014. 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, 2014 are as follows:

- The assets of the District exceeded its liabilities at the end of the fiscal year by \$312,052,427 (net position). Of this amount, \$233,142,015 is invested in capital assets, \$43,065,505 is restricted for capital projects and debt service purposes, \$14,308,386 is restricted for special revenue fund purposes and \$21,536,521 is unrestricted and may be used to meet the District's ongoing obligations.
- The District's total net position increased by \$40,695,594, which is reflected in the District's Statement of Activities.
- The District's liabilities increased by \$5,928,572 in fiscal year 2014. This increase is due to an increase in accounts payable, accrued payroll liabilities, unamortized bond premium and non-current portion of the bonds payable with an offsetting decrease in accrued compensated absences, accrued interest, and the current portion of bonds payable.
- At June 30, 2014, the fund balance for the general fund was \$22,992,357, which reflects an increase of \$3,930,565. General fund expenditures were reduced through careful budget management throughout the fiscal year which contributed to the increase in the fund balance. The district received additional State Funds in fiscal year 2014, compared to the prior year which allowed the district to increase the fund balance as well. These two factors resulted in excess revenues over expenditures of \$3,930,565 before operating transfers, which is reflected in the assigned and unassigned fund balance.
- The District's general obligation bond and lease purchase notes debt balance is \$48,335,000, which reflects a \$2,105,000 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 2014, which allows the District to issue this new debt over a four year period beginning with the fiscal year ending June 30, 2015.

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 position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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

**State of New Mexico
Gadsden Independent Schools**

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).

Both the *statement of net position* 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 26-29 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

Governmental 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 at 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 eight 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
- Transportation Fund
- Instructional Materials Fund
- Food Services Fund
- Title I – 24101 Fund
- Bond Building Fund
- Debt Service Fund
- Other Governmental Funds

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

The basic governmental fund financial statements can be found on pages 30-37 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 43 and 44 of this report.

**State of New Mexico
Gadsden Independent Schools**

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 Schools Net Position

	Governmental Activities	
	2014	2013
Current and other assets	\$ 89,273,574	\$ 88,398,586
Capital Assets	<u>282,729,686</u>	<u>122,591,939</u>
Total Assets	<u>\$372,003,260</u>	<u>\$210,990,525</u>
Long-term liabilities	\$ 39,700,978	\$ 36,002,268
Other liabilities	<u>20,249,855</u>	<u>18,019,993</u>
Total Liabilities	<u>\$ 59,950,833</u>	<u>\$ 54,022,261</u>
Net position:		
Invested in capital assets, net of debt	\$233,142,015	\$ 76,300,804
Restricted for:		
Debt Service	14,226,296	14,740,328
Special Revenue	14,308,386	12,110,056
Capital projects	28,839,209	35,852,668
Other activities		
Unrestricted	<u>21,536,521</u>	<u>17,964,408</u>
Total Net Position	<u>\$312,052,427</u>	<u>\$156,968,264</u>

As noted in the preceding schedule, 7% of the District's net position is 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. 75% of the District's net position is invested in capital assets, net of related debt. This indicates that the accumulated depreciation along with the asset value exceed existing debt. Current and other assets increased from 2013 to 2014 by \$874,988. This increase was primarily due to an increase in cash in the General and Food Services Funds offset by a decrease in cash in the Bond Building Fund. Net Position Invested in Capital Assets increased \$157,716,199 due to the recognition of the value of matching construction costs received from the State of New Mexico and depreciation expense being more than the cost of completed building and building projects. The District continues to utilize local Bond Funds and State Matching Funds to construct new schools and make improvements to existing facilities. Total Liabilities increased by \$5,928,572 primarily due to an increase in the Accounts Payable for the Bond Building Fund and increases in Unamortized Bond Premiums and Bonds Payable which is the result of the net of the issuance of new debt and the retirement of existing debt that occurred in the fiscal year ended June 30, 2014.

Governmental activities increased the District's net position by \$40,695,594. This increase is related to the District's increase in Capital Grants and Contributions related to the recognition of State Matching Funds. Governmental activities expense increased compared to 2013 expenses which reflects an increase in depreciation expense related to the additional capital outlays incurred. The District also experienced an increase in the general revenues compared to 2013. Another important fact is the District's liquidity which is the ability to convert assets into cash to pay for obligations and commitments. Unrestricted and Restricted Cash and cash equivalents represent approximately 89% of the District's current and other assets.

**State of New Mexico
Gadsden Independent Schools**

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

Gadsden Independent Schools Changes in Net Position

Governmental Activities	2014	2013
Revenues:		
Program revenues:		
Charges for services	\$ 1,033,735	\$ 1,202,224
Operating grants and contributions	35,417,173	34,882,315
Capital grants and contributions	41,285,711	4,253,942
General revenues:		
Local property taxes	\$ 13,771,429	13,204,948
Federal and state aid	96,483,480	94,847,967
Interest and investment earnings	41,080	41,985
Other	1,317,346	2,608,048
Total revenues	\$189,349,954	\$151,041,429
Expenses:		
Direct Instruction	\$ 81,950,748	\$ 77,985,470
Support Services-Student/Instruction/School Admin	25,528,459	23,700,756
Support Services-General Administration/Other	1,309,764	1,122,663
Central Services	2,526,523	2,587,908
Operation and maintenance of plant	18,649,770	16,235,748
Food services	9,030,883	8,956,555
Community service	208,285	221,240
Student Transportation	5,651,248	5,552,285
Capital outlay	-	-
Interest on long-term debt	1,082,519	922,766
Depreciation-Facilities acquisition and Construction	2,716,161	1,195,287
Total expenses	\$ 148,654,360	\$138,480,678
Net Change in Fund Balances	\$ 40,695,594	\$ 12,560,751
Beginning Fund Balance – July 1	156,968,264	143,650,189
Prior Period Adjustment	114,388,569	757,324
Ending Fund Balance – June 30	\$312,052,427	\$156,968,264

As noted in the preceding schedule, the District is heavily dependent on federal and state aid which comprises 51% of total revenues. In addition the District received \$38,509,473 from State Capital Outlay Matching funds included in Operating Grants and Contributions which represents 20% of total revenues. Correspondingly, it spends almost 72% 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. The District experienced an increase of \$566,481 in property tax revenues. Federal and State Aid, Operating Grants and contributions sources experienced an increase of \$2,170,371 compared to 2013. This increase is largely due to increases in Federal and State Aid and grants for 2014. Due to the economic factors of

**State of New Mexico
Gadsden Independent Schools**

the communities we serve, the District qualifies for substantial Federal assistance. The ability to obtain Capital Funding from the State is related to the student growth that the District experiences as well as the ranking of its facilities by the NM Public School Facility Authority which determines when facilities are to be replaced, upgraded, or added.

The major funds noted similar variances when comparing 2013 to 2014. The Debt Service Fund has decreased as a direct result of the changes in long term debt. The Bond Building Fund decreased due to the completion of construction projects as well as the status of constructions projects currently in progress.

General Fund Budgetary Highlights

Budget to actual comparison schedules are presented for all major funds on pages 38-42. In addition, budget to actual comparison schedules were presented for each individual non-major fund in the supplementary information section of this report on pages 104-142, 150-155 and 161-162. 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 \$6,826,682 due to changes in the designated cash balance available for budgeting. The final expenditure budget was \$111,724,593, of which \$93,899,772 was expended in the current year. Of the almost \$97 million revenue budget, 101% of the budgeted amount was received during the year.

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

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 201 is \$282,729,686. 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 which includes additions and improvements to an existing high school and one elementary school located in the community of Sunland Park and other various remodel/addition projects throughout the District. Capital Assets increased approximately 131% from the prior year due to adding the value of matching construction costs received from the State of New Mexico and the status of completed construction projects compared to the prior year.

Depreciation calculated during years 2006 through 2014 as a result of GASB 34 implementation resulted in a balance of \$117,817,104 of which \$12,651,057 is for depreciation in the current year and the recognition of prior period depreciation on the additional cost from the matching construction costs received from the State of New Mexico. Additional information of the District's capital assets is presented in Note 6 of the financial statements.

**State of New Mexico
Gadsden Independent Schools**

Long-term obligations

At the end of the current year, the district had \$49,630,769 in long-term debt related to governmental activities. Of this debt, \$44,585,000 was related to general obligation bonds and \$3,750,000 was related to educational technology lease purchase notes outstanding at year end. The debt position of the District is summarized below and is more fully analyzed in Notes 7 of the financial statements.

	Balance 7/01/13	Additions	Deletions	Balance 6/30/14	Amts Due In One Yr
Governmental Activities:					
Compensated Absences	\$ 1,310,383	\$ 472,174	\$ 486,788	\$ 1,295,769	\$ 452,262
Lease Purchase Notes	1,750,000	3,750,000	1,750,000	3,750,000	1,750,000
School Bldg. Bonds	44,480,000	9,500,000	9,395,000	44,585,000	9,130,000
Total	<u>\$47,540,383</u>	<u>\$13,722,174</u>	<u>\$11,631,788</u>	<u>\$49,630,769</u>	<u>\$11,332,262</u>

The District issued General Obligation Bonds in the amount of \$9,500,000 in October 2013. On August 15, 2013 and June 1, 2014 the District reduced the debt principal by \$8,820,000 and \$575,000, respectively, in accordance with scheduled bond payments.

Overall, the District increased its debt balances by \$2,090,386, which was due to the issuance of new bonds and lease purchase notes and offset by a decrease in compensated absences and the 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.
- The \$7,000,000 bonds issued in August 2008 received a Moody's rating of Enhanced Aa2 and a Baa1 underlying rating.
- The \$9,075,000 bonds issued in November 2009 were privately placed with the New Mexico Finance Authority.

**State of New Mexico
Gadsden Independent Schools**

- The \$7,250,000 bonds issued in November 2010 were privately placed with the New Mexico Finance Authority.
- The \$8,250,000 bonds and \$12,300,000 bonds issued in October 2011 received a Moody's rating of Enhanced Aa1/NEG and a Baa1 underlying rating.
- The \$11,000,000 bonds and \$1,180,000 bonds issued in December 2012 received a Moody's rating of Enhanced Aa1/NEG and an A3 underlying rating.
- The \$9,500,000 bonds issued in October 2013 received a Moody's rating of Enhanced Aa1 and an A2 underlying rating.

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.

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

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

In February 2006 new bonds in the amount of \$38,000,000 were approved by voters, as well as the continuation of the \$2.00 mill levy for capital improvements. This debt authorization was sold over a four year period from 2006 to 2009. In November 2006, \$12.25 million of these bonds were sold, in September 2007, \$8.9 million of these bonds were sold, in August 2008, \$7.0 million of these bonds were sold and in November 2009, \$9.075 million of these bonds were sold. The remaining authorized amount of \$775,000 will not be issued due to the lack of adequate bonding capacity and the expiration of the authorization period.

In February 2010 new bonds in the amount of \$36,000,000 were approved by voters. This debt authorization was sold over a four year period from 2010 to 2013. \$7,250,000 of this debt authorization was sold in 2010. \$8,250,000 of this debt authorization was sold in 2011, \$11,000,000 of this debt authorization was sold in 2012 and the remaining debt authorization amount of \$9,500,000 was sold in 2013.

In February 2014 new bonds in the amount of \$38,000,000 were approved by voters. This debt authorization will be sold over a four year period from 2014 to 2017. It is anticipated that \$9,500,000 will be issued in 2014. The amounts issued will be dependent on the available bonding capacity which is impacted by the assessed valuation of the property within the boundaries of the District.

In February 2012 the continuation of the \$2.00 mill levy for capital improvements was approved by voters.

Continuing construction needs due to changes in the student population as well as aging of facilities requires funding from taxpayers as well as continued support through direct legislative appropriations and legislative funded matching funds from the State.

**State of New Mexico
Gadsden Independent Schools**

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:

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Chief Financial Officer
(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

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2014

Exhibit A-1
(Page 1 of 2)

	Primary Government Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 37,034,695
Property taxes receivable	2,246,060
Intergovernmental receivables	6,347,187
Inventory	733,628
Total current assets	46,361,570
Noncurrent assets:	
Restricted cash and cash equivalents	42,762,204
Bond underwriter discounts (net of amortization of \$47,212)	149,800
Capital assets (net of accumulated depreciation):	
Land	2,559,939
Land Improvements	14,199,676
Buildings and building improvements	349,906,606
Furniture, fixtures and equipment	21,788,536
Construction in progress	12,092,033
Less: accumulated depreciation	(117,817,104)
Total noncurrent assets	325,641,690
Total assets	\$ 372,003,260

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2014

Exhibit A-1
(Page 2 of 2)

	Primary Government Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 3,461,143
Accrued payroll liabilities	5,037,798
Deposits held for others	5,613
Accrued interest	413,039
Current portion of bonds and lease purchase notes payable	10,880,000
Accrued compensated absences	452,262
Total current liabilities	20,249,855
Noncurrent liabilities:	
Bond underwriter premiums (net of amortization of \$1,194,599)	1,402,471
Bonds and lease purchase notes payable	37,455,000
Accrued compensated absences	843,507
Total noncurrent liabilities	39,700,978
Total liabilities	59,950,833
NET POSITION	
Net investment in capital assets	233,142,015
Restricted for:	
Debt service	14,226,296
Capital projects	28,839,209
Special revenue	14,308,386
Unrestricted	21,536,521
Total net position	312,052,427
Total liabilities and net position	\$ 372,003,260

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>
Primary Government			
Governmental activities:			
Education:			
Instruction	\$ 81,950,748	\$ 783,914	\$ 13,995,908
Support services:			
Students	12,280,967	-	4,458,517
Instruction	6,332,333	-	1,241,024
General Administration	1,129,810	-	-
School Administration	6,915,159	-	-
Other Support Services	179,954	-	-
Central Services	2,526,523	-	-
Operation & Maintenance of Plant	18,649,770	12,325	582,004
Student Transportation	5,651,248	-	4,986,724
Food Services Operation	9,030,883	237,496	10,152,996
Community Services	208,285	-	-
Interest on long-term debt	1,082,519	-	-
Depreciation - unallocated	2,716,161	-	-
Total governmental activities	<u>148,654,360</u>	<u>1,033,735</u>	<u>35,417,173</u>

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

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Governmental Activities</u>
\$ -	\$ (67,170,926)
-	(7,822,450)
-	(5,091,309)
-	(1,129,810)
-	(6,915,159)
-	(179,954)
-	(2,526,523)
41,285,711	23,230,270
-	(664,524)
-	1,359,609
-	(208,285)
-	(1,082,519)
-	(2,716,161)
<u>41,285,711</u>	<u>(70,917,741)</u>

General Revenues:

Property taxes:	
Levied for general purposes	\$ 333,368
Levied for debt service	11,799,717
Levied for capital projects	1,638,344
State Equalization Guarantee	96,495,137
Unrestricted investment earnings	41,080
Miscellaneous	1,317,346
Return of funds to PED	(11,657)
Total general revenues	<u>111,613,335</u>
Change in net position	40,695,594
Net position - beginning	156,968,264
Prior period restatement	114,388,569
Net Position - beginning (restated)	<u>271,356,833</u>
Net position - ending	<u>\$ 312,052,427</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	Operational Fund			
	General 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS:				
Cash and cash equivalents	\$ 23,128,666	\$ 4,894	\$ 238,430	\$ 10,672,832
Accounts receivable				
Taxes	49,797	-	-	-
Due from other governments	-	-	-	149,916
Interfund receivables	3,949,536	-	-	-
Inventory	448,686	-	-	284,942
Total Assets	27,576,685	4,894	238,430	11,107,690
LIABILITIES:				
Accounts payable	301,176	-	-	39,096
Accrued payroll liabilities	4,237,127	2,096	-	151,633
Deposits held for others	5,613	-	-	-
Interfund payables	-	-	-	-
Total Liabilities	4,543,916	2,096	-	190,729
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	40,412	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferred Inflows of Resources	40,412	-	-	-
FUND BALANCES:				
Nonspendable	448,686	-	-	284,942
Restricted	-	2,798	101,340	977,417
Committed	-	-	-	-
Assigned	11,276,650	-	137,090	9,654,602
Unassigned	11,267,021	-	-	-
Total Fund Balances	22,992,357	2,798	238,430	10,916,961
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 27,576,685	\$ 4,894	\$ 238,430	\$ 11,107,690

The accompanying notes are an integral part of these financial statements

Title I 24101	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ 24,509,475	\$ 10,254,497	\$ 10,988,105	\$ 79,796,899
-	-	1,637,434	558,829	2,246,060
1,544,648	-	-	4,652,623	6,347,187
-	-	-	-	3,949,536
-	-	-	-	733,628
<u>1,544,648</u>	<u>24,509,475</u>	<u>11,891,931</u>	<u>16,199,557</u>	<u>93,073,310</u>
348	2,785,602	-	334,921	3,461,143
261,106	-	-	385,836	5,037,798
-	-	-	-	5,613
1,283,194	-	-	2,666,342	3,949,536
<u>1,544,648</u>	<u>2,785,602</u>	<u>-</u>	<u>3,387,099</u>	<u>12,454,090</u>
-	-	1,344,895	457,359	1,842,666
-	-	-	1,021,847	1,021,847
-	-	1,344,895	1,479,206	2,864,513
-	-	-	-	733,628
-	3,367,018	10,547,036	4,896,177	19,891,786
-	-	-	23,453	23,453
-	18,356,855	-	6,791,962	46,217,159
-	-	-	(378,340)	10,888,681
-	<u>21,723,873</u>	<u>10,547,036</u>	<u>11,333,252</u>	<u>77,754,707</u>
<u>\$ 1,544,648</u>	<u>\$ 24,509,475</u>	<u>\$ 11,891,931</u>	<u>\$ 16,199,557</u>	<u>\$ 93,073,310</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
GOVERNMENTAL FUNDS

Exhibit B-1
 (Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2014

	Governmental Funds
Amounts reported for governmental activities in the statement of net position are different because:	
Fund balances - total governmental funds	\$ 77,754,707
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	282,729,686
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the Statement of Activities	1,842,666
Unavailable deferred revenues from grant funds not reimbursed within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the Statement of Activities	1,021,847
Bond original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds	
Bond underwriter discounts net of accumulated amortization	149,800
Bond underwriter premiums net of accumulated amortization	(1,402,471)
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds	(413,039)
Certain liabilities, including bonds payable and lease purchase notes, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	(1,295,769)
General obligation bonds and lease purchase notes	(48,335,000)
Net Position - Total Governmental Activities	\$ 312,052,427

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Operational Fund			
	General 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
<i>Revenues:</i>				
Property taxes	\$ 340,214	\$ -	\$ -	\$ -
State grants	96,495,137	4,986,724	810,831	201,341
Federal grants	595,852	-	-	9,599,341
Charges for services	164,056	-	2,901	237,496
Miscellaneous	266,035	-	-	-
Interest	6,838	-	-	4,481
<i>Total revenues</i>	<u>97,868,132</u>	<u>4,986,724</u>	<u>813,732</u>	<u>10,042,659</u>
<i>Expenditures:</i>				
Current:				
Instruction	60,487,294	-	1,109,495	-
Support Services				
Students	8,977,039	-	-	-
Instruction	3,889,648	-	-	-
General Administration	514,542	-	-	-
School Administration	6,333,226	-	-	-
Central Services	2,078,510	-	-	-
Operation & Maintenance of Plant	11,453,716	-	-	-
Student Transportation	-	4,989,986	-	-
Other Support Services	169,608	-	-	-
Food Services Operations	6,771	-	-	8,140,286
Community Service	27,213	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond Issuance Costs	-	-	-	-
<i>Total expenditures</i>	<u>93,937,567</u>	<u>4,989,986</u>	<u>1,109,495</u>	<u>8,140,286</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>3,930,565</u>	<u>(3,262)</u>	<u>(295,763)</u>	<u>1,902,373</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Premiums on bonds issued	-	-	-	-
Return of cash to PED	-	(6,060)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(6,060)</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>3,930,565</u>	<u>(9,322)</u>	<u>(295,763)</u>	<u>1,902,373</u>
<i>Fund balances - beginning of year</i>	<u>19,061,792</u>	<u>12,120</u>	<u>534,193</u>	<u>9,014,588</u>
<i>Fund balances - end of year</i>	<u>\$ 22,992,357</u>	<u>\$ 2,798</u>	<u>\$ 238,430</u>	<u>\$ 10,916,961</u>

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

Title I 24101	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 10,349,815	\$ 3,327,164	\$ 14,017,193
-	38,509,473	-	5,085,151	146,088,657
9,181,024	-	-	6,711,300	26,087,517
-	12,325	-	616,957	1,033,735
-	-	-	1,051,311	1,317,346
-	27,776	-	1,985	41,080
<u>9,181,024</u>	<u>38,549,574</u>	<u>10,349,815</u>	<u>16,793,868</u>	<u>188,585,528</u>
7,524,658	-	-	6,949,606	76,071,053
887,583	-	-	1,608,495	11,473,117
383,777	-	-	1,660,567	5,933,992
147,819	-	102,804	284,364	1,049,529
3,787	-	-	79,372	6,416,385
225,384	-	-	40,746	2,344,640
8,016	-	-	24,968	11,486,700
-	-	-	254,632	5,244,618
-	-	-	-	169,608
-	-	-	352,314	8,499,371
-	-	-	166,085	193,298
-	56,659,108	-	6,574,619	63,233,727
-	-	9,395,000	1,750,000	11,145,000
-	-	1,265,231	17,928	1,283,159
-	-	66,563	-	66,563
<u>9,181,024</u>	<u>56,659,108</u>	<u>10,829,598</u>	<u>19,763,696</u>	<u>204,610,760</u>
-	(18,109,534)	(479,783)	(2,969,828)	(16,025,232)
-	18,002	-	(18,002)	-
-	9,500,000	-	3,750,000	13,250,000
-	-	271,611	-	271,611
-	-	-	(5,597)	(11,657)
<u>-</u>	<u>9,518,002</u>	<u>271,611</u>	<u>3,726,401</u>	<u>13,509,954</u>
-	(8,591,532)	(208,172)	756,573	(2,515,278)
-	30,315,405	10,755,208	10,576,679	80,269,985
<u>\$ -</u>	<u>\$ 21,723,873</u>	<u>\$ 10,547,036</u>	<u>\$ 11,333,252</u>	<u>\$ 77,754,707</u>

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

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Exhibit B-2
(Page 2 of 2)

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (2,515,278)
Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.	
Depreciation expense	(12,651,057)
Capital Outlays	57,180,640
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Change in deferred inflows of resources related to property taxes receivable	(245,764)
Change in deferred inflows of resources related to grants	1,021,847
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Amortization of bond premiums/(discounts)	238,535
Premium on bonds issued	(271,611)
Decrease in accrued interest payable	28,668
Decrease in accrued compensated absences	14,614
Bond proceeds	(13,250,000)
Principal payments on bonds	<u>11,145,000</u>
Change in Net Assets-total Governmental Activities	<u><u>\$ 40,695,594</u></u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
GENERAL FUND

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 321,481	\$ 321,481	\$ 337,584	\$ 16,103
State grants	96,486,985	96,486,985	96,495,137	8,152
Federal grants	10,000	10,000	595,852	585,852
Miscellaneous	146,750	146,750	266,035	119,285
Charges for Services	117,000	117,000	164,056	47,056
Interest	7,500	7,500	6,838	(662)
<i>Total revenues</i>	<u>97,089,716</u>	<u>97,089,716</u>	<u>97,865,502</u>	<u>775,786</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	65,736,700	66,219,738	60,490,112	5,729,626
Support Services				
Students	10,147,251	10,159,855	8,975,599	1,184,256
Instruction	4,360,354	4,379,917	3,889,116	490,801
General Administration	756,569	756,569	500,450	256,119
School Administration	6,415,038	6,439,638	6,349,911	89,727
Central Services	2,283,867	2,293,067	2,079,754	213,313
Operation & Maintenance of Plant	12,663,209	13,264,159	11,447,407	1,816,752
Student Transportation	-	-	-	-
Other Support Services	2,402,562	8,047,689	133,439	7,914,250
Food Services Operations	-	15,000	6,771	8,229
Community Services	132,361	148,961	27,213	121,748
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>104,897,911</u>	<u>111,724,593</u>	<u>93,899,772</u>	<u>17,824,821</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,808,195)</u>	<u>(14,634,877)</u>	<u>3,965,730</u>	<u>18,600,607</u>
<i>Other financing sources (uses):</i>				
Designated cash	7,808,195	14,634,877	-	(14,634,877)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,808,195</u>	<u>14,634,877</u>	<u>-</u>	<u>(14,634,877)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,965,730</u>	<u>3,965,730</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>22,459,521</u>	<u>22,459,521</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,425,251</u>	<u>\$ 26,425,251</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,630	
Adjustments to expenditures			(37,795)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 3,930,565</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
TRANSPORTATION FUND

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	4,779,275	4,986,724	4,986,724	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,779,275</u>	<u>4,986,724</u>	<u>4,986,724</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	4,779,275	4,992,784	4,989,986	2,798
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,779,275</u>	<u>4,992,784</u>	<u>4,989,986</u>	<u>2,798</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(6,060)</u>	<u>(3,262)</u>	<u>2,798</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	6,060	-	(6,060)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(6,060)	(6,060)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,060</u>	<u>(6,060)</u>	<u>(12,120)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(9,322)</u>	<u>(9,322)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>13,415</u>	<u>13,415</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,093</u>	<u>\$ 4,093</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (9,322)</u>	

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

STATE OF NEW MEXICO

Exhibit C-3

GADSDEN INDEPENDENT SCHOOLS
INSTRUCTIONAL MATERIALS FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	725,965	846,080	930,945	84,865
Federal grants	-	-	-	-
Miscellaneous	-	-	2,901	2,901
Interest	-	-	-	-
<i>Total revenues</i>	<u>725,965</u>	<u>846,080</u>	<u>933,846</u>	<u>87,766</u>
<i>Expenditures:</i>				
Current:				
Instruction	725,965	1,260,159	1,109,495	150,664
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>725,965</u>	<u>1,260,159</u>	<u>1,109,495</u>	<u>150,664</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(414,079)</u>	<u>(175,649)</u>	<u>238,430</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	414,079	-	(414,079)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>414,079</u>	<u>-</u>	<u>(414,079)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(175,649)</u>	<u>(175,649)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>414,079</u>	<u>414,079</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,430</u>	<u>\$ 238,430</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(120,114)	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (295,763)</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
FOOD SERVICES FUND

Exhibit C-4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	150,000	150,000	201,341	51,341
Federal grants	7,950,000	7,950,000	8,815,825	865,825
Miscellaneous	170,500	170,500	237,496	66,996
Interest	5,500	5,500	4,481	(1,019)
<i>Total revenues</i>	<u>8,276,000</u>	<u>8,276,000</u>	<u>9,259,143</u>	<u>983,143</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	13,600,241	16,950,012	7,411,956	9,538,056
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,600,241</u>	<u>16,950,012</u>	<u>7,411,956</u>	<u>9,538,056</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,324,241)</u>	<u>(8,674,012)</u>	<u>1,847,187</u>	<u>10,521,199</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,324,241	8,674,012	-	(8,674,012)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,324,241</u>	<u>8,674,012</u>	<u>-</u>	<u>(8,674,012)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,847,187</u>	<u>1,847,187</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,808,009</u>	<u>8,808,009</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,655,196</u>	<u>\$ 10,655,196</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			783,516	
Adjustments to expenditures			(728,330)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,902,373</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
TITLE I SPECIAL REVENUE FUND

Exhibit C-5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	8,061,006	10,215,679	10,004,496	(211,183)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>8,061,006</u>	<u>10,215,679</u>	<u>10,004,496</u>	<u>(211,183)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,966,214	8,338,769	7,524,658	814,111
Support Services				
Students	983,399	958,663	887,583	71,080
Instruction	515,869	450,869	383,663	67,206
General Administration	140,977	175,952	147,819	28,133
School Administration	500	7,000	3,787	3,213
Central Services	274,547	257,926	225,384	32,542
Operation & Maintenance of Plant	14,500	20,500	8,016	12,484
Student Transportation	165,000	6,000	-	6,000
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,061,006</u>	<u>10,215,679</u>	<u>9,180,910</u>	<u>1,034,769</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>823,586</u>	<u>823,586</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>823,586</u>	<u>823,586</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,099,639)</u>	<u>(2,099,639)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,276,053)</u>	<u>\$ (1,276,053)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(823,472)	
Adjustments to expenditures			(114)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

Exhibit D-1

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 112,978	\$ 652,766
Due from other funds	17,259	-
	<u>130,237</u>	<u>652,766</u>
<i>Total assets</i>		
LIABILITIES		
<i>Current Liabilities</i>		
Due to other funds/external parties	17,259	-
Deposits held in trust for others	-	652,766
	<u>17,259</u>	<u>652,766</u>
<i>Total liabilities</i>		
NET POSITION		
Restricted - held in trust for other purposes	<u>112,978</u>	<u>-</u>
<i>Total net position</i>	<u>112,978</u>	<u>-</u>
<i>Total liabilities and net position</i>	<u>\$ 130,237</u>	<u>\$ 652,766</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2014

Exhibit D-2

	<u>Private Purpose Trust Funds</u>
Additions:	
Investment earnings	\$ 628
Contributions & donations from private sources	17,624
Total additions	<u>18,252</u>
Deductions:	
Miscellaneous operating	2,646
Scholarships	9,500
Total deductions	<u>12,146</u>
Change in net position	6,106
Total beginning net position	<u>106,872</u>
Total ending net position	<u><u>\$ 112,978</u></u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies

The Gadsden Independent Schools was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the NM Public Education Department and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

The School Board operates twenty-one schools within the District. In conjunction with the regular education programs, all of these schools offer special education. In addition, the School Board provides transportation for the students.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Gadsden Independent Schools' management, who is responsible for their integrity and objectivity. The financial statements of the Gadsden Independent Schools (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

During the year ended June 30, 2013, the District began the adoption of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, in which the District restated amounts that were previously considered bond issuance costs and accumulated amortization. During the year ended June 30, 2014, the District fully implemented GASB Statement No. 65 to reflect deferred inflow of resources for property taxes and grants. GASB Statement No. 65 established accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities.

A. Financial Reporting Entity

The reporting entity defined for the District changed significantly from the prior year due to the Anthony Charter School no longer being a component unit of the District. The Charter School elected to renew its charter under the New Mexico Public Education Department beginning July 1, 2013. The discrete presentation of the Charter School is no longer reflected on the government-wide financial statements. This change resulted in not including the Anthony Charter School's net position at June 30, 2013 of \$947, 442 and not including any related activity for the fiscal year ended June 30, 2014.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14 as amended by GASB Statement No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

A. Financial Reporting Entity (continued)

criterion used to evaluate the potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has one component unit as described in the following paragraphs, and is not a component unit of another governmental agency.

The Gadsden Foundation Inc. is a blended presented component unit of the District, as defined by GASB Statements No. 14, as amended by GASB Statement No. 39, and has a separate governing board. The Foundation does not issue separate financial statements. The Foundation is governed by a fifteen member board composed of the Superintendent of the District, eleven appointed members, and four officers.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Gadsden Independent Schools does not have business-type activities as of June 30, 2014.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – Net investment in capital assets, restricted net position and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise fund are reported as separate columns in the fund financial statements. The District does not have any enterprise funds.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Property taxes are recognized as revenues in the year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes (property taxes) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

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

The *General Fund* as the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

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

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB Statement No. 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which may include funds that were not required to be presented as major but were at the discretion of management:

Operational Funds:

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children. Authority for the creation of this fund is the New Mexico Public Education Department.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation - (Continued)

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. Authority for the creation of this fund is the New Mexico Public Education Department.

The *Food Service Fund* is used to account for income from meal sales, State and Federal reimbursements and to make cash disbursements for activities dealing with preparation and serving of meals. Authority for the creation of this fund is the New Mexico Public Education Department.

Title I (24101) – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criterion that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authorized by the Elementary and Secondary Education Act (ESEA) of 1965, as amended by the No Child Left Behind Act of 2001, Title I, Part A (Public Law 107-110).

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. Authority for the creation of this fund is the New Mexico Public Education Department.

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest. Authority for the creation of this fund is the New Mexico Public Education Department.

Additionally, the government reports the following fund types:

Fiduciary Funds:

The fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. These funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or student organizations.

The *Private Purpose Trust Fund* is used 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 Jim O'Toole to provide 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 the private purpose trust fund are held in one account in conjunction with the Gadsden Foundation, Inc. However, for reporting purposes the amounts are reported separately.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation - (Continued)

The *Gadsden Foundation, Inc* is 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 and for the general support of the Gadsden Independent School District.

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

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I and IDEA-B to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from the state resources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with the function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Assets, Liabilities and Net Position or Equity

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

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the Pool is the same as the fair value of the pool shares. As of June 30, 2014, the District did not hold any pool shares in the State Treasurer's Investment Pool

Restricted Assets: Restricted assets are those that are set aside for restrictions resulting from enabling legislation for future capital outlay expenditures and debt service payments. The District's restricted assets are made up of all capital project and debt service funds.

Receivables and Payables: Inter-fund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost,

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Position or Equity - (Continued)

charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Dona Ana and Otero Counties. The funds are collected by the County Treasurer and are remitted to the District in the following month. Under the modified accrual method of accounting, the amount remitted by the Dona Ana and Otero County Treasurer's in July and August is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund financial statements during the year ended June 30, 2014. Period of availability is deemed to be sixty days subsequent to year end.

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

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. As of June 30, 2014, the District does not have any prepaid items.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the purchase of material listed in the State Board of Education 'State Adopted Instructional Material' list, while fifty percent of each allocation is available for purchases directly from vendors or transfer to the fifty percent account for purchase of material from the adopted list. The Districts are allowed to carry forward unused textbook funds from year to year.

Inventory: The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories are actually consumed. Inventory is valued at cost. In the General Fund, inventory consists of expendable supplies held for consumption. Inventory in the Food Service Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies.

The cost of purchased inventory is recorded as an expenditure at the time individual inventory items are consumed. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per section 12-6-10 NMSA 1978, 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5).

The District was a phase II government for purposes of implementing GASB Statement No. 34. However, the District does not have any infrastructure assets to report.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Position or Equity - (Continued)

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. Library books are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2014.

Capital expenditures made on the District's building construction projects by the New Mexico Public School Facilities Authority are included in the District's capital assets as appropriate.

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

Land improvements	20 years
Buildings/building improvements	10-50 years
Furniture and equipment	5-20 years
Vehicles	10-20 years

Accrued Payroll Liabilities: In the fund financial statements, governmental fund types recognize the accrual of unpaid salaries, wages, and benefits that employees earned prior to the end of the fiscal year. The amount recognized in the fund financial statements represents the amounts due to employees or due to third parties for the employee benefits.

Deferred Inflow of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The District has two types of items, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, unavailable revenue – property taxes and unavailable revenue - grants, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded \$1,842,666 related to property taxes and \$1,021,847 related to grants that are considered “unavailable”.

Compensated Absences: Qualified employees are entitled to earn and accumulate annual leave according to a graduated leave schedule of up to 40 days per year, depending on length of service, the employee's hire date, and employment status. Employees may accumulate and carry forward, from one fiscal year to the next, up to 40 days of annual leave. Upon termination, employees will be paid for up to 40 days of accrued annual leave depending on employment status.

Qualified employees are entitled to accumulate general leave according to a graduated leave schedule of up to 15 days per year with no limit on the amount to be carried forward, depending on length of service, the employee's hire date, and employment status. Effective May 2013, employees will be paid for unused general leave upon retirement, on a graduated scale for accumulated days over 30, provided they meet specific criteria based on years of service.

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Position or Equity - (Continued)

Long-term Obligations: 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if the difference from the effective interest method is inconsequential.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period the bonds are issued. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

Net Position and Fund Equity: Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the District's fund balances is presented in Note 18.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Consist of net position with "legally enforceable" constraints placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Legally enforceable means that a government can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation, only for the purposes specified by the legislation. Generally, the enforceability of an enabling legislation restriction is determined by professional judgment. If it is determined that the restrictions continue to be legally enforceable, then for the purposes of financial reporting, the restricted net position should not reflect any reduction for resources used for purposes not stipulated by the enabling legislation. Descriptions for the related restrictions for net position are restricted for "debt service or capital projects."

Unrestricted Net Position: All other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

The government-wide Statement of Net Position reports \$57,373,891 of restricted net assets related to grants, capital projects and debt service.

Inter-fund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Position or Equity - (Continued)

Estimates: 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. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program 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 Secretary of the Public Education Department. The District received \$96,495,137 in state equalization guarantee distributions during the year ended June 30, 2014.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available' on a modified accrual basis. The District recognized \$14,017,193 in tax revenues during the year ended June 30, 2014. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. Dona Ana and Otero Counties collect County, City, and School taxes and distributes them to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Secretary of the Public Education Department. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$4,986,724 in transportation distributions during the year ended June 30, 2014.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the purchase of materials listed in the State Board of Education "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2014 totaled \$810,831.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues - (Continued)

Public School Capital Outlay: 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:

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The school 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 be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2014, the District did not receive any special capital outlay funds.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Outlay 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 is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, 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 \$2,116,767 in state SB-9 matching during the year end June 30, 2014.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program is operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives revenues from Federal departments which are unrestricted to expenditures for special purposes. These revenues are reported in the Operational Fund.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP (Cash) budgetary 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 designated portion of the fund balance.

Actual expenditures may not exceed the budget at the function level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from the New Mexico Public Education Department.

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. In April or May, the local school board submits to the School Budget and Finance Analysis Bureau (SBFAB) of the New Mexico Public Education Department, a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the New Mexico Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the SBFAB and certified and approved by the local school board at a public hearing of which notice has been published by the local school board who fixes the estimated budget for the District for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAB and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAB.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the District and approved by the SBFAB.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. Stewardship, Compliance and Accountability - (Continued)

Budgetary Information - (Continued)

8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Gadsden Independent Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. 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.
11. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual function.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget 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, 2014, is presented.

The appropriated budget for the year ended June 30, 2014, was properly amended by the Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (7,808,195)	\$ (14,634,877)
Transportation Fund	\$ -	\$ (6,060)
Instructional Materials Fund	\$ -	\$ (414,079)
Food Services Fund	\$ (5,324,241)	\$ (8,674,012)
Title I Fund	\$ -	\$ -
Bond Building Fund	\$ (37,984,795)	\$ (40,473,108)
Debt Service Fund	\$ (9,804,870)	\$ (10,532,041)
Other Governmental Funds	\$ (10,096,917)	\$ (12,105,073)

The District is required to balance its budgets each year. Accordingly, amounts in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund is included in the individual budgetary comparison.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. Deposits and Temporary Investments

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The collateral pledged is listed on Schedule II of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Primary Government

Deposits:

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than the following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978.) At June 30, 2014, \$23,239,410 of the District's deposits of \$24,199,410 was exposed to custodial credit risk. \$17,613,571 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. As of June 30, 2014, \$5,625,839 is uninsured and uncollateralized. As of June 30, 2014, the carrying amount of these deposits was \$22,258,525; total amount of deposits of \$24,199,410 less outstanding items of \$1,940,885. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	<u>Wells Fargo</u>	<u>Bank of the West</u>	<u>First American Bank</u>	<u>Total</u>
Total amounts of deposits	\$ 11,720,003	\$12,269,407	\$ 210,000	\$24,199,410
FDIC coverage	<u>(500,000)</u>	<u>(250,000)</u>	<u>(210,000)</u>	<u>(960,000)</u>
Total uninsured public funds	<u>\$ 11,220,003</u>	<u>\$12,019,407</u>	<u>\$ —</u>	<u>\$ 23,239,410</u>
Pledged collateral held by pledging bank's trust department or agent but not in agency's name	<u>5,594,164</u>	<u>12,019,407</u>	<u>—</u>	<u>17,613,571</u>
Uninsured and uncollateralized	<u>\$ 5,625,839</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,625,839</u>

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. Deposits and Temporary Investments – (Continued)

Deposits: (Continued)

Collateral requirement (50% of uninsured public funds)	\$ 5,610,002	\$ 6,009,704	—	11,619,706
Pledged security	<u>5,594,164</u>	<u>12,852,554</u>	<u>206,911</u>	<u>18,653,629</u>
Total under (over) collateralized	<u>\$ 15,838</u>	<u>\$ (6,842,850)</u>	<u>\$ (206,911)</u>	<u>\$ (7,033,923)</u>

Certificates of deposits with maturity dates of three months or less were included in the total amount of deposits.

Temporary Investments:

As of June 30, 2014, the District had the following temporary investing and maturities:

<u>Temporary Investment Types</u>	<u>Fair Value</u>	<u>Temporary Investments</u> <u>Maturities Less than 1 year</u>
Repurchase Agreements	\$ 45,190,723	\$ 45,190,723
US Obligations Money Market	1,000,005	1,000,005
US Treasury Bills/Notes	12,000,037	12,000,037

Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one hundred and two percent of the amount on deposit with the institution. The schedule listed below discloses requirements on reporting the insured portion of the District's repurchase agreements.

	<u>Wells</u> <u>Fargo</u>	<u>Bank of</u> <u>the West</u>	<u>First American</u> <u>Bank</u>	<u>Total</u>
Repurchase Agreements				
Total amount of deposits	\$ 42,887,943	\$ —	\$ 2,302,780	\$ 45,190,723
FDIC coverage	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total uninsured public funds	<u>\$ 42,887,943</u>	<u>\$ —</u>	<u>\$ 2,302,780</u>	<u>\$ 45,190,723</u>
Collateral requirement (102% of uninsured public funds)	\$ 43,745,702	\$ —	\$ 2,348,836	\$ 46,094,538
Pledged security	<u>43,745,702</u>	<u>—</u>	<u>3,615,720</u>	<u>47,361,422</u>
Under (over) collateralized	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,266,884</u>	<u>\$ 1,266,884</u>

Custodial credit risk – Temporary Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its temporary investments or collateral securities that are in the possession of an outside party. Of the District's \$45,190,723 temporary investment in repurchase agreements, the entire balance of underlying securities are held by the investment's counterparty not in the name of the District. The District's policy related to temporary investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the District's temporary investments in repurchase agreements at June 30, 2014 was \$45,190,723.

	<u>US Treasury</u> <u>Bills/Notes/Money Market</u>
US Obligations Money Market	\$ 1,000,005
US Treasury Bills/Notes	<u>12,000,037</u>
Total amount of temporary investments	<u>\$ 13,000,042</u>

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. Deposits and Temporary Investments - (Continued)

Temporary Investments: (Continued)

At June 30, 2014, the District recognized an unrealized gain of \$1,597 on its temporary investment in US Treasury Bills/Notes. Collateralization of the temporary investment in US Treasury obligations was not required as they are held in the name of the District.

The US Treasury Bills/Notes carry a market interest rate and have original maturity dates ranging from ninety days to one year. The credit risk rating was not available at this time.

Interest Rate Risk for Temporary Investments. The District does not have a written policy for limiting interest rate risk. However, the average maturity of certificates of deposit and US Treasury Bills/Notes is twelve months or less, which is an effective limit of interest rate risk.

Reconciliation of Deposits and Temporary Investments

Statement of Net Position

Cash and cash equivalents per Exhibit B-1	
Governmental Activities	\$ 79,796,899
Statement of Fiduciary Net Position – cash and cash equivalents per Exhibit D-1	652,766
	80,449,665
Outstanding checks and other reconciling items	1,940,885
	82,390,550
Less petty cash	(375)
Bank balance of deposits and temporary investments	\$ 82,390,175

NOTE 4. Receivables

Receivables as of June 30, 2014 are as follows:

Primary Government:

	General	Food Services	Title I	Bond Building
Property Taxes	\$ 49,797	\$ -	\$ -	\$ -
Intergovernmental	-	149,916	1,544,648	-
Totals by category	\$ 49,797	\$ 149,916	\$ 1,544,648	\$ -
	Debt	Other	Total	
	Service	Governmental	Primary	
	Funds	Government	Government	
Property Taxes	\$ 1,637,434	\$ 558,829	\$ 2,246,060	
Intergovernmental	-	4,652,623	6,347,187	
Totals by Category	\$ 1,637,434	\$ 5,211,452	\$ 8,593,247	

The above receivables are deemed 100% collectible. In accordance with GASB Statement No. 33, property taxes and grants receivable are presented net of deferred inflow of resources in the amount of \$1,842,666 and \$1,021,847, respectively, on the governmental fund financial statements.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5. Interfund Receivables, Payables, and Transfers

The District had the following operating transfers for the year ended June 30, 2014.

Governmental Activities:	<u>Transfers Out</u>	<u>Transfers In</u>
Building Fund	\$ —	\$ 18,002
Total Non-Major Governmental Funds	18,002	—

The District records temporary interfund receivable and payables to enable the funds to operate until grant monies are received. The composition of interfund balances as of June 30, 2014 is as follows:

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 3,949,536	\$ —
Food Services Fund	—	—
Title I Fund	—	1,283,194
Bond Building Fund	—	—
Nonmajor Funds:		
Special Revenue Funds	—	2,650,379
Capital Project Funds	—	15,963
	<u>—</u>	<u>15,963</u>
Total Governmental Activities	<u>\$ 3,949,536</u>	<u>\$ 3,949,536</u>

All Interfund balances are to be paid within one year.

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2014 follows. Land and construction in progress are not subject to depreciation.

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2014</u>
Capital Assets used in Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 2,559,939	\$ —	\$ —	\$ —	\$ 2,559,939
Construction in progress	<u>8,284,943</u>	<u>14,419,292</u>	<u>—</u>	<u>(10,612,202)</u>	<u>12,092,033</u>
Total assets not being depreciated	<u>10,844,882</u>	<u>14,419,292</u>	<u>—</u>	<u>(10,612,202)</u>	<u>14,651,972</u>
Land improvements	13,430,493	201,213	—	567,970	14,199,676
Buildings and building improvements	179,054,792	41,746,693	—	129,105,121	349,906,606
Furniture, fixtures & equipment	<u>20,975,094</u>	<u>813,442</u>	<u>—</u>	<u>—</u>	<u>21,788,536</u>
Total assets being depreciated	<u>213,460,379</u>	<u>42,761,348</u>	<u>—</u>	<u>129,673,091</u>	<u>385,894,818</u>
Total assets	<u>\$ 224,305,261</u>	<u>\$ 57,180,640</u>	<u>\$ —</u>	<u>\$ 119,060,889</u>	<u>\$ 400,546,790</u>

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6. Capital Assets – (Continued)

Less Accumulated Depreciation:

Land improvements	\$ 6,443,798	\$ 907,107	\$ —	\$ (1,133,890)	\$ 6,217,015
Buildings and building improvements	76,595,914	11,216,300	—	5,421,251	93,233,465
Furniture, fixtures & equipment	<u>18,673,610</u>	<u>527,650</u>	<u>—</u>	<u>(834,636)</u>	<u>18,356,624</u>
 Total accumulated depreciation	 <u>\$ 101,713,322</u>	 <u>\$ 12,651,057</u>	 <u>\$ —</u>	 <u>\$ 3,452,725</u>	 <u>\$ 117,817,104</u>
 Net Capital Assets	 <u>\$ 122,591,939</u>	 <u>\$ 44,529,583</u>	 <u>\$ —</u>	 <u>\$ 115,608,164</u>	 <u>\$ 282,729,686</u>

Capital assets, net of accumulated depreciation, at June 30, 2014 appear in the Statement of Net Position and/or the Fund Statements Balance Sheets as follows: Governmental activities \$282,729,686.

Depreciation expense for the year ended June 30, 2014 was charged to governmental activities as follows:

Instruction	\$ 5,900,309
Support Services – Students	889,408
Support Services – Instruction	459,661
Support Services – General Administration	80,281
Support Services – School Administration	498,774
Central Services	181,883
Operations / Maintenance of Plant	890,107
Transportation Services	406,630
Other Support Services	10,346
Food Services	602,510
Community Services Operation	14,987
Capital Outlay	<u>2,716,161</u>
 Total depreciation expense	 <u>\$ 12,651,057</u>

NOTE 7. Long-Term Debt

General Obligation Bonds:

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of the outstanding general obligation bonds as of June 30, 2014 was \$65,555,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2014 are for governmental activities.

General obligation bonds outstanding at June 30, 2014, are comprised of the following:

	Series 8/15/2008	Series 11/24/2009	Series 11/19/2010	Series 10/26/2011
Original Issue:	\$7,000,000	\$9,075,000	\$7,250,000	\$8,250,000
Principal Due:	August 15	June 1	August 15	August 15
Interest Due:	February 15	June 1	February 15	February 15
	August 15	December 1	August 15	August 15
Interest Rates:	3.25% - 4.00%	3.00% - 4.50%	0.648% - 2.838%	2.00% - 3.00%
Maturity Date:	8/15/2018	06/01/2019	08/15/2020	8/15/2021

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt – (Continued)

General Obligation Bonds: (Continued)

	Series 10/26/2011	Series 12/12/2012	Series 10/16/2013
Original Issue:	\$12,300,000	\$12,180,000	\$9,500,000
Principal Due:	August 15	August 15	August 15
Interest Due:	February 15	February 15	February 15
	August 15	August 15	August 15
Interest Rates:	2.00% - 4.00%	2.00% - 3.00%	2.00% - 3.00%
Maturity Date:	08/15/2017	08/15/2022	08/15/2023

Lease Purchase Notes:

The District issues Education Technology General Obligation Lease Purchase Certificates of Participation (Lease Purchase Notes) under the terms of a lease-purchase agreement by and between the District and the New Mexico Public Schools Education Technology Assistance Foundation, LLC pursuant to the Education Technology Equipment Act, NMSA 1978, §§ 6-15A-1 to 6-15A-16 for the purchase of technology related equipment and improvements as allowed under this Act. The original amount of the outstanding lease purchase notes as of June 30, 2014 was \$3,750,000. All lease purchase notes are for governmental activities.

Lease purchase notes outstanding as of June 30, 2014, are comprised of the following:

	Series 10/16/2013	Series 06/13/2014
Original Issue:	\$2,750,000	\$1,000,000
Principal Due:	August 15	August 15
Interest Due:	February 15	February 15
	August 15	August 15
Interest Rates:	0.60% - 0.80%	0.80%
Maturity Date:	8/15/2015	08/15/2015

During the year ended June 30, 2014 the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Due within One Year
General Obligation Bonds	\$ 44,480,000	\$ 9,500,000	\$ 9,395,000	\$ 44,585,000	\$ 9,130,000
Lease Purchase Notes	1,750,000	3,750,000	1,750,000	3,750,000	1,750,000
Compensated Absences	1,310,383	472,174	486,788	1,295,769	452,262
Total	\$ 47,540,383	\$ 13,722,174	\$ 11,631,788	\$ 49,630,769	\$ 11,332,262

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt – (Continued)

The annual requirements to amortize the General Obligation Bonds as of June 30, 2014, including interest payments are as follows. The interest rates range from 2.00% to 4.50% with maturity dates until August 15, 2023.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 9,130,000	\$ 1,174,519	\$ 10,304,519
2016	6,355,000	988,744	7,343,744
2017	6,350,000	799,141	7,149,141
2018	6,750,000	588,653	7,338,653
2019	5,125,000	401,965	5,526,965
2020-2024	<u>10,875,000</u>	<u>634,336</u>	<u>11,509,336</u>
Totals	<u>\$ 44,585,000</u>	<u>\$ 4,587,358</u>	<u>\$ 49,172,358</u>

The annual requirements to amortize the Lease Purchase Notes as of June 30, 2014, including interest payments are as follows. The interest rates range from 0.60% to 0.80% with maturity dates until August 15, 2015.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 1,750,000	\$ 14,628	\$ 1,764,628
2016	<u>2,000,000</u>	<u>8,000</u>	<u>2,008,000</u>
Totals	<u>\$ 3,750,000</u>	<u>\$ 22,628</u>	<u>\$ 3,772,628</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than general obligation bonds and lease purchase notes.

Compensated Absences – Administrative employees of the Schools are able to accrue a limited amount of annual leave and all employees are able to accrue an unlimited amount of general leave during the year. During fiscal year June 30, 2014, compensated absences decreased \$10,874 for annual leave and decreased \$3,740 for general leave over the prior year accrual. See Note 1 for more details.

Operating Leases – The District leases office equipment under short-term cancelable operating leases. Rental cost for the year ended June 30, 2014 was \$306,451.

NOTE 8. 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 and Machinery, Underground Storage Tanks and Catastrophic Student Accident Insurance.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8. Risk Management – (Continued)

The NMPSIA provides coverage for up to a maximum of \$750,000,000 for each property damage claim with a \$25,000 deductible for each building. 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 \$1,250,000 per occurrence for Faithful Performance. A limit of \$1,250,000 applies to Depositor’s Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, with all crime coverage subject to a \$750 deductible.

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, 2014, there have been no claims that have exceeded insurance coverage.

NOTE 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds: The District reported a deficit fund balance at June 30, 2014 in the following fund:

21 st Century – 24119	<u>\$ 378,340</u>
Total Governmental Funds	<u>\$ 378,340</u>

The deficit is expected to be funded by reimbursement from the granting agency, New Mexico Public Education Department.

- B. Excess of expenditures over appropriations: No funds of the District exceeded approved budgetary authority for the year ended June 30, 2014.
- C. Designated cash appropriations in excess of available balance: No funds of the District exceeded the budgeted cash appropriations for the year ended June 30, 2014.

NOTE 10. Pension Plan – Educational Retirement Board

Plan Description: Substantially all of Gadsden Independent Schools’ full-time employees participate in an educational employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members (certified teachers, other employees of State public school districts, colleges and universities, and some state agency employees) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P. O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB’s website at www.nmerb.org.

Funding Policy:

Member Contributions:

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.10% of their gross salary in fiscal year 2014; and 10.70% of their gross salary in fiscal year 2015 and thereafter.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10. Pension Plan – Educational Retirement Board – (Continued)

Funding Policy: (Continued)

Employer Contributions:

Gadsden Independent Schools contributed 13.15% of the gross covered salary in fiscal year 2014. In fiscal year 2015, Gadsden Independent Schools will contribute 13.90% of gross covered salary.

The contribution requirements of plan members and the Gadsden Independent Schools are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contribution to ERB for the fiscal year ending June 30, 2014, 2013 and 2012 were \$9,544,454, \$8,015,055 and \$6,866,258, respectively, which equals the amount of the required contributions for the fiscal year.

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

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

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

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

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (Continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that are not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Gadsden Independent Schools contributions to the RHCA for the year ended June 30, 2014, 2013 and 2012 were \$1,451,628, \$1,449,681 and \$1,329,025, respectively, which equal the required contributions for each year.

NOTE 12. Tax Sheltered Annuity Plan

The District offers its employees a tax sheltered annuity plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amount of compensation deferred under the plan are remitted by the District to the various plan administrators and the District has no further claim to these funds. Investments are managed by respective plan trustees. All contributions withheld from employees have been transferred to the annuity companies with which the employee has selected to invest their funds.

NOTE 13. Contingent Liabilities

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 14. Concentrations

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations.

NOTE 15. Subsequent Accounting Standard Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which is effective for fiscal years beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15. Subsequent Accounting Standard Pronouncements – (Continued)

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operation*, which is effective for financial reporting periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations*, includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

Until now, governments have accounted for mergers, acquisitions, and transfers of operations by analogizing to accounting and financial reporting guidance intended for the business environment, generally APB Opinion No. 16, *Business Combinations*. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which should be applied simultaneously with the provisions of Statement 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs.

NOTE 16. Subsequent Events

The date to which events occurring after June 30, 2014, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements or disclosures is October 23, 2014 which is the date on which the financial statements were available to be issued.

On September 25, 2014 the Gadsden Independent School District Board of Education passed resolutions authorizing the issuance and sale of the following debt:

Series 2014 General Obligation School Building Bonds
Bond Amount: \$9,500,000
Closing Date: 10/29/2014
Maturity Date: 8/15/2024
Interest Rate: 2.00% to 4.00%

Gadsden Independent School District authorized issuance of General Obligation School Building Bonds, Series 2014, in the amount of \$9,500,000 to provide funds for construction within the District.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Prior Period Adjustment

During the year ended June 30, 2014, the District adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items previously reported as asset and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities.

The District has reclassified items previously reported as deferred revenues – property taxes and deferred revenues – grants as unavailable revenue – property taxes and unavailable revenues - grants. These items are presented separately on the governmental fund financial statements.

In addition, the District has a prior period adjustment of \$(1,219,595) which is required to reinstate the net bond discounts of \$170,912 and bond premiums (\$1,390,507) as of July 1, 2013 as a result of the adoption of GASB Statement No. 65.

An additional prior period adjustment of \$115,608,164, as of July 1, 2013, was required to reflect the contributions for matching funds received from the State of New Mexico for buildings and building improvements not previously recognized and the related adjustment to accumulated depreciation. The adjustment includes \$119,060,889 for additional building cost and an adjustment to accumulated depreciation for (\$5,904,289) on the additional building cost as well as an adjustment to accumulated depreciation for changes in the depreciation calculation on certain assets for \$2,451,564.

NOTE 18. Governmental Fund Balance

Fund Balance: In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Detail relating to the fund balance classifications is displayed below:

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 18. Fund Balance (continued)

Gadsden Independent Schools

	Operational Fund							Nonmajor Governmental Funds	Total
	General 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000	Title I 24101	Bond Building 31100	Debt Service 41000		
Fund Balance:									
Nonspendable:									
Inventory	\$ 448,686	\$ -	\$ -	\$ 284,942	\$ -	\$ -	\$ -	\$ -	\$ 733,628
Restricted for:									
Student instruction	-	-	101,340	-	-	-	-	-	101,340
Student support services	-	-	-	-	-	-	-	79,732	79,732
Central office services	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	65,245	65,245
School food services	-	-	-	977,417	-	-	-	-	977,417
Student transportation	-	2,798	-	-	-	-	-	-	2,798
Capital projects	-	-	-	-	-	3,367,018	-	2,682,677	6,049,695
Debt service	-	-	-	-	-	-	10,547,036	2,068,523	12,615,559
	-	2,798	101,340	977,417	-	3,367,018	10,547,036	4,896,177	19,891,786
Committed for:									
Student instruction	-	-	-	-	-	-	-	23,453	23,453
Student support services	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	23,453	23,453
Assigned for:									
Subsequent year's expenditures	11,276,650	-	137,090	9,654,602	-	18,356,855	-	6,791,962	46,217,159
Unassigned	11,267,021	-	-	-	-	-	-	(378,340)	10,888,681
Total fund balance	\$ 22,992,357	\$ 2,798	\$ 238,430	\$ 10,916,961	\$ -	\$ 21,723,873	\$ 10,547,036	\$ 11,333,252	\$ 77,754,707

NOTE 19. Commitments

The District had multiple construction projects ongoing as of the year ended June 30, 2014 that are the continue into the following fiscal year. These projects are as follows:

<u>Contract</u>	<u>Year Ending</u>	<u>Amount</u>
STHS Vocational Building Re-Roofing	2014	32,946.00
Anthony Pre-K HVAC Upgrade	2014	168,279.00
New Central Food Service Warehouse	2014	3,028,544.00
SPE Upgrades/Remodeling of Kitchen	2014	840,753.00
New Desert Pride Academy - 2012	2014	5,353,185.00
Mesquite Elementary-Partial Roof Renovation	2014	35,410.00
Total for Athletic Lighting Project @ 3 Sites Project 9973	2014	869,245.00
New Desert View Elementary	2014	89,779.00
Security/Electrical/HVAC Allocation Control Account SPE	2014	233,102.00
STMS ADA Ramps	2014	6,777.00
Anthony Elementary Irrigation Well	2014	54,175.00
Riverside Elementary Parking Lot	2014	82,469.00
Gadsden HS PhaseIII Part 2	2014	105,523.00
Gadsden High School Phase III Part 3	2014	41.00
Security/Electrical/HVAC Allocation Control Account MQE	2014	128,464.00
Riverside Elementary Kitchen Upgrade	2014	120,089.00
Security/Electric/HVAC Allocation Control Account RE	2014	48,781.00
6 New Tennis Courts CHS	2014	786,403.00
Chaparral High School Irrigation Well	2014	12,556.00
New Chaparral Elementary School	2014	21,554.00
Plumbing and HVAC Improvements Riverside Elementary	2014	72,551.00
La Union Roof Condition and Assessment	2014	1,407.00
Total Commitments		12,092,033.00

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
Cash and cash equivalents	\$ 2,989,873	\$ 5,983,058	\$ 2,015,174	\$ 10,988,105
Accounts receivable				
Taxes	-	268,306	290,523	558,829
Due from other governments	3,514,268	1,138,355	-	4,652,623
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Total Assets	6,504,141	7,389,719	2,305,697	16,199,557
LIABILITIES				
Accounts payable	76,501	258,420	-	334,921
Accrued payroll liabilities	385,836	-	-	385,836
Interfund payables	2,650,379	15,963	-	2,666,342
Total Liabilities	3,112,716	274,383	-	3,387,099
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	220,185	237,174	457,359
Unavailable revenue-grants	378,340	643,507	-	1,021,847
Total Deferrred Inflows of Resources	378,340	863,692	237,174	1,479,206
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	144,977	2,682,677	2,068,523	4,896,177
Committed	23,453	-	-	23,453
Assigned	3,222,995	3,568,967	-	6,791,962
Unassigned	(378,340)	-	-	(378,340)
Total Fund Balances	3,013,085	6,251,644	2,068,523	11,333,252
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,504,141	\$ 7,389,719	\$ 2,305,697	\$ 16,199,557

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

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ 1,669,863	\$ 1,657,301	\$ 3,327,164
State grants	2,952,420	2,132,731	-	5,085,151
Federal grants	6,711,300	-	-	6,711,300
Charges for services	616,957	-	-	616,957
Miscellaneous	1,029,684	21,627	-	1,051,311
Interest	908	1,077	-	1,985
<i>Total revenues</i>	<u>11,311,269</u>	<u>3,825,298</u>	<u>1,657,301</u>	<u>16,793,868</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	6,949,606	-	-	6,949,606
Support Services				
Students	1,608,495	-	-	1,608,495
Instruction	1,660,567	-	-	1,660,567
General Administration	251,270	16,592	16,502	284,364
School Administration	79,372	-	-	79,372
Central Services	40,746	-	-	40,746
Operation & Maintenance of Plant	24,968	-	-	24,968
Student Transportation	254,632	-	-	254,632
Other Support Services	-	-	-	-
Food Services Operations	352,314	-	-	352,314
Community Service	166,085	-	-	166,085
Capital outlay	-	6,574,619	-	6,574,619
Debt service - Principal	-	-	1,750,000	1,750,000
Debt service - Interest	-	-	17,928	17,928
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>11,388,055</u>	<u>6,591,211</u>	<u>1,784,430</u>	<u>19,763,696</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(76,786)</u>	<u>(2,765,913)</u>	<u>(127,129)</u>	<u>(2,969,828)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	(18,002)	-	(18,002)
Proceeds from bond issues	-	3,750,000	-	3,750,000
Premiums on bonds issued	-	-	-	-
Operating transfers	(5,597)	-	-	(5,597)
<i>Total other financing sources (uses)</i>	<u>(5,597)</u>	<u>3,731,998</u>	<u>-</u>	<u>3,726,401</u>
<i>Net changes in fund balances</i>	<u>(82,383)</u>	<u>966,085</u>	<u>(127,129)</u>	<u>756,573</u>
<i>Fund balances - beginning of year</i>	<u>3,095,468</u>	<u>5,285,559</u>	<u>2,195,652</u>	<u>10,576,679</u>
<i>Fund balances - end of year</i>	<u>\$ 3,013,085</u>	<u>\$ 6,251,644</u>	<u>\$ 2,068,523</u>	<u>\$ 11,333,252</u>

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

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

Athletics (22000) – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. Authority for creation of this fund is 6.20.2 NMAC.

Non-Instructional Support (23000) – To account for budgeted revenues and expenditures which relate to student activities other than athletics. Authority for the creation of this fund is the New Mexico Public Education Department.

Migrant Children Education IASA (24103) – To account for federal resources administered by the State Public Education Department to provide for special educational needs of migratory agricultural workers. Authorized by the Elementary and Secondary Education Act (ESEA) of 1965, as amended by the No Child Left Behind Act of 2001, Title I, Part C (Public Law 107-110).

Entitlement IDEA-B (Entitlement IDEA-B – 24106, IDEA-B Discretionary – 24107, IDEA-B “Risk Pool” – 24120) - To account for a program funded by a Federal grant to assist the schools in providing free appropriate public education to all handicapped children. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446).

New Mexico Autism Project – Special Education (24108) – To account for a sub-grant to be used to support the District’s implementation of the New Mexico Autism Project and improve the outcomes for students with Autism Spectrum Disorders. Authority for creation of this fund is the New Mexico Public Education Department.

Preschool IDEA-B (24109) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446).

IDEA-B Early Intervention (24112) – To account for a sub-award from IDEA-B Basic grant (24106) to develop and implement coordinated early intervening educational services. The services are designed to directly benefit nondisabled children who need additional academic and behavioral support to succeed in the general education environment. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446).

Education of Homeless (24113) – To ensure that homeless children and youth have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each State educational agency (SEA) for the coordination of education for homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies (LEAs). Authorized by McKinney-Vento Homeless Assistance Act, Title VII-B, as reauthorized by the No Child Left Behind Act of 2001 (Public Law 107-110).

IDEA-B Private Schools Share (24115) – To account for the proportionate allocation of Entitlement IDEA-B funds requested by private schools located within the District. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446).

SPECIAL REVENUE FUNDS (continued)

Fresh Fruits & Vegetables USDA (24118) – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

21st Century Community Learning Centers (24119) – To account for federal funds utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community as a classroom. Authorized by the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001, Title IV, Part B (Public Law 107-110).

English Language Acquisition (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. Authorized by the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001, Title III (Public Law 107-110).

Teacher / Principal Training / Recruiting (24154) – 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. Authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001, Title II, Part A, Sec. 2101-2151 (Public Law 107-110).

Immigrant Funding Title III (24163) – Funds allocated to the District to support additional programs to improve the education performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. Authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001, Title III, Part B (Public Law 107-110).

Carl D. Perkins (24174 – Secondary Current) (24175 – Secondary PY Obligation) (24176 – Secondary Redistribution) - The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Authorized by the Carl D. Perkins Vocational and Technical Education Act of 1998 (Public Law 105-332).

Carl D. Perkins (High Schools That Work – 24180, HSTW Distribution – 24182) – To account for funds administered through the State Public Education Office to the deployment of the HSTW framework is intended to improve student achievement, increase graduation rates and provide relevant and rigorous high school instruction. Authorized by the Carl D. Perkins Vocational and Technical Education Act of 1998 (Public Law 105-332).

Title XIX MEDICAID 3/21 Years (25153) – To account for funds to provide school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. Authority for creation of this fund is the New Mexico Public Education Department.

Save The Children (26143) – Grant funds used to provide children, who are struggling readers from Berino Elementary and Mesquite Elementary, a safe place with daily literacy activities, guided physical activities, and healthy snacks. Authority for creation of this fund is the New Mexico Public Education Department.

Spaceport GRT (26204) – To account for funds received from Dona Ana County to be used to supplement science, technology, engineering, and math programs for Grades 6 through 12. Authority for creation of this fund is the New Mexico Public Education Department.

SPECIAL REVENUE FUNDS (continued)

The Bridge of Southern New Mexico (26215) – Grant funds awarded from The Bridge of Southern New Mexico Daniels Fund Grant to expand Early College High Schools throughout New Mexico. Authority for creation of this fund is the New Mexico Public Education Department.

Dual Credit Instructional Materials (27103) – To account for legislative appropriations for dual credit instructional materials. Instructional materials are for courses approved by the NM Higher Education Department and through an approved agreement between the District and a college/university. Authority for the creation of this fund is the New Mexico Public Education Department.

Library GO Bonds (27106) – To account for funds provided for the purpose of acquiring library books, equipment, and library resources for public school and state-supported school libraries statewide. Authority for the creation of this fund is the New Mexico Public Education Department.

2012 GO Bond Student Library (27107) – To account for funds provided to be used for library resource acquisitions, including library books for public school libraries. Authority for the creation of this fund is the New Mexico Public Education Department.

NM Reads to Lead K-3 Initiative (27114) – Funds appropriated by the NM Legislature to support the implementation of the New Mexico Reads to Lead initiative for grades K-3. Authority for the creation of this fund is the New Mexico Public Education Department.

Teacher/School Leader Stipend Serving At-Risk and Advanced Placement Students (27122) – To account for legislative appropriations to provide stipends to teachers serving specific At-Risk and Advanced Placement students as identified by the State of New Mexico. Authority for the creation of this fund is the New Mexico Public Education Department.

Pre-K Initiative (27149) – To account for legislative appropriations for the purpose of providing high quality Pre-K services that align to NM Pre-K standards to underserved 4-year-olds in the District. To expand early childhood educational capacity so that all families of 4-year-olds in the district who want to enroll their child in a high quality Pre-K program can do so, regardless of income or ethnicity. Authority for the creation of this fund is the New Mexico Public Education Department.

Breakfast for Elementary Students (27155) – To account for legislative appropriations to implement Breakfast in the Classroom for elementary schools in need of improvement based on AYP designation. Authority for the creation of this fund is the New Mexico Public Education Department.

Kindergarten - Three Plus (27166) – To account for legislative appropriations to provide an extended school year for kindergarten through third grade students. The program focuses on acclimating young students to the structure of a classroom environment and spending additional instructional time to prepare students for the next grade level. Authority for the creation of this fund is the New Mexico Public Education Department.

2010 GO Bond Instructional Materials (27171) – To account for funds provided for public school books and instructional materials statewide. The funds are available for the acquisition of books, software and software licenses that used as instructional materials for students. Authority for the creation of this fund is the New Mexico Public Education Department.

Science Instructional Materials K-12 (27176) – To account for legislative appropriations for public school science instructional materials statewide to be utilized during regular instructional hours and is not intended for after school programs. The funds are available for the acquisition of science instructions materials (kits, kit refills or supplies needed for inquiry or project-based science instruction). Authority for the creation of this fund is the New Mexico Public Education Department.

SPECIAL REVENUE FUNDS (continued)

Next Generation Assessments (27185) – To account for legislative appropriations to remediate deficiencies in computer devices not compliant with the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment technology requirements. Authority for the creation of this fund is the New Mexico Public Education Department.

Smart Start K-3 Utah State Study (28191) – Funding provided through a sub-grant award through Utah State University to establish additional K-3 Plus programs at Berino and Riverside Elementary Schools. A pilot program which includes data collection to evaluate the impact of providing extended instructional days for Kindergarten through Third Grade students. Authority for creation of this fund is the New Mexico Public Education Department.

Private Direct Grants (29102) – To account for various private direct grants allocated to the school district. Authority for creation of this fund is the New Mexico Public Education Department.

Industrial Revenue Bonds Payments in Lieu of Taxes (29135) – Funds received from a Solar Facility located in the District. Funds are for student instruction support. Authority for creation of this fund is the New Mexico Public Education Department.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Athletics 22000	Non-Instructional Support 23000	Migrant Children Education 24103	Entitlement IDEA-B 24106
ASSETS				
Cash and cash equivalents	\$ 417,268	\$ 544,748	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	38,736	615,434
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	417,268	544,748	38,736	615,434
LIABILITIES				
Accounts payable	361	3,941	444	11,930
Accrued payroll liabilities	-	36	4,039	117,990
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	34,253	485,514
Total liabilities	361	3,977	38,736	615,434
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	3,393	61,852	-	-
Committed	-	-	-	-
Assigned	413,514	478,919	-	-
Unassigned	-	-	-	-
Total fund balances	416,907	540,771	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 417,268	\$ 544,748	\$ 38,736	\$ 615,434

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

Discretionary IDEA-B 24107	NM Autism Project Special Education 24108	Preschool IDEA-B 24109	IDEA-B Early Intervention 24112	Education of Homeless 24113
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	7,732	9,779	15,380	9,856
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>7,732</u>	<u>9,779</u>	<u>15,380</u>	<u>9,856</u>
-	-	-	-	-
-	-	1,471	2,238	-
-	-	-	-	-
-	7,732	8,308	13,142	9,856
<u>-</u>	<u>7,732</u>	<u>9,779</u>	<u>15,380</u>	<u>9,856</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 7,732</u>	<u>\$ 9,779</u>	<u>\$ 15,380</u>	<u>\$ 9,856</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	IDEA-B Private School Share 24115	Fresh Fruits & Vegetables 24118	21st Century 24119	IDEA-B "Risk Pool" 24120
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	378,340	32,211
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	-	-	378,340	32,211
LIABILITIES				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	26,170	7,436
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	352,170	24,775
Total liabilities	-	-	378,340	32,211
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	378,340	-
Total Deferred Inflows of Resources	-	-	378,340	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(378,340)	-
Total fund balances	-	-	(378,340)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 378,340	\$ 32,211

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

English Language Acquisition 24153	Teacher / Principal Training / Recruiting 24154	Immigrant Funding Title III 24163	Carl D Perkins Secondary 24174	Carl D Perkins Secondary PY Obligation 24175
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
77,897	212,467	54,855	45,142	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>77,897</u>	<u>212,467</u>	<u>54,855</u>	<u>45,142</u>	<u>-</u>
-	-	-	-	-
7,917	34,693	440	-	-
-	-	-	-	-
69,980	177,774	54,415	45,142	-
<u>77,897</u>	<u>212,467</u>	<u>54,855</u>	<u>45,142</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 77,897</u>	<u>\$ 212,467</u>	<u>\$ 54,855</u>	<u>\$ 45,142</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Carl D Perkins Secondary Redistribution 24176	Carl D Perkins HSTW Current 24180	Carl D Perkins HSTW Redistribution 24182	Title XIX Medicaid 3/21 Years 25153
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 815,032
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	41,946	2,961	181,952
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	-	41,946	2,961	996,984
LIABILITIES				
Accounts payable	-	284	186	657
Accrued payroll liabilities	-	-	-	33,318
Accrued compensated absences	-	-	-	-
Interfund payables	-	41,662	2,775	-
Total liabilities	-	41,946	2,961	33,975
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	-	-	-	79,732
Committed	-	-	-	-
Assigned	-	-	-	883,277
Unassigned	-	-	-	-
Total fund balances	-	-	-	963,009
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 41,946	\$ 2,961	\$ 996,984

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

Save the Children 26143	Spaceport Grant 26204	The Bridge of Southern New Mexico 26215	Dual Credit Instructional Materials 27103	Library GO Bonds 27106
\$ -	\$ 873,552	\$ 45,187	\$ -	\$ -
-	-	-	-	-
8,292	335,645	-	12,221	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,292</u>	<u>1,209,197</u>	<u>45,187</u>	<u>12,221</u>	<u>-</u>
-	58,698	-	-	-
-	19,034	-	-	-
-	-	-	-	-
8,292	-	-	12,221	-
<u>8,292</u>	<u>77,732</u>	<u>-</u>	<u>12,221</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,131,465	45,187	-	-
-	-	-	-	-
<u>-</u>	<u>1,131,465</u>	<u>45,187</u>	<u>-</u>	<u>-</u>
<u>\$ 8,292</u>	<u>\$ 1,209,197</u>	<u>\$ 45,187</u>	<u>\$ 12,221</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	2012 GO Bond Student Library 27107	NM Reads to Lead K-3 Initiative 27114	Teacher/Leader Stipend-At Risk Advanced Placement 27122	Pre-K Initiative 27149
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	48,653	32,872	25,000	521,076
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	48,653	32,872	25,000	521,076
LIABILITIES				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	6,125	48,753
Accrued compensated absences	-	-	-	-
Interfund payables	48,653	32,872	18,875	472,323
Total liabilities	48,653	32,872	25,000	521,076
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 48,653	\$ 32,872	\$ 25,000	\$ 521,076

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

Breakfast for Elementary Students 27155	Kindergarten Three Plus 27166	2010 GOB Instructional Materials 27171	Science Instructional Materials K-12 27176	Next Generation Assessments 27185
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	464,822	-	-	299,450
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>464,822</u>	<u>-</u>	<u>-</u>	<u>299,450</u>
-	-	-	-	-
-	70,702	-	-	-
-	-	-	-	-
-	394,120	-	-	299,450
<u>-</u>	<u>464,822</u>	<u>-</u>	<u>-</u>	<u>299,450</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 464,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,450</u>

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

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

Statement B-1
(Page 5 of 5)

	Smart Start K-3 Utah State Study 28191	Private Direct Grants 29102	Industrial Revenue Bonds Payments in Lieu of Taxes 29135	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 294,086	\$ 2,989,873
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	41,549	-	-	3,514,268
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	41,549	-	294,086	6,504,141
LIABILITIES				
Accounts payable	-	-	-	76,501
Accrued payroll liabilities	5,474	-	-	385,836
Accrued compensated absences	-	-	-	-
Interfund payables	36,075	-	-	2,650,379
Total liabilities	41,549	-	-	3,112,716
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	378,340
Total Deferrred Inflows of Resources	-	-	-	378,340
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	-	-	-	144,977
Committed	-	-	23,453	23,453
Assigned	-	-	270,633	3,222,995
Unassigned	-	-	-	(378,340)
Total fund balances	-	-	294,086	3,013,085
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 41,549	\$ -	\$ 294,086	\$ 6,504,141

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

	Athletics 22000	Non-Instructional Support 23000	Migrant Children Education 24103	Entitlement IDEA-B 24106
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	112,695	3,071,127
Charges for services	123,266	493,691	-	-
Miscellaneous	506	73,318	-	-
Interest	269	639	-	-
<i>Total Revenues</i>	<u>124,041</u>	<u>567,648</u>	<u>112,695</u>	<u>3,071,127</u>
<i>Expenditures:</i>				
Current:				
Instruction	16,001	536,779	33,156	1,309,169
Support Services				
Students	-	-	65,978	811,024
Instruction	-	-	10,288	710,315
General Administration	-	-	1,829	49,589
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	1,444	22,324
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	166,085
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>16,001</u>	<u>536,779</u>	<u>112,695</u>	<u>3,068,506</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>108,040</u>	<u>30,869</u>	<u>-</u>	<u>2,621</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	(2,621)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,621)</u>
<i>Net changes in fund balance</i>	<u>108,040</u>	<u>30,869</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>308,867</u>	<u>509,902</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 416,907</u>	<u>\$ 540,771</u>	<u>\$ -</u>	<u>\$ -</u>

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

Discretionary IDEA-B 24107	NM Autism Project Special Education 24108	Preschool IDEA-B 24109	IDEA-B Early Intervention 24112	Education of Homeless 24113
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	9,745	77,958	73,886	27,045
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	9,745	77,958	73,886	27,045
-	4,288	17,389	-	-
-	5,457	50,558	-	27,045
-	-	8,746	72,687	-
-	-	1,265	1,199	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	9,745	77,958	73,886	27,045
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

	IDEA-B Private School Share 24115	Fresh Fruits & Vegetables 24118	21st Century 24119	IDEA-B "Risk Pool" 24120
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	294,001	481,770	32,211
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>294,001</u>	<u>481,770</u>	<u>32,211</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	674,404	-
Support Services				
Students	-	-	-	32,211
Instruction	-	-	-	-
General Administration	-	-	138,473	-
School Administration	-	-	-	-
Central Services	-	-	40,746	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	5,513	-
Other Support Services	-	-	-	-
Food Services Operations	-	294,001	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>294,001</u>	<u>859,136</u>	<u>32,211</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(377,366)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(974)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(974)</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>(378,340)</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (378,340)</u>	<u>\$ -</u>

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

English Language Acquisition 24153	Teacher / Principal Training / Recruiting 24154	Immigrant Funding Title III 24163	Carl D Perkins Secondary 24174	Carl D Perkins Secondary PY Obligation 24175
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
275,345	735,129	54,855	163,508	49,404
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>275,345</u>	<u>735,129</u>	<u>54,855</u>	<u>163,508</u>	<u>49,404</u>
269,895	620,154	54,855	158,762	49,404
-	-	-	2,092	-
3,360	99,725	-	-	-
-	11,900	-	2,654	-
2,090	1,350	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>275,345</u>	<u>733,129</u>	<u>54,855</u>	<u>163,508</u>	<u>49,404</u>
-	2,000	-	-	-
-	-	-	-	-
-	(2,000)	-	-	-
-	(2,000)	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

	Carl D Perkins Secondary Redistribution 24176	Carl D Perkins HSTW Current 24180	Carl D Perkins HSTW Redistribution 24182	Title XIX Medicaid 3/21 Years 25153
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	14,288	88,065	10,166	1,140,102
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>14,288</u>	<u>88,065</u>	<u>10,166</u>	<u>1,140,102</u>
<i>Expenditures:</i>				
Current:				
Instruction	14,054	86,636	10,166	638
Support Services				
Students	-	-	-	587,445
Instruction	-	-	-	310,257
General Administration	232	1,429	-	13,848
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	1,200
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>14,286</u>	<u>88,065</u>	<u>10,166</u>	<u>913,388</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2</u>	<u>-</u>	<u>-</u>	<u>226,714</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Return of cash to PED	(2)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,714</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,295</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 963,009</u>

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

Save the Children 26143	Spaceport Grant 26204	The Bridge of Southern New Mexico 26215	Dual Credit Instructional Materials 27103	Library GO Bonds 27106
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	34,639	-
-	-	-	-	-
-	-	-	-	-
43,233	672,091	102,796	-	-
-	-	-	-	-
<u>43,233</u>	<u>672,091</u>	<u>102,796</u>	<u>34,639</u>	<u>-</u>
43,233	775,632	57,609	34,639	-
-	-	-	-	-
-	49,808	-	-	-
-	13,961	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>43,233</u>	<u>839,401</u>	<u>57,609</u>	<u>34,639</u>	<u>-</u>
-	(167,310)	45,187	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(167,310)	45,187	-	-
-	1,298,775	-	-	-
<u>\$ -</u>	<u>\$ 1,131,465</u>	<u>\$ 45,187</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

	2012 GO Bonds Student Library 27107	NM Reads to Lead K-3 Initiative 27114	Teacher/Leader Student-At Risk Advanced Placement 27122	Pre-K Initiative 27149
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	81,464	32,872	25,000	1,509,999
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>81,464</u>	<u>32,872</u>	<u>25,000</u>	<u>1,509,999</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	32,872	25,000	1,294,896
Support Services				
Students	-	-	-	13,125
Instruction	81,464	-	-	14,467
General Administration	-	-	-	14,891
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	172,620
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>81,464</u>	<u>32,872</u>	<u>25,000</u>	<u>1,509,999</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Breakfast for Elementary Students 27155	Kindergarten Three Plus 27166	2010 GOB Instructional Materials 27171	Science Instructional Materials K-12 27176	Next Generation Assessments 27185
\$ -	\$ -	\$ -	\$ -	\$ -
58,313	749,758	34,551	-	299,450
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>58,313</u>	<u>749,758</u>	<u>34,551</u>	<u>-</u>	<u>299,450</u>
-	600,493	34,551	-	-
-	13,560	-	-	-
-	-	-	-	299,450
-	-	-	-	-
-	59,206	-	-	-
-	-	-	-	-
-	-	-	-	-
-	76,499	-	-	-
-	-	-	-	-
58,313	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>58,313</u>	<u>749,758</u>	<u>34,551</u>	<u>-</u>	<u>299,450</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-2
(Page 5 of 5)

	Smart Start K-3 Utah State Study 28191	Private Direct Grants 29102	Industrial Revenue Bonds Payments in Lieu of Taxes 29135	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	126,374	-	-	2,952,420
Federal grants	-	-	-	6,711,300
Charges for services	-	-	-	616,957
Miscellaneous	-	-	137,740	1,029,684
Interest	-	-	-	908
<i>Total Revenues</i>	<u>126,374</u>	<u>-</u>	<u>137,740</u>	<u>11,311,269</u>
<i>Expenditures:</i>				
Current:				
Instruction	109,648	7,302	77,981	6,949,606
Support Services				
Students	-	-	-	1,608,495
Instruction	-	-	-	1,660,567
General Administration	-	-	-	251,270
School Administration	16,726	-	-	79,372
Central Services	-	-	-	40,746
Operation & Maintenance of Plant	-	-	-	24,968
Student Transportation	-	-	-	254,632
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	352,314
Community Service	-	-	-	166,085
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>126,374</u>	<u>7,302</u>	<u>77,981</u>	<u>11,388,055</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(7,302)</u>	<u>59,759</u>	<u>(76,786)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	(5,597)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,597)</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>(7,302)</u>	<u>59,759</u>	<u>(82,383)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>7,302</u>	<u>234,327</u>	<u>3,095,468</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,086</u>	<u>\$ 3,013,085</u>

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

STATE OF NEW MEXICO

Statement B-3

GADSDEN INDEPENDENT SCHOOLS
ATHLETICS SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	110,000	110,000	123,772	13,772
Interest	-	-	269	269
<i>Total revenues</i>	<u>110,000</u>	<u>110,000</u>	<u>124,041</u>	<u>14,041</u>
<i>Expenditures:</i>				
Current:				
Instruction	293,551	419,034	15,807	403,227
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>293,551</u>	<u>419,034</u>	<u>15,807</u>	<u>403,227</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(183,551)</u>	<u>(309,034)</u>	<u>108,234</u>	<u>417,268</u>
<i>Other financing sources (uses):</i>				
Designated cash	183,551	309,034	-	(309,034)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>183,551</u>	<u>309,034</u>	<u>-</u>	<u>(309,034)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>108,234</u>	<u>108,234</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>309,034</u>	<u>309,034</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,268</u>	<u>\$ 417,268</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
Adjustments to expenditures			(194)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 108,040</u>	

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

STATE OF NEW MEXICO

Statement B-4

GADSDEN INDEPENDENT SCHOOLS

NON-INSTRUCTIONAL SUPPORT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	470,000	470,000	567,009	97,009
Interest	-	-	639	639
<i>Total revenues</i>	<u>470,000</u>	<u>470,000</u>	<u>567,648</u>	<u>97,648</u>
<i>Expenditures:</i>				
Current:				
Instruction	866,643	986,010	538,945	447,065
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>866,643</u>	<u>986,010</u>	<u>538,945</u>	<u>447,065</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(396,643)</u>	<u>(516,010)</u>	<u>28,703</u>	<u>544,713</u>
<i>Other financing sources (uses):</i>				
Designated cash	396,643	516,010	-	(516,010)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>396,643</u>	<u>516,010</u>	<u>-</u>	<u>(516,010)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>28,703</u>	<u>28,703</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>521,266</u>	<u>521,266</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,969</u>	<u>\$ 549,969</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
Adjustments to expenditures			2,166	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 30,869</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
MIGRANT CHILDREN EDUCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-5

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	108,000	131,117	107,752	(23,365)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>108,000</u>	<u>131,117</u>	<u>107,752</u>	<u>(23,365)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	31,790	37,866	33,156	4,710
Support Services				
Students	63,898	77,098	65,978	11,120
Instruction	9,423	12,388	10,288	2,100
General Administration	1,889	2,265	1,829	436
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	1,000	1,500	1,444	56
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>108,000</u>	<u>131,117</u>	<u>112,695</u>	<u>18,422</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,943)</u>	<u>(4,943)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,943)</u>	<u>(4,943)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,074)</u>	<u>(32,074)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,017)</u>	<u>\$ (37,017)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			4,943	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,882,144	3,465,299	3,234,508	(230,791)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,882,144</u>	<u>3,465,299</u>	<u>3,234,508</u>	<u>(230,791)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,308,027	1,401,633	1,308,883	92,750
Support Services				
Students	694,440	1,047,158	810,805	236,353
Instruction	740,606	740,606	704,446	36,160
General Administration	45,023	54,489	49,589	4,900
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	36,000	36,000	22,324	13,676
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	58,048	185,413	166,085	19,328
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,882,144</u>	<u>3,465,299</u>	<u>3,062,132</u>	<u>403,167</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>172,376</u>	<u>172,376</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(2,621)	(2,621)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2,621)</u>	<u>(2,621)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>169,755</u>	<u>169,755</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(488,921)</u>	<u>(488,921)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (319,166)</u>	<u>\$ (319,166)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(163,381)	
Adjustments to expenditures			(6,374)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	339	339
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>339</u>	<u>339</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>339</u>	<u>339</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>339</u>	<u>339</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(339)</u>	<u>(339)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(339)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NM AUTISM PROJECT SPECIAL EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-8

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	10,992	2,013	(8,979)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,992</u>	<u>2,013</u>	<u>(8,979)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,000	4,288	712
Support Services				
Students	-	5,992	5,457	535
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,992</u>	<u>9,745</u>	<u>1,247</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,732)</u>	<u>(7,732)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,732)</u>	<u>(7,732)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,732)</u>	<u>\$ (7,732)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,732	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
PRESCHOOL IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-9

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	69,769	88,895	90,829	1,934
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>69,769</u>	<u>88,895</u>	<u>90,829</u>	<u>1,934</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	23,758	23,313	17,389	5,924
Support Services				
Students	36,836	55,256	50,558	4,698
Instruction	7,930	8,770	8,746	24
General Administration	1,245	1,556	1,265	291
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>69,769</u>	<u>88,895</u>	<u>77,958</u>	<u>10,937</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,871</u>	<u>12,871</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>12,871</u>	<u>12,871</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(20,124)</u>	<u>(20,124)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,253)</u>	<u>\$ (7,253)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(12,871)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
IDEA-B EARLY INTERVENTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-10

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	76,500	123,082	46,582
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>76,500</u>	<u>123,082</u>	<u>46,582</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	75,148	72,687	2,461
General Administration	-	1,352	1,199	153
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>76,500</u>	<u>73,886</u>	<u>2,614</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>49,196</u>	<u>49,196</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>49,196</u>	<u>49,196</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(42,520)</u>	<u>(42,520)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,676</u>	<u>\$ 6,676</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(49,196)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
EDUCATION OF THE HOMELESS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	24,300	27,081	21,330	(5,751)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>24,300</u>	<u>27,081</u>	<u>21,330</u>	<u>(5,751)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	7,000	-	-	-
Support Services				
Students	17,300	27,081	27,045	36
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>24,300</u>	<u>27,081</u>	<u>27,045</u>	<u>36</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,715)</u>	<u>(5,715)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,715)</u>	<u>(5,715)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,141)</u>	<u>(4,141)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,856)</u>	<u>\$ (9,856)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			5,715	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-12

GADSDEN INDEPENDENT SCHOOLS

IDEA-B PRIVATE SCHOOL SHARE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	10,076	-	(10,076)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,076</u>	<u>-</u>	<u>(10,076)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	9,896	-	9,896
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	180	-	180
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,076</u>	<u>-</u>	<u>10,076</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
FRESH FRUITS & VEGETABLES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-13

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	349,350	294,001	(55,349)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>349,350</u>	<u>294,001</u>	<u>(55,349)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	349,350	294,001	55,349
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>349,350</u>	<u>294,001</u>	<u>55,349</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
21ST CENTURY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-14

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	965,759	712,029	(253,730)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>965,759</u>	<u>712,029</u>	<u>(253,730)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	717,451	674,404	43,047
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	169,834	138,473	31,361
School Administration	-	-	-	-
Central Services	-	49,474	40,746	8,728
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	26,000	5,513	20,487
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	3,000	-	3,000
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>965,759</u>	<u>859,136</u>	<u>106,623</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(147,107)</u>	<u>(147,107)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(974)	(974)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(974)</u>	<u>(974)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(148,081)</u>	<u>(148,081)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,525</u>	<u>1,525</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (146,556)</u>	<u>\$ (146,556)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(230,259)	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (378,340)</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
IDEA-B "RISK POOL" SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-15

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	32,211	18,647	(13,564)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>32,211</u>	<u>18,647</u>	<u>(13,564)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	32,211	32,211	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>32,211</u>	<u>32,211</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,564)</u>	<u>(13,564)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(13,564)</u>	<u>(13,564)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,237)</u>	<u>(9,237)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,801)</u>	<u>\$ (22,801)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			13,564	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-16

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	338,615	424,834	448,907	24,073
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>338,615</u>	<u>424,834</u>	<u>448,907</u>	<u>24,073</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	320,088	401,144	269,895	131,249
Support Services				
Students	-	-	-	-
Instruction	8,500	11,763	3,360	8,403
General Administration	6,027	7,427	-	7,427
School Administration	4,000	4,500	2,090	2,410
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>338,615</u>	<u>424,834</u>	<u>275,345</u>	<u>149,489</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>173,562</u>	<u>173,562</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>173,562</u>	<u>173,562</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(243,494)</u>	<u>(243,494)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69,932)</u>	<u>\$ (69,932)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(173,562)	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-17

GADSDEN INDEPENDENT SCHOOLS

TEACHER / PRINCIPAL TRAINING / RECRUITING SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	864,190	1,066,171	1,014,466	(51,705)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>864,190</u>	<u>1,066,171</u>	<u>1,014,466</u>	<u>(51,705)</u>
<i>Expenditures:</i>				
Current:				
Instruction	737,790	918,957	620,154	298,803
Support Services				
Students	5,000	-	-	-
Instruction	95,100	130,750	99,725	31,025
General Administration	15,114	15,114	11,900	3,214
School Administration	11,186	1,350	1,350	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>864,190</u>	<u>1,066,171</u>	<u>733,129</u>	<u>333,042</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>281,337</u>	<u>281,337</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Return of funds to PED	-	-	(2,000)	(2,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>279,337</u>	<u>279,337</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(451,406)</u>	<u>(451,406)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (172,069)</u>	<u>\$ (172,069)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(279,337)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
IMMIGRANT FUNDING TITLE III

Statement B-18

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	150,000	-	(150,000)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	150,000	54,855	95,145
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>150,000</u>	<u>54,855</u>	<u>95,145</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(54,855)</u>	<u>(54,855)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(54,855)</u>	<u>(54,855)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,855)</u>	<u>\$ (54,855)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			54,855	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
CARL D PERKINS SECONDARY - CURRENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-19

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	205,878	156,974	(48,904)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>205,878</u>	<u>156,974</u>	<u>(48,904)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	170,776	158,762	12,014
Support Services				
Students	-	15,652	2,092	13,560
Instruction	-	5,446	-	5,446
General Administration	-	3,343	2,654	689
School Administration	-	10,661	-	10,661
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>205,878</u>	<u>163,508</u>	<u>42,370</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,534)</u>	<u>(6,534)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,534)</u>	<u>(6,534)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(38,608)</u>	<u>(38,608)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,142)</u>	<u>\$ (45,142)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			6,534	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-20

GADSDEN INDEPENDENT SCHOOLS

CARL D PERKINS SECONDARY PY OBLIGATION SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	60,648	49,404	(11,244)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>60,648</u>	<u>49,404</u>	<u>(11,244)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	60,648	49,404	11,244
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>60,648</u>	<u>49,404</u>	<u>11,244</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-21

GADSDEN INDEPENDENT SCHOOLS

CARL D PERKINS SECONDARY REDISTRIBUTION SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	75,531	17,313	(58,218)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>75,531</u>	<u>17,313</u>	<u>(58,218)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	74,864	14,054	60,810
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	667	232	435
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>75,531</u>	<u>14,286</u>	<u>61,245</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,027</u>	<u>3,027</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	(2)	(2)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,025</u>	<u>3,025</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,025)</u>	<u>(3,025)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(3,025)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
HIGH SCHOOLS THAT WORK AWARD SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-22

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	106,853	84,851	(22,002)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>106,853</u>	<u>84,851</u>	<u>(22,002)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	105,118	86,636	18,482
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,735	1,429	306
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>106,853</u>	<u>88,065</u>	<u>18,788</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,214)</u>	<u>(3,214)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,214)</u>	<u>(3,214)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(38,732)</u>	<u>(38,732)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,946)</u>	<u>\$ (41,946)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,214	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-23

GADSDEN INDEPENDENT SCHOOLS

CARL D PERKINS HSTW - REDISTRIBUTION SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	41,113	21,836	(19,277)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>41,113</u>	<u>21,836</u>	<u>(19,277)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	41,113	10,166	30,947
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>41,113</u>	<u>10,166</u>	<u>30,947</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>11,670</u>	<u>11,670</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>11,670</u>	<u>11,670</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(13,490)</u>	<u>(13,490)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,820)</u>	<u>\$ (1,820)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(11,670)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-24

GADSDEN INDEPENDENT SCHOOLS

TITLE XIX MEDICAID 3/21 YEARS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	370,000	370,000	958,150	588,150
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>370,000</u>	<u>370,000</u>	<u>958,150</u>	<u>588,150</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,500	638	862
Support Services				
Students	655,637	765,136	587,363	177,773
Instruction	208,718	323,565	311,383	12,182
General Administration	15,395	15,395	13,848	1,547
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	500	2,400	1,200	1,200
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>880,250</u>	<u>1,107,996</u>	<u>914,432</u>	<u>193,564</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(510,250)</u>	<u>(737,996)</u>	<u>43,718</u>	<u>781,714</u>
<i>Other financing sources (uses):</i>				
Designated cash	510,250	737,996	-	(737,996)
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>510,250</u>	<u>737,996</u>	<u>-</u>	<u>(737,996)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>43,718</u>	<u>43,718</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>765,267</u>	<u>765,267</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 808,985</u>	<u>\$ 808,985</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			181,952	
Adjustments to expenditures			1,044	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 226,714</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SAVE THE CHILDREN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-25

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	46,736	43,545	40,882	(2,663)
Interest	-	-	-	-
<i>Total revenues</i>	<u>46,736</u>	<u>43,545</u>	<u>40,882</u>	<u>(2,663)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	46,736	43,545	43,233	312
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>46,736</u>	<u>43,545</u>	<u>43,233</u>	<u>312</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,351)</u>	<u>(2,351)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,351)</u>	<u>(2,351)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,904)</u>	<u>(5,904)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,255)</u>	<u>\$ (8,255)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,351	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-26

GADSDEN INDEPENDENT SCHOOLS

SPACEPORT GRT GRANT - DONA ANA COUNTY SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	342,363	342,363
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>342,363</u>	<u>342,363</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,189,346	1,243,917	796,300	447,617
Support Services				
Students	-	-	-	-
Instruction	104,379	104,379	49,808	54,571
General Administration	23,029	23,929	13,961	9,968
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,316,754</u>	<u>1,372,225</u>	<u>860,069</u>	<u>512,156</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,316,754)</u>	<u>(1,372,225)</u>	<u>(517,706)</u>	<u>854,519</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,316,754	1,372,225	-	(1,372,225)
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,316,754</u>	<u>1,372,225</u>	<u>-</u>	<u>(1,372,225)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(517,706)</u>	<u>(517,706)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,385,795</u>	<u>1,385,795</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 868,089</u>	<u>\$ 868,089</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			329,728	
Adjustments to expenditures			20,668	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (167,310)</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
THE BRIDGE OF SOUTHERN NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-27

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	102,796	102,796	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>102,796</u>	<u>102,796</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	102,796	57,609	45,187
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>102,796</u>	<u>57,609</u>	<u>45,187</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>45,187</u>	<u>45,187</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>45,187</u>	<u>45,187</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,187</u>	<u>\$ 45,187</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 45,187</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
DUAL CREDIT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-28

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	34,639	22,418	(12,221)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>34,639</u>	<u>22,418</u>	<u>(12,221)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	34,639	34,639	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,639</u>	<u>34,639</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,221)</u>	<u>(12,221)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(12,221)</u>	<u>(12,221)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,221)</u>	<u>\$ (12,221)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			12,221	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
LIBRARY G.O. BONDS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-29

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	4,284	4,284
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,284</u>	<u>4,284</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,284</u>	<u>4,284</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,284</u>	<u>4,284</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,284)</u>	<u>(4,284)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(4,284)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-30

GADSDEN INDEPENDENT SCHOOLS

2012 GO BOND STUDENT LIBRARY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	82,949	82,949	32,811	(50,138)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>82,949</u>	<u>82,949</u>	<u>32,811</u>	<u>(50,138)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	82,949	82,949	81,464	1,485
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>82,949</u>	<u>82,949</u>	<u>81,464</u>	<u>1,485</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(48,653)</u>	<u>(48,653)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(48,653)</u>	<u>(48,653)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,653)</u>	<u>\$ (48,653)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			48,653	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
NM READS TO LEAD K-3 INITIATIVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-31

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	34,368	-	(34,368)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>34,368</u>	<u>-</u>	<u>(34,368)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	34,368	32,872	1,496
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,368</u>	<u>32,872</u>	<u>1,496</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(32,872)</u>	<u>(32,872)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(32,872)</u>	<u>(32,872)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,872)</u>	<u>\$ (32,872)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			32,872	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-32

GADSDEN INDEPENDENT SCHOOLS

TEACHER/LEADER STIPEND-AT RISK ADVANCED PLACEMENT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	25,000	-	(25,000)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	25,000	25,000	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			25,000	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
PRE-K INITIATIVE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-33

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,490,000	1,550,000	1,346,611	(203,389)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,490,000</u>	<u>1,550,000</u>	<u>1,346,611</u>	<u>(203,389)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,232,732	1,326,358	1,294,896	31,462
Support Services				
Students	29,368	13,131	13,125	6
Instruction	13,000	20,284	14,467	5,817
General Administration	14,900	15,500	14,891	609
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	200,000	174,727	172,620	2,107
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,490,000</u>	<u>1,550,000</u>	<u>1,509,999</u>	<u>40,001</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(163,388)</u>	<u>(163,388)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(163,388)</u>	<u>(163,388)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(315,577)</u>	<u>(315,577)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (478,965)</u>	<u>\$ (478,965)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			163,388	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-34

GADSDEN INDEPENDENT SCHOOLS

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	58,313	70,430	12,117
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>58,313</u>	<u>70,430</u>	<u>12,117</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	58,313	58,313	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>58,313</u>	<u>58,313</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,117</u>	<u>12,117</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>12,117</u>	<u>12,117</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,117)</u>	<u>(12,117)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(12,117)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-35

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	473,343	904,356	562,389	(341,967)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>473,343</u>	<u>904,356</u>	<u>562,389</u>	<u>(341,967)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	304,012	698,010	600,493	97,517
Support Services				
Students	6,361	13,560	13,560	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	37,221	59,647	59,206	441
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	125,749	133,139	76,499	56,640
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>473,343</u>	<u>904,356</u>	<u>749,758</u>	<u>154,598</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(187,369)</u>	<u>(187,369)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(187,369)</u>	<u>(187,369)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(226,815)</u>	<u>(226,815)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (414,184)</u>	<u>\$ (414,184)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			187,369	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-36

GADSDEN INDEPENDENT SCHOOLS

2010 GO BOND INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	8,944	34,555	34,551	(4)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>8,944</u>	<u>34,555</u>	<u>34,551</u>	<u>(4)</u>
<i>Expenditures:</i>				
Current:				
Instruction	8,944	34,555	34,551	4
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,944</u>	<u>34,555</u>	<u>34,551</u>	<u>4</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-37

GADSDEN INDEPENDENT SCHOOLS

SCIENCE INSTRUCTIONAL MATERIALS K-12 SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	100,517	100,517
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>100,517</u>	<u>100,517</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>100,517</u>	<u>100,517</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>100,517</u>	<u>100,517</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(100,517)</u>	<u>(100,517)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(100,517)	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-38

GADSDEN INDEPENDENT SCHOOLS
NEXT GENERATION ASSESSMENTSSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	299,454	-	(299,454)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>299,454</u>	<u>-</u>	<u>(299,454)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	299,454	299,450	4
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>299,454</u>	<u>299,450</u>	<u>4</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(299,450)</u>	<u>(299,450)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(299,450)</u>	<u>(299,450)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (299,450)</u>	<u>\$ (299,450)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			299,450	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-39

GADSDEN INDEPENDENT SCHOOLS

START SMART K-3 UTAH STATE UNIVERSITY STUDY SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	341,703	341,703	182,222	(159,481)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>341,703</u>	<u>341,703</u>	<u>182,222</u>	<u>(159,481)</u>
<i>Expenditures:</i>				
Current:				
Instruction	247,222	247,222	114,240	132,982
Support Services				
Students	6,341	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	38,140	44,481	16,726	27,755
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	50,000	50,000	-	50,000
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>341,703</u>	<u>341,703</u>	<u>130,966</u>	<u>210,737</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>51,256</u>	<u>51,256</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>51,256</u>	<u>51,256</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(75,262)</u>	<u>(75,262)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,006)</u>	<u>\$ (24,006)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(55,848)	
Adjustments to expenditures			4,592	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-40

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	7,302	7,302	7,302	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,302</u>	<u>7,302</u>	<u>7,302</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,302)</u>	<u>(7,302)</u>	<u>(7,302)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	7,302	7,302	-	(7,302)
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,302</u>	<u>7,302</u>	<u>-</u>	<u>(7,302)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,302)</u>	<u>(7,302)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,302</u>	<u>7,302</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (7,302)</u>	

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

STATE OF NEW MEXICO

Statement B-41

GADSDEN INDEPENDENT SCHOOLS

INDUSTRIAL REVENUE BOND PAYMENTS IN LIEU OF TAXES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	137,740	137,740
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>137,740</u>	<u>137,740</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	214,087	234,328	77,981	156,347
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>214,087</u>	<u>234,328</u>	<u>77,981</u>	<u>156,347</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(214,087)</u>	<u>(234,328)</u>	<u>59,759</u>	<u>294,087</u>
<i>Other financing sources (uses):</i>				
Designated cash	214,087	234,328	-	(234,328)
Operating transfers	-	-	-	-
Return of funds to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>214,087</u>	<u>234,328</u>	<u>-</u>	<u>(234,328)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>59,759</u>	<u>59,759</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>234,327</u>	<u>234,327</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,086</u>	<u>\$ 294,086</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 59,759</u>	

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

CAPITAL PROJECT FUNDS

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CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Public School Capital Outlay (31200) – The Fund is used to account for capital projects funded from awards made by the Public School Capital Outlay Council. Authority for the creation of this fund is the New Mexico Public Education Department.

Special Capital Outlay – Local (31300) – To account revenues that are derived from local sources such as the sale of a building. Authority for the creation of this fund is the New Mexico Public Education Department.

Special Capital Outlay – State (31400) – To account for special appropriations monies received from the State of New Mexico. Authority for the creation of this fund is the New Mexico Public Education Department.

Capital Improvement SB-9 (31700) – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Educational Technology Equipment Act (31900) – To account for funding which is to be used by the District to promote the comprehensive integration of advances technologies in education setting, through the conduct of technical assistance, professional development, information and resource dissemination and collaboration activities. Authorization is NMSA 22-15A-1.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2014

	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	15,963
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
Total Assets	-	-	15,963
LIABILITIES			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Accrued compensated absences	-	-	-
Interfund payables	-	-	15,963
Total Liabilities	-	-	15,963
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue-property taxes	-	-	-
Unavailable revenue-grants	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES:			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	-	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 15,963

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

Capital Improvements SB-9 31700	Education Technology Equipment Act 31900	Total
\$ 3,380,636	\$ 2,602,422	\$ 5,983,058
268,306	-	268,306
1,122,392	-	1,138,355
-	-	-
-	-	-
-	-	-
<u>4,771,334</u>	<u>2,602,422</u>	<u>7,389,719</u>
237,178	21,242	258,420
-	-	-
-	-	-
-	-	15,963
<u>237,178</u>	<u>21,242</u>	<u>274,383</u>
220,185	-	220,185
643,507	-	643,507
<u>863,692</u>	<u>-</u>	<u>863,692</u>
-	-	-
1,356,018	1,326,659	2,682,677
-	-	-
2,314,446	1,254,521	3,568,967
-	-	-
<u>3,670,464</u>	<u>2,581,180</u>	<u>6,251,644</u>
<u>\$ 4,771,334</u>	<u>\$ 2,602,422</u>	<u>\$ 7,389,719</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	15,964
Federal grants	-	-	-
Charges for services	-	-	-
Miscellaneous	-	-	-
Interest	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,964</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	-	-	15,963
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>15,963</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>
<i>Other financing sources (uses):</i>			
Operating transfers	(18,001)	-	(1)
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>(18,001)</u>	<u>-</u>	<u>(1)</u>
<i>Net changes in fund balances</i>	<u>(18,001)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>18,001</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Capital Improvements SB-9 31700	Education Technology Equipment Act 31900	Total
\$ 1,669,863	\$ -	\$ 1,669,863
2,116,767	-	2,132,731
-	-	-
-	-	-
21,627	-	21,627
673	404	1,077
<u>3,808,930</u>	<u>404</u>	<u>3,825,298</u>
-	-	-
-	-	-
-	-	-
16,592	-	16,592
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,134,911	2,423,745	6,574,619
-	-	-
<u>4,151,503</u>	<u>2,423,745</u>	<u>6,591,211</u>
<u>(342,573)</u>	<u>(2,423,341)</u>	<u>(2,765,913)</u>
-	-	(18,002)
-	3,750,000	3,750,000
-	3,750,000	3,731,998
<u>(342,573)</u>	<u>1,326,659</u>	<u>966,085</u>
<u>4,013,037</u>	<u>1,254,521</u>	<u>5,285,559</u>
<u>\$ 3,670,464</u>	<u>\$ 2,581,180</u>	<u>\$ 6,251,644</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
BOND BUILDING CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	12,325	12,325
Interest	23,000	23,000	27,397	4,397
<i>Total revenues</i>	<u>23,000</u>	<u>23,000</u>	<u>39,722</u>	<u>16,722</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	38,007,795	40,496,108	16,022,954	24,473,154
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>38,007,795</u>	<u>40,496,108</u>	<u>16,022,954</u>	<u>24,473,154</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(37,984,795)</u>	<u>(40,473,108)</u>	<u>(15,983,232)</u>	<u>24,489,876</u>
<i>Other financing sources (uses):</i>				
Designated cash	28,484,795	30,973,108	-	(30,973,108)
Operating transfers	-	-	18,002	18,002
Proceeds from bond issues	9,500,000	9,500,000	9,500,000	-
<i>Total other financing sources (uses)</i>	<u>37,984,795</u>	<u>40,473,108</u>	<u>9,518,002</u>	<u>(30,955,106)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,465,230)</u>	<u>(6,465,230)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,974,324</u>	<u>30,974,324</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,509,094</u>	<u>\$ 24,509,094</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			38,509,852	
Adjustments to expenditures			(40,636,154)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (8,591,532)</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-4

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	(18,001)	(18,001)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(18,001)</u>	<u>(18,001)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(18,001)</u>	<u>(18,001)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>18,001</u>	<u>18,001</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (18,001)</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SPECIAL CAPITAL OUTLAY - LOCAL CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-6

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	15,963	15,963	8,629	(7,334)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>15,963</u>	<u>15,963</u>	<u>8,629</u>	<u>(7,334)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	15,963	15,963	15,963	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,963</u>	<u>15,963</u>	<u>15,963</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,334)</u>	<u>(7,334)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	(1)	(1)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,335)</u>	<u>(7,335)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,628)</u>	<u>(8,628)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,963)</u>	<u>\$ (15,963)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,335	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-7

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 1,600,574	\$ 1,600,574	\$ 1,659,208	\$ 58,634
State grants	5,227,974	5,227,974	2,848,938	(2,379,036)
Federal grants	-	-	-	-
Miscellaneous	-	-	21,627	21,627
Interest	-	-	673	673
<i>Total revenues</i>	<u>6,828,548</u>	<u>6,828,548</u>	<u>4,530,446</u>	<u>(2,298,102)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	58,294	58,294	16,592	41,702
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	9,084,700	9,534,769	4,086,518	5,448,251
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>9,142,994</u>	<u>9,593,063</u>	<u>4,103,110</u>	<u>5,489,953</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,314,446)</u>	<u>(2,764,515)</u>	<u>427,336</u>	<u>3,191,851</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,314,446	2,764,515	-	(2,764,515)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,314,446</u>	<u>2,764,515</u>	<u>-</u>	<u>(2,764,515)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>427,336</u>	<u>427,336</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,871,210</u>	<u>2,871,210</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,298,546</u>	<u>\$ 3,298,546</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(721,516)	
Adjustments to expenditures			(48,393)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (342,573)</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
EDUCATION TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-8

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	404	404
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>404</u>	<u>404</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	3,250,902	4,014,280	2,412,262	1,602,018
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,250,902</u>	<u>4,014,280</u>	<u>2,412,262</u>	<u>1,602,018</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,250,902)</u>	<u>(4,014,280)</u>	<u>(2,411,858)</u>	<u>1,602,422</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,500,902	1,264,280	-	(1,264,280)
Operating transfers	-	-	-	-
Proceeds from bond issues	1,750,000	2,750,000	3,750,000	1,000,000
<i>Total other financing sources (uses)</i>	<u>3,250,902</u>	<u>4,014,280</u>	<u>3,750,000</u>	<u>(264,280)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,338,142</u>	<u>1,338,142</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,264,280</u>	<u>1,264,280</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,602,422</u>	<u>\$ 2,602,422</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
Adjustments to expenditures			<u>(11,483)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 1,326,659</u>	

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

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DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

Educational Technology (43000) – To accumulate resources for payment of principle and interest due on educational technology bonds. Financing is provided by a special tax levy approved by the voters of the Schools and assessed by the County Assessor and collected and remitted to the Schools by the County Treasurer. Authority for the creation of this fund is the New Mexico Public Education Department.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2014

Statement D-1

	Educational Technology Debt Service <u>43000</u>
ASSETS	
Cash and cash equivalents	\$ 2,015,174
Accounts receivable	
Taxes	290,523
Due from other governments	-
Interfund receivables	-
Other	-
Inventory	<u>-</u>
Total Assets	<u><u>2,305,697</u></u>
LIABILITIES	
Accounts payable	-
Accrued payroll liabilities	-
Accrued compensated absences	-
Interfund payables	-
Total Liabilities	<u><u>-</u></u>
DEFERRED INFLOWS OF RESOURCES:	
Unavailable revenue-property taxes	237,174
Unavailable revenue-grants	<u>-</u>
Total Deferrred Inflows of Resources	<u><u>237,174</u></u>
FUND BALANCES:	
Nonspendable	-
Restricted	2,068,523
Committed	-
Assigned	-
Unassigned	<u>-</u>
Total Fund Balances	<u><u>2,068,523</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 2,305,697</u></u>

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

STATE OF NEW MEXICO Statement D-2
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

	Educational Technology Debt Service
<i>Revenues:</i>	<u>43000</u>
Property taxes	\$ 1,657,301
State grants	-
Federal grants	-
Charges for services	-
Miscellaneous	-
Interest	-
<i>Total revenues</i>	<u>1,657,301</u>
<i>Expenditures:</i>	
Current:	
Instruction	-
Support Services	
Students	-
Instruction	-
General Administration	16,502
School Administration	-
Central Services	-
Operation & Maintenance of Plant	-
Student Transportation	-
Other Support Services	-
Food Services Operations	-
Community Service	-
Capital outlay	-
Debt service - Principal	1,750,000
Debt service - Interest	17,928
Bond Issuance Cost	-
<i>Total expenditures</i>	<u>1,784,430</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(127,129)</u>
<i>Other financing sources (uses):</i>	
Premiums on bonds issued	-
<i>Total other financing sources (uses)</i>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(127,129)</u>
<i>Fund balances - beginning of year</i>	<u>2,195,652</u>
<i>Fund balances - end of year</i>	<u><u>\$ 2,068,523</u></u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
DEBT SERVICE FUND

Statement D-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 10,770,077	\$ 10,770,077	\$ 10,280,443	\$ (489,634)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	10,770,077	10,770,077	10,280,443	(489,634)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	107,701	127,701	102,804	24,897
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Bond issuance cost	-	-	66,563.00	(66,563)
Reserve	9,697,169	10,404,340	-	10,404,340
Principal	9,395,000	9,395,000	9,395,000	-
Interest	1,375,077	1,375,077	1,265,231	109,846
<i>Total expenditures</i>	20,574,947	21,302,118	10,829,598	10,472,520
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(9,804,870)	(10,532,041)	(549,155)	9,982,886
<i>Other financing sources (uses):</i>				
Designated cash	9,804,870	10,532,041	-	(10,532,041)
Operating transfers	-	-	-	-
Premiums on bonds issued	-	-	271,611	271,611
<i>Total other financing sources (uses)</i>	9,804,870	10,532,041	271,611	(10,260,430)
<i>Net changes in fund balances</i>	-	-	(277,544)	(277,544)
<i>Fund balances - beginning of year</i>	-	-	10,532,041	10,532,041
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 10,254,497	\$ 10,254,497
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			69,372	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (208,172)	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
EDUCATIONAL TECHNOLOGY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2014

Statement D-4

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 1,769,785	\$ 1,769,785	\$ 1,650,221	\$ (119,564)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,769,785</u>	<u>1,769,785</u>	<u>1,650,221</u>	<u>(119,564)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	17,698	22,698	16,502	6,196
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Bond issuance cost	-	-	-	-
Reserve	1,885,284	2,126,685	-	2,126,685
Principal	1,750,000	1,750,000	1,750,000	-
Interest	19,785	19,785	17,928	1,857
<i>Total expenditures</i>	<u>3,672,767</u>	<u>3,919,168</u>	<u>1,784,430</u>	<u>2,134,738</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,902,982)</u>	<u>(2,149,383)</u>	<u>(134,209)</u>	<u>2,015,174</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,902,982	2,149,383	-	(2,149,383)
Operating transfers	-	-	-	-
Premiums on bonds issued	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,902,982</u>	<u>2,149,383</u>	<u>-</u>	<u>(2,149,383)</u>
<i>Net changes in fund balances</i>	-	-	(134,209)	(134,209)
<i>Fund balances - beginning of year</i>	-	-	2,149,383	2,149,383
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,015,174</u>	<u>\$ 2,015,174</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,080	
No adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (127,129)</u>	

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

FIDUCIARY FUNDS

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2014

Statement E-1

	Private Purpose Trust Fund	Gadsden Foundation Inc.	Total Private Purpose Trust Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 112,978	\$ 112,978
Due from other funds	17,259	-	17,259
<i>Total assets</i>	17,259	112,978	130,237
LIABILITIES			
Due to other funds	-	17,259	17,259
<i>Total liabilities</i>	-	17,259	17,259
NET POSITION			
Restricted Net Position	17,259	95,719	112,978
<i>Total Net Position</i>	17,259	95,719	112,978
<i>Total liabilities and net position</i>	\$ 17,259	\$ 112,978	\$ 130,237

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2014

Statement E-2

	<u>Private Purpose Trust Fund</u>	<u>Gadsden Foundation Inc.</u>	<u>Total Private Purpose Trust Funds</u>
ADDITIONS			
Investment earnings	\$ 17	\$ 611	\$ 628
Contributions & donations from private sources	<u>-</u>	<u>17,624</u>	<u>17,624</u>
<i>Total additions</i>	<u>17</u>	<u>18,235</u>	<u>18,252</u>
DEDUCTIONS			
Miscellaneous operating	-	2,646	2,646
Scholarships	<u>-</u>	<u>9,500</u>	<u>9,500</u>
<i>Total deductions</i>	<u>-</u>	<u>12,146</u>	<u>12,146</u>
Change in net position	17	6,089	6,106
Total beginning net position	<u>17,242</u>	<u>89,630</u>	<u>106,872</u>
Total ending net position	<u>\$ 17,259</u>	<u>\$ 95,719</u>	<u>\$ 112,978</u>

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

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

Schedule I

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Chaparral Middle School	\$ 29,388	\$ 69,227	\$ 68,540	\$ 30,075
Chaparral High School	73,088	134,168	128,073	79,183
Gadsden Middle School	28,114	57,947	48,714	37,347
Gadsden High School	141,737	243,693	246,148	139,282
Santa Teresa Middle School	8,616	22,075	20,958	9,733
Santa Teresa High School	90,830	174,519	158,076	107,273
Desert Pride Academy	332	389	-	721
Construction Surplus	1,269	6,962	3,468	4,763
La Union JTP	333	200	-	533
Fiesta Educativa	16,525	-	-	16,525
PAWS - Gadsden High School	683	-	-	683
Feds. Christmas Food Baskets	95	-	-	95
Literacy Fest	700	-	-	700
Service Learning Project	11,531	-	-	11,531
Teacher of the Year	14,606	500	1,611	13,495
Trucha - Drug Free Program	54	-	-	54
Nurse's Department	600	-	-	600
Spanish Spelling Bee	618	-	320	298
Unemployment Ins. Reserve Fund	191,603	156,100	148,511	199,192
Cancer Awareness	78	25,163	24,558	683
Total All Schools	<u>\$ 610,800</u>	<u>\$ 890,943</u>	<u>\$ 848,977</u>	<u>\$ 652,766</u>

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2014

Schedule II
(Page 1 of 2)

Name of Depository	Description of Pledged Collateral	Fair Market Value / Par Value June 30, 2014	Name and Location of Safekeeper
Wells Fargo			
	FN 3138W9PA2 4.00% 09/01/2043	\$ 25,422	Bank of New York Mellon
	FN 31417EVM0 3.00% 02/01/2043	5,563,684	Bank of New York Mellon
	FN 31418A2W7 3.50% 12/01/2033	5,058	Bank of New York Mellon
	Collateral for deposit accounts	<u>5,594,164</u>	
	FN-30 3138X6P82 4.00% 10/01/2043	15,893,251	Wells Fargo Bank
	FHG-3 3132JPGT3 4.00% 09/01/2043	10,911,932	Wells Fargo Bank
	FN-30 3138X6P82 4.00% 10/01/2043	16,940,519	Wells Fargo Bank
	Collateral for repurchase agreements	<u>43,745,702</u>	
Total Wells Fargo		<u>49,339,866</u>	
Bank of the West			
	GNMA2 SINGLE FAMILY 36179MAF7	239,206	Bank of the West
	GNMA2 ARM MULTIPLE 36179M6H8	140,812	Bank of the West
	GNMA1 SINGLE FAMILY 36179M6H8	2,210,486	Bank of the West
	FHLMC GOLD 31292LWF8	1,070,461	Bank of the West
	GNMA2 ARM MULTIPLE 36179MYQ7	1,457,606	Bank of the West
	FNMA CONV 31417DGF4	1,571,017	Bank of the West
	FNMA CONV 3138MAKS6	847,875	Bank of the West
	FHLMC SF ARM 31326GMD5	1,534,541	Bank of the West
	GNMA2 ARM MULTIPLE 36179NRK6	3,780,550	Bank of the West
	Collateral for repurchase agreements	<u>12,852,554</u>	
Total Bank of the West		<u>12,852,554</u>	

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2014

Schedule II
(Page 2 of 2)

Name of Depository	Description of Pledged Collateral	Fair Market Value / Par Value June 30, 2014	Name and Location of Safekeeper
First American Bank			
	FHLMC GOLD 15 YR 3128MBMP9	206,911	
	Collateral for deposit accounts	<u>206,911</u>	
	GNMA I PLATINUM 36241LWS1	1,654,952	Fed Home Loan Bank
	GNMA I SF 36292GLU7	242,269	Fed Home Loan Bank
	GNMA I 36241KKS6	151,789	Fed Home Loan Bank
	GNMA II SF 3620A9PA3	225,162	Fed Home Loan Bank
	GNMA II ARM 36179MLM0	1,341,548	Fed Home Loan Bank
	Collateral for repurchase	<u>3,615,720</u>	
	Total First American Bank	<u>3,822,631</u>	
	Total District	<u><u>\$ 66,015,051</u></u>	

See independent auditors' report

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STATE OF NEW MEXICO

Schedule III

GADSDEN INDEPENDENT SCHOOLS

SCHEDULE OF CASH DEPOSITS AND TEMPORARY INVESTMENT ACCOUNTS

JUNE 30, 2014

Bank Account Type/Name	Wells Fargo	Bank of the West	First American Bank	Totals
Cash Deposits:				
Checking - Operational	\$ 9,131,595	\$ -	\$ -	\$ 9,131,595
Checking - Activity	884,332	-	10,000	894,332
Checking - Athletics	291,491	-	-	291,491
Checking - Building	90	-	200,000	200,090
Checking - Food Services	-	-	-	-
Checking - Payroll Clearing	-	-	-	-
Checking - Accounts Payable Clearing	-	-	-	-
Checking - Debt Service	-	12,269,407	-	12,269,407
Certificate of Deposit - Operational	1,007,759	-	-	1,007,759
Certificate of Deposit - Athletics	125,777	-	-	125,777
Certificate of Deposit - Activity	278,959	-	-	278,959
Total Cash Deposits	<u>11,720,003</u>	<u>12,269,407</u>	<u>210,000</u>	<u>24,199,410</u>
Temporary Investments:				
Sweep Account Balance	42,887,943	-	2,302,780	45,190,723
US Obligation Money Market - Debt Service	1,000,005	-	-	1,000,005
US Treasury Bills/Notes	12,000,037	-	-	12,000,037
Total Temporary Investments	<u>55,887,985</u>	<u>-</u>	<u>2,302,780</u>	<u>58,190,765</u>
Total Cash Deposits and Temporary Investments	67,607,988	12,269,407	2,512,780	82,390,175
Reconciling Items				
District	(1,940,885)	-	-	(1,940,885)
Cash on Hand	375	-	-	375
Reconciled Balance June 30, 2014	<u>\$ 65,667,478</u>	<u>\$ 12,269,407</u>	<u>\$ 2,512,780</u>	80,449,665
Less Agency Funds				<u>652,766</u>
Cash and cash equivalents per Exhibit B-1				<u>\$ 79,796,899</u>

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
CASH RECONCILIATION
JUNE 30, 2014

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2013	18,869,732	12,120	414,079	8,674,012	309,034
Add:					
2013-14 revenues	97,865,502	4,986,724	933,846	9,259,143	124,041
Total cash available	116,735,234	4,998,844	1,347,925	17,933,155	433,075
Less:					
2013-14 expenditures	(93,899,772)	(4,989,986)	(1,109,495)	(7,411,956)	(15,807)
Permanent cash transfers	-	(6,060)	-	-	-
PY outstanding loans	-	-	-	-	-
Net Cash	22,835,462	2,798	238,430	10,521,199	417,268
Adjustments:					
Due To / Due From Other Funds	(3,949,536)	-	-	-	-
Current Year Outstanding Loans	-	-	-	-	-
Current Year Payroll Accruals	4,237,127	2,096	-	151,633	-
Other Adjs Receivable/Payables	5,613	-	-	-	-
Cash, June 30, 2014	23,128,666	4,894	238,430	10,672,832	417,268

See independent auditors' report

Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	State Direct 28000
516,009	(4,359,600)	737,996	1,366,283	(752,059)	(92,805)
567,648	16,402,777	958,150	486,041	2,174,011	182,222
1,083,657	12,043,177	1,696,146	1,852,324	1,421,952	89,417
(538,945)	(15,118,477)	(914,432)	(960,911)	(2,826,046)	(130,966)
-	(5,596)	-	-	-	-
-	-	-	-	-	-
544,712	(3,080,896)	781,714	891,413	(1,404,094)	(41,549)
-	2,610,695	-	8,291	1,278,514	36,073
-	-	-	-	-	-
36	463,498	33,318	19,035	125,580	5,476
-	6,703	-	-	-	-
544,748	-	815,032	918,739	-	-

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
CASH RECONCILIATION
JUNE 30, 2014

	Local / State 29000	Bond Building Account 31100	Public School Capital Outlay 31200	Spec. Capital Outlay-Local 31300	Spec. Capital Outlay-State 31400
Cash, June 30, 2013	241,629	30,973,108	18,001	-	(8,628)
Add:					
2013-14 revenues	137,740	9,539,722	-	-	8,629
Total cash available	379,369	40,512,830	18,001	-	1
Less:					
2013-14 expenditures	(85,283)	(16,022,954)	-	-	(15,963)
Permanent cash transfers	-	18,002	(18,001)	-	(1)
PY outstanding loans	-	-	-	-	-
Net Cash	294,086	24,507,878	-	-	(15,963)
Adjustments:					
Due To / Due From Other Funds	-	-	-	-	15,963
Current Year Outstanding Loans	-	-	-	-	-
Prior Year Payroll Accruals	-	-	-	-	-
Other Adjs Receivable/Payables	-	1,597	-	-	-
Cash, June 30, 2014	294,086	24,509,475	-	-	-

See independent auditors' report

Cap. Improv. SB 9 31700	Ed Tech Equipment 31900	Debt Service Fund 41000	Ed Tech Debt Service 43000	Student Activities 70000	Total
2,764,515	1,264,280	10,532,041	2,149,383	611,380	74,240,510
4,530,446	3,750,404	10,552,054	1,650,221	41,967	164,151,288
7,294,961	5,014,684	21,084,095	3,799,604	653,347	238,391,798
(4,103,110)	(2,412,262)	(10,829,598)	(1,784,430)	-	(163,170,393)
-	-	-	-	-	(11,656)
-	-	-	-	-	-
3,191,851	2,602,422	10,254,497	2,015,174	653,347	75,209,749
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,037,799
188,785	-	-	-	(581)	202,117
3,380,636	2,602,422	10,254,497	2,015,174	652,766	80,449,665

See independent auditors' report

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COMPLIANCE SECTION

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Accounting & Consulting Group, LLP
Certified Public Accountants

**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**

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Gadsden Independent Schools
Sunland Park, New Mexico

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons of the General Fund and major special revenue funds of the Gadsden Independent Schools (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated October 23, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be a material weaknesses as item FS 2014-003.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not consider any of the deficiencies described in the accompanying schedule of finding and questioned costs to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 item FS 2013-004 (FS 13-04), FS 2014-001, FS 2014-002, and FS 2014-004.

District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
October 23, 2014

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FEDERAL FINANCIAL ASSISTANCE

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Accounting & Consulting Group, LLP
Certified Public Accountants

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Gadsden Independent Schools
Sunland Park, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Gadsden Independent School's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the District'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
October 23, 2014

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I - IASA	24101	84.010	9,181,024
Title I Migrant	24103	84.011	112,695
IDEA B Entitlement	24106	84.027	3,068,506
New Mexico Autism Project - Special Education	24108	84.027A	9,745
IDEA B Pre-School	24109	84.173	77,958
IDEA-B-Early Intervention Services	24112	84.027	73,886
Education of the Homeless	24113	84.196	27,045
21st Century (1)	24119	84.287	859,136
IDEA-B - Risk Pool	24120	84.027	32,211
Title III	24153	84.365	275,345
Title II	24154	84.367A	733,129
Immigrant Funding Title III	24163	84.365A	54,855
Carl Perkins Secondary	24174	84.048	163,508
Carl Perkins Unliquidated Obligations	24175	84.048	49,404
Carl Perkins Redistribution	24176	84.048	14,286
Carl D Perkins HSTW - Current	24180	84.048	88,065
Carl D Perkins HSTW - Redistribution	24182	84.048	10,166
<i>Total - U.S. Department of Education</i>			14,830,964

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014

Schedule V

U.S. Department of Agriculture

Passthrough State of New Mexico Department of Education

National School Lunch Program (1)	21000	10.553/10.555	8,965,741
USDA Commodities	21000	10.550	633,600
Fruit and Vegetable Program	24118	10.582	294,001

Subtotal - Passthrough U.S. Department of Agriculture 9,893,342

Total Federal Financial Assistance \$ 24,724,306

Total Federal Financial Assistance - Gadsden Independent Schools \$ 24,724,306

(1) Denotes Major Federal Financial Assistance Program

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Gadsden Independent School (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The District did not provide any federal awards to subrecipients during the year.

3. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch program. The value of commodities received for the year ended June 30, 2014 was \$633,600 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 24,724,306
Total expenditures funded by other sources	179,886,454
Total expenditures	204,610,760

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
10.553 & 10.555 84.287	National School Lunch Program 21 st Century

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$729,629 |
| 6. Auditee qualified as low-risk auditee? | Yes |

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI
Page 2 of 5

B. FINDINGS-FINANCIAL STATEMENT AUDIT

FS 2013-004 (FS 13-04) – Pledged Collateral (Repeated/Modified) – (Other Matter)

Condition: Deposits at one bank were not collateralized in accordance with State of New Mexico Statutes. At June 30, 2014, the District has under collateralized deposits in the amount of \$15,838.17 with one financial institution.

Criteria: Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the District (Section 6-10-17 NMSA 1978). Monitoring collateralization of the District's funds is essential in ensuring compliance with State of New Mexico Statutes.

Effect: Lack of proper monitoring of pledged collateral could result in excessive loss of District's funds if the financial institutions encounter financial difficulties.

Cause: The amounts on deposit were not adequately monitored to ensure that balances were sufficiently collateralized.

Auditors' Recommendations: As part of a formal policy implemented by the District, an individual should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

Agency's Response: The District monitors the collateralization of deposits on a monthly basis as part of the monthly bank reconciliation process. The District also reports the status of the collateralization of deposits to the Board of Education as part of the monthly financial report. The District received funds on June 30, 2014 for reimbursements related to federal and state grants from the NM Public Education Department, as a result the bank did not provide adequate collateral on that date. The collateral was provided to the District the first week of July 2014. The bank in conjunction with the District has developed additional procedures to provide adequate collateralization of deposits as required by state statute. The District will continue to monitor compliance with this requirement.

FS 2014-001 Stale Dated Checks- (Other Matter)

Condition: The District had 122 outstanding checks written from the accounts payable clearing bank account that were over one year old, totaling \$25,865.37, and 12 outstanding checks written from the payroll clearing bank account that were over one year old, totaling \$1,545.38. The District has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation, requires local public bodies to cancel or void any checks that are unpaid for one year after it is written. The District has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

Effect: The District's cash balance may be misstated by the amount of the stale checks.

Cause: The District overlooked the stale-dated checks.

Auditors' Recommendation: We recommend that the outstanding checks be voided as soon as possible and that a procedure to track and void stale dated checks be implemented. We also recommend that the District remit the stale-dated check funds to the New Mexico Taxation and Revenue Department. We also recommend the District reviews banks reconciliations timely to capture checks that are considered stale dated.

Agency's Response: The District is aware of the requirement and has an established procedure for reviewing and voiding stale dated checks. The procedure will be reviewed with the responsible staff and additional steps added to comply with the processing of stale dated checks as noted.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI
Page 3 of 5

FS 2014-002 Annual Inventory (Other Matter)

Condition: The District has performed an annual capital asset inventory of all movable chattels and equipment on the inventory listing timely. This listing had not been certified by the governing authority of the agency.

Criteria: According to State Audit Rule 2.2.2.10 V Capital Asset Inventory: (2) Section 12-20-1-16 NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors. In addition according to NMAC 2.20.1.16 (E) the results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency.

Effect: Items could be present on the capital assets listing that do not exist or items could exist that are not on the listing.

Cause: The District was aware of the requirement of an inventory of movable chattels and equipment and has completed for the year end, however the District did not obtain certification of the annual asset inventory.

Auditors' Recommendations: We recommend the District certify the annual capital asset inventory timely once this is completed by the governing authority of the District.

Agency's Response: The District conducts a physical inventory at all locations that hold capital asset inventory items each year. As a part of this process the District failed to submit the resulting reconciled inventory to the Board of Education. The District Finance Department will establish a process to submit the capital asset inventory to the Board for certification in compliance with state requirements.

FS 2014-003 Capital Assets (Material Weakness)

Condition: The District's financial statements required material beginning balance adjustments to capital assets and related accumulated depreciation in order to fairly present beginning balances. The District did not have procedures in place to capture the PSFA portions of capital additions, and also the depreciation software allowed for changes to be made to beginning balances.

Criteria: According to NMAC 2.20.1.8 (A) Fixed Asset Accounting System- Agencies should implement systematic and well documented methods for accounting for fixed assets. A computerized system with appropriate controls on access and authorizations of transactions should be implemented.

Effect: The District's capital asset balances required a prior period adjustment in the amount of \$113,156,600 in order to include the PSFA portion of the cost and related prior accumulated depreciation of the construction and improvements to District facilities. In addition, a prior period adjustment was necessary due to the issue with the capital asset accounting system. This caused beginning accumulated depreciation to have a difference from prior year ending accumulated depreciation of \$2,451,563. Management identified both differences, but was unable to resolve the discrepancies in a timely fashion.

Cause: The District's internal controls in place over capital assets allowed for system adjustments to be made to the capital asset inventory management system after an asset was entered into the system. In addition, the internal controls did not allow for timely and accurate necessary adjustments to the capital asset balances and related accumulated depreciation for prior assets (or portions of assets) that were omitted from the depreciation schedules.

Auditors' Recommendations: We recommend that the District review its internal controls over capital assets to include verification of capital asset balances and accumulated depreciation timely and we also recommend that the system edits be limited to only individuals that are involved in the accounting process and changes be made for appropriate circumstances only (change in estimate). We also recommend that any system edits be reviewed timely by the Chief Financial Officer.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI
Page 4 of 5

Agency's Response: During the 2013-14 fiscal year, the District conducted a review of its existing capital asset records. It was determined that the District had not properly recognized the asset cost for buildings and other improvements that were constructed with matching funds from the State of New Mexico through the Public Schools Facility Authority. As a result of this review a prior period adjustment was recognized to properly reflect the cost of the affected capital assets. The District added the additional cost to the capital asset inventory and as a result the beginning balances changed. In addition, the District experienced a software issue as a result of the addition of prior period capital asset costs. The system records were updated and reconciled to June 30, 2014 but as a result of the updating process the beginning amounts were changed. The District has provided additional training to the appropriate staff and is aware of the process required to properly record in a timely manner any adjustments related to future transactions.

FS 2014-004 Untimely Deposits (Other Matter)

Condition: The District's has various decentralized locations in which are not following the 24 hour deposit rule as set forth by NMAC 6.20.2.14 (C). During the fiscal year it was noted that there were 34 instances at three locations in which deposits were made after the 24 hour rule totaling \$33,156.41.

Criteria: According to NMAC 6.20.2.14 (C) Cash Control Standards- money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour requirement the local board may request approval from the department for an alternative plan.

Effect: Monies that are collected at decentralized locations which are not deposited timely are subject to possible misappropriation.

Cause: The District's decentralized locations are unaware of the importance to follow set policies and procedures set by the State of New Mexico.

Auditors' Recommendations: We recommend the District conduct internal trainings on the importance and ramifications of not following state statutes and laws.

Agency's Response: The District is aware of this requirement and continues to implement additional procedures to address compliance with this requirement. The District has developed an additional process to review transactions during the year to identify the locations that are not in compliance. The review process will report findings to the applicable location as well as provide additional training to staff responsible for the depositing process.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI
Page 5 of 5

C. FEDERAL AWARD FINDINGS

No federal award findings

D. PRIOR YEAR AUDIT FINDINGS

FS 2009-001 (FS 09-01) – Payroll Documentation – Significant Deficiency – Resolved

FS 2009-005 (FS 09-05) – Cash Disbursements – Significant Deficiency – Resolved

FS 2013-001 (FS 13-01) – Late Audit Report – Significant Deficiency – Resolved

FS 2013-003 (FS 13-03) – Budgetary Controls – Compliance – Resolved

FS 2013-004 (FS 13-04) – Pledged Collateral – Significant Deficiency – Repeated and Modified

COMPONENT UNIT FINDINGS

FS 2013-002 (FS 13-02) – Late Audit Report – Significant Deficiency – Resolved

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
OTHER DISCLOSURES
JUNE 30, 2014

Exit Conference

An exit conference was held on October 23, 2014. The following individuals were in attendance.

Gadsden Independent Schools

Maria Saenz, Board of Education Member
Jennifer Viramontes, Board of Education Member – Audit Committee
Efren Yturralde, Superintendent
Steven W. Suggs, CPA, Deputy Superintendent/Chief Financial Officer
Ludym Martinez, Director of Finance
Erica Villarreal, Finance Coordinator

Accounting & Consulting Group, LLP

Bobby Cordova, CPA, Partner