



State of
New Mexico
Gadsden
Independent
School District
No. 16

Annual Financial Report
For the Year Ended June 30, 2016

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
FOR THE YEAR ENDED JUNE 30, 2016
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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
OFFICIAL ROSTER
JUNE 30, 2016

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Maria Saenz		President
Craig Ford		Vice President
Jennifer Viramontes		Secretary
Daniel Castillo		Member
Daniel Estupiñan		Member
	<u>School Officials</u>	
Efren Yturralde		Superintendent
Ludym Martinez		Interim Associate Superintendent for Finance
Barbara Browder		Executive Associate Superintendent for Human Resources
Alfredo Holguin		Interim Associate Superintendent for Support Services
Susan Yturralde		Associate Superintendent for Curriculum, Instruction & Technology

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Gadsden Independent School District
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 School District (the District), as of and for the year ended June 30, 2016, 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 financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital projects 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, 2016, 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.

Auditors' 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 auditors' 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 auditors consider 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 presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 School District, as of June 30, 2016, 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, 2016, 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 18 through 25 and Schedules A-1 and A-2 and notes to the Required Supplementary Information on pages 80-82 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

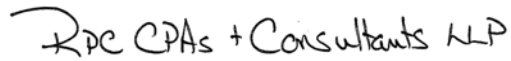
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Supporting Schedules I through V 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 or to 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 and Schedule V 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 26, 2016, 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.



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
October 26, 2016

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

Management's Discussion and Analysis

As management of the Gadsden Independent School District No. 16 (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, 2016. 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, 2016 are as follows:

- The assets of the District exceeded its liabilities at the end of the fiscal year by \$182,064,453 (net position). Of this amount, \$279,209,581 is invested in capital assets, \$17,537,496 is restricted for capital projects and debt service purposes, \$17,929,125 is restricted for special revenue fund purposes and \$(132,611,749) is unrestricted (deficit). The unrestricted (deficit) portion of the net position was impacted by the recognition of a net pension liability of \$172,835,476 and deferred outflows and inflows of resources of \$18,213,943 and \$4,347,362, respectively, at June 30, 2016.
- The District's total net position increased by \$19,879,339 which is reflected in the District's Statement of Activities.
- The District's liabilities increased by \$23,755,392 in fiscal year 2016. This increase is due to an increase of \$22,590,428 in the net pension liability along with increases in accounts payable, accrued payroll liabilities, and accrued interest. These increases were offset by decreases in compensated absences, unamortized bond premium, non-current portion of the bonds payable and the current portion of bonds payable.
- Deferred outflows of resources of \$18,213,943 related to employer contributions subsequent to the measurement date and deferred inflows of resources of \$4,347,362 related to a pension plan are reported in the Statement of Net Position at June 30, 2016. These items are the result of the implementation of GASB 68 as it relates to the District's proportionate share of the NM Educational Retirement Board Pension Plan, a multiple employer cost sharing defined benefit pension plan.
- At June 30, 2016, the fund balance for the general fund was \$27,305,593, which reflects an increase of \$1,644,741. General fund expenditures were managed through careful budget planning throughout the fiscal year which contributed to the increase in the fund balance. The district received additional State Funds in fiscal year 2016, 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 \$1,644,741 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 \$46,750,000, which reflects a \$205,000 decrease 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 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.

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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 deferred outflows, and liabilities and deferred inflows, with the difference 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 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 in Exhibit A-1 and Exhibit A-2 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

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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 in Exhibit B-1 and Exhibit B-2 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 position and a statement of changes in fiduciary net position. These funds are not reported in the government-wide financial statements.

The fiduciary fund financial statements can be found in Exhibit D-1 and Exhibit D-2 of this report.

Overview of the District’s Financial Position and Operations

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

Gadsden Independent School District No. 16 Net Position

	Governmental Activities	
	2016	2015
Current and other assets	\$ 93,196,092	\$ 89,715,084
Capital assets	305,796,899	286,819,721
Deferred outflows of resources	18,213,943	10,542,936
Total assets and deferred outflows of resources	\$417,206,934	\$387,077,741
Long-term liabilities	\$210,261,206	\$187,868,254
Other liabilities	20,533,913	19,171,473
Deferred inflows of resources	4,347,362	17,852,900
Total liabilities and deferred inflows of resources	\$235,142,481	\$224,892,627
Net position:		
Invested in capital assets, net of debt	\$279,209,581	\$259,848,604
Restricted for:		
Debt service	14,750,755	14,661,311
Capital projects	2,786,741	4,797,242
Special revenue	17,929,125	15,987,109
Unrestricted (deficit)	(132,611,749)	(133,109,152)
Total net position	\$182,064,453	\$162,185,114

Total Net position of the District’s governmental activities increased by 12.25% from 2015. *Unrestricted* net position-the part of net position that is unrestricted in nature and can be used at the discretion of the District and to meet ongoing obligations to creditors and stakeholders, increased \$497,403 to reflect a deficit of \$(132,611,749). This deficit is the result of the implementation of GASB 68 which requires the District to reflect the net pension liability and related deferred outflows and inflows of resources related to the District’s proportionate share of the NM Educational Retirement Board Pension Plan.

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All other portions of net position are restricted for the stated purpose. The District's net position invested in capital assets, net of related debt reflects an increase of 7.45% from 2015. This indicates that the accumulated depreciation along with the asset value exceed existing debt. Net Position Invested in Capital Assets increased \$19,360,977 due to the cost of completed buildings and building projects being more than depreciation expense. The District continues to utilize local Bond Funds and State Matching Funds to construct new schools and make improvements to existing facilities.

Current and other assets increased from 2015 to 2016 by \$3,481,008. 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 Debt Service Fund. Long-term liabilities increased by \$22,392,276 primarily due to the increase of \$22,590,428 in net pension liability. The net pension liability for the fiscal year ended June 30, 2016 was \$172,835,476. The District's Statement of Net Position also reflects increases in Deferred outflows of resources of \$18,213,943 and Deferred inflows of resources of \$4,347,362 as a result of the implementation of GASB 68 as it applies to the District's participation in the NM Educational Retirement Board Pension Plan

Governmental activities increased the District's net position by \$19,879,339. This increase is related to the District's recognition of State Matching Funds in Capital Grants and Contributions with other Program Revenue categories remaining relatively stable compared to 2015. Governmental activities expense increased compared to 2015 expenses, which reflects an increase in expenses related to state funded salary increases. The District also experienced an increase in the general revenues compared to 2015. 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 86% of the District's current and other assets.

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

Gadsden Independent School District No. 16 Changes in Net Position

	Governmental Activities	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 1,201,544	\$ 1,184,964
Operating grants and contributions	36,007,072	35,952,262
Capital grants and contributions	23,743,456	12,405,858
General revenues:		
Local property taxes	15,355,472	14,452,346
Federal and state aid	100,858,799	99,687,556
Interest and investment earnings	22,363	25,161
Loss on disposal of assets	-	(2,462,791)
Other	394,389	83,922
Total revenues	\$177,583,095	\$161,329,278

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Gadsden Independent School District No. 16 Changes in Net Position (continued)

Expenses:		
Direct Instruction	\$ 87,282,075	\$ 83,989,087
Support services-Student/Instruction/School Admin	27,378,412	26,154,977
Support services-General Administration/Other	1,087,566	1,241,608
Central Services	3,037,918	2,641,398
Operation and maintenance of plant	19,767,195	19,234,731
Food Services	9,172,217	9,673,604
Community Service	400,887	260,952
Student Transportation	5,831,542	6,057,581
Interest on long-term debt	1,056,320	941,966
Depreciation-facilities acquisition and construction	2,689,624	2,624,894
	<hr/>	<hr/>
Total expenses	\$157,703,756	\$152,820,798
	<hr/>	<hr/>
Change in net position	\$ 19,879,339	\$ 8,508,480
Net position – beginning – July 1	162,185,114	312,052,427
Prior period adjustment	-	(158,375,793)
	<hr/>	<hr/>
Net position – ending – June 30	\$182,064,453	\$162,185,114
	<hr/> <hr/>	<hr/> <hr/>

As noted in the preceding schedule, the District is heavily dependent on federal and state aid which comprises 57% of total revenues. In addition the District received \$21,216,519 from State Capital Outlay Matching funds included in Operating Grants and Contributions which represents 12% of total revenues. Correspondingly, it spends almost 63% 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 \$903,126 in property tax revenues. Federal and State Aid, Operating Grants and Contributions, and Other sources experienced an increase of \$1,536,520 compared to 2015. This increase is largely due to increases in Federal and State Aid for 2016. Due to the economic factors of the communities we serve, the District qualifies for substantial Federal assistance. The ability to obtain Capital Funding from the State is 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 2015 to 2016. 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 in Exhibits C-1 to C-5, Statement C-3 and Statement D-3. In addition, budget to actual comparison schedules were presented for each individual non-major fund in the supplementary information section of this report in Statements B-3 to B-42, Statements C-4 to C-8 and Statement D-4. These schedules are prepared on a non-GAAP budgetary 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 \$5,978,916 due to changes in the designated cash balance available for budgeting. The final expenditure budget was \$121,992,598, of which \$100,646,934 was expended in the current year. Of the \$101 million revenue budget, 101% of the budgeted amount was received during the year.

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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, 2016 is \$305,796,899. 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, a new elementary school in the community of Chaparral and other various remodel/addition projects throughout the District. Capital Assets increased approximately 6.62% 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 2016 as a result of GASB 34 implementation resulted in a balance of \$131,826,940 of which \$14,067,492 is for depreciation in the current year. Additional information of the District's capital assets is presented in Note 6 of the financial statements.

Long-term obligations

At the end of the current year, the district had \$48,207,412 in long-term debt related to governmental activities. Of this debt, \$44,750,000 was related to general obligation bonds and \$2,000,000 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 Note 7 of the financial statements.

	Governmental Activities				Amounts Due In One Year
	Balance 7/1/15	Additions	Deletions	Balance 6/30/16	
Compensated Absences	\$ 1,443,729	\$ 553,771	\$ 540,088	\$ 1,457,412	\$ 509,724
Lease Purchase Notes	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
General Obligation Bonds	44,955,000	9,500,000	9,705,000	44,750,000	9,600,000
Total Long Term Debt	<u>\$48,398,729</u>	<u>\$12,053,771</u>	<u>\$12,245,088</u>	<u>\$48,207,412</u>	<u>\$12,109,724</u>

The District issued General Obligation Bonds in the amount of \$9,500,000 in October 2015. On August 15, 2015 and June 1, 2016 the District reduced the general obligation bond debt principal by \$8,605,000 and \$1,000,000, respectively, in accordance with scheduled bond payments.

Overall, the District decreased its debt balances by \$191,317, which was due to the issuance of new bonds and offset by an increase in compensated absences and the debt payment activity described above.

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

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 was 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.
- 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.
- The \$9,500,000 bonds issued in October 2014 received a Moody's rating of Enhanced Aa1 and an A2 underlying rating.
- The \$9,500,000 bonds issued in October 2015 received a Moody's rating of Enhanced Aa1 and an A1 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 the prior year's funding base. 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.

State of New Mexico
Gadsden Independent School District No. 16

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. \$9,500,000 of this debt authorization was sold in 2014. It is anticipated that \$9,500,000 will be issued in 2015. The remaining amount to be 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.

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:

Ludym Martinez
Interim Associate Superintendent for Finance
(575) 882-6243
lumartinez@gisd.k12.nm.us

Physical Address:
4950 McNutt
Sunland Park, NM 88063

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

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
STATEMENT OF NET POSITION
JUNE 30, 2016

Exhibit A-1
(Page 1 of 2)

	Primary Government Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 45,625,376
Property taxes receivable	5,827,313
Intergovernmental receivables	6,211,322
Other receivables	1,323
Inventory	899,815
Total current assets	58,565,149
Noncurrent assets:	
Restricted cash and cash equivalents	34,465,419
Bond underwriter discounts (net of amortization of \$99,859)	165,524
Capital assets (net of accumulated depreciation):	
Land	2,559,939
Land Improvements	14,298,984
Buildings and building improvements	381,022,635
Furniture, fixtures and equipment	13,118,937
Construction in progress	26,623,344
Less: accumulated depreciation	(131,826,940)
Total noncurrent assets	340,427,842
Total assets	398,992,991
DEFERRED OUTFLOWS OF RESOURCES	
Employer contributions subsequent to the measurement date	10,718,204
Net difference - investment experience	58,789
Changes in proportion	1,492,217
Changes of assumptions	5,944,733
Total deferred outflows of resources	18,213,943
Total assets and deferred outflows of resources	\$ 417,206,934

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
STATEMENT OF NET POSITION
JUNE 30, 2016

Exhibit A-1
(Page 2 of 2)

	Primary Government Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 2,408,924
Accrued payroll liabilities	5,596,788
Deposits held for others	3,355
Accrued interest	415,122
Current portion of bonds and lease purchase notes payable	11,600,000
Accrued compensated absences	509,724
	20,533,913
Total current liabilities	
Noncurrent liabilities:	
Bond underwriter premiums (net of amortization of \$1,798,876)	1,328,042
Bonds and lease purchase notes payable	35,150,000
Accrued compensated absences	947,688
Net pension liability	172,835,476
	210,261,206
Total noncurrent liabilities	
Total liabilities	230,795,119
DEFERRED INFLOWS OF RESOURCES	
Change in proportion	1,277,369
Actuarial experience	3,069,993
	4,347,362
Total deferred inflows of resources	
NET POSITION	
Net investment in capital assets	279,209,581
Restricted for:	
Debt service	14,750,755
Capital projects	2,786,741
Special revenue	17,929,125
Unrestricted (deficit)	(132,611,749)
	182,064,453
Total net position	
Total liabilities, deferred inflows of resources, and net position	\$ 417,206,934

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

<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	\$ 87,282,075	\$ 906,300	\$ 15,669,140
Support services:			
Students	13,685,351	-	4,191,824
Instruction	6,703,867	-	594,858
General Administration	1,082,043	-	-
School Administration	6,989,194	-	-
Other Support Services	5,523	-	-
Central Services	3,037,918	-	-
Operation & Maintenance of Plant	19,767,195	108,908	464,288
Student Transportation	5,831,542	-	4,953,856
Food Services Operation	9,172,217	186,336	10,133,106
Community Services	400,887	-	-
Interest on long-term debt	1,056,320	-	-
Depreciation - unallocated	2,689,624	-	-
Total governmental activities	<u>157,703,756</u>	<u>1,201,544</u>	<u>36,007,072</u>

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Governmental Activities
\$ -	\$ (70,706,635)
-	(9,493,527)
-	(6,109,009)
-	(1,082,043)
-	(6,989,194)
-	(5,523)
-	(3,037,918)
23,743,456	4,549,457
-	(877,686)
-	1,147,225
-	(400,887)
-	(1,056,320)
-	(2,689,624)
23,743,456	(96,751,684)

General Revenues:

Property taxes:	
Levied for general purposes	\$ 369,772
Levied for debt service	13,175,522
Levied for capital projects	1,810,178
State Equalization Guarantee	100,858,799
Unrestricted investment earnings	22,363
Miscellaneous	399,851
Loss on Disposal of Assets	-
Return of funds to PED	(5,462)
Total general revenues	116,631,023
Change in net position	19,879,339
Net position - beginning	162,185,114
Net position - ending	\$ 182,064,453

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Operational Fund			
	General 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS:				
Cash and cash equivalents	\$ 27,372,547	\$ 3,345	\$ 809,690	\$ 13,302,009
Accounts receivable				
Taxes	138,258	-	-	-
Intergovernmental receivables	-	-	-	169,476
Interfund receivables	4,377,758	-	-	-
Other	1,323	-	-	-
Inventory	522,865	-	-	376,950
Total Assets	32,412,751	3,345	809,690	13,848,435
LIABILITIES:				
Accounts payable	346,466	169	863	152,076
Accrued payroll liabilities	4,715,720	3,007	-	163,826
Deposits held for others	3,355	-	-	-
Interfund payables	-	-	-	-
Total Liabilities	5,065,541	3,176	863	315,902
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	41,617	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferrred Inflows of Resources	41,617	-	-	-
FUND BALANCES:				
Nonspendable	522,865	-	-	376,950
Spendable:				
Restricted	-	169	9,191	13,155,583
Committed	-	-	-	-
Assigned	17,178,873	-	799,636	-
Unassigned (deficit)	9,603,855	-	-	-
Total Fund Balances	27,305,593	169	808,827	13,532,533
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 32,412,751	\$ 3,345	\$ 809,690	\$ 13,848,435

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
\$ -	\$ 21,227,056	\$ 6,657,325	\$ 10,718,823	\$ 80,090,795
-	-	3,572,641	2,116,414	5,827,313
2,231,808	-	-	3,810,038	6,211,322
-	-	-	-	4,377,758
-	-	-	-	1,323
-	-	-	-	899,815
<u>2,231,808</u>	<u>21,227,056</u>	<u>10,229,966</u>	<u>16,645,275</u>	<u>97,408,326</u>
4,078	1,566,029	-	339,243	2,408,924
272,924	-	-	441,311	5,596,788
-	-	-	-	3,355
1,954,806	-	-	2,422,952	4,377,758
<u>2,231,808</u>	<u>1,566,029</u>	<u>-</u>	<u>3,203,506</u>	<u>12,386,825</u>
-	-	1,260,538	602,635	1,904,790
4,155	-	-	29,922	34,077
<u>4,155</u>	<u>-</u>	<u>1,260,538</u>	<u>632,557</u>	<u>1,938,867</u>
-	-	-	-	899,815
-	19,661,027	8,969,428	11,680,785	53,476,183
-	-	-	37,025	37,025
-	-	-	1,098,206	19,076,715
(4,155)	-	-	(6,804)	9,592,896
<u>(4,155)</u>	<u>19,661,027</u>	<u>8,969,428</u>	<u>12,809,212</u>	<u>83,082,634</u>
<u>\$ 2,231,808</u>	<u>\$ 21,227,056</u>	<u>\$ 10,229,966</u>	<u>\$ 16,645,275</u>	<u>\$ 97,408,326</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
GOVERNMENTAL FUNDS

Exhibit B-1
(Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund Balances - Total Governmental Funds	\$ 83,082,634
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	305,796,899
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	1,904,790
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	34,077
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds:	
Deferred outflows of resources related to employer contribution subsequent to the measurement date	10,718,204
Deferred inflows of resources related to change in proportion	(1,277,369)
Deferred inflows of resources related to actuarial experience	(3,069,993)
Deferred inflows of resources related to investment experience	(9,543,292)
Deferred outflows change in proportion	1,492,217
Deferred outflows net difference - change in experience	9,602,081
Deferred outflows change in assumptions	5,944,733
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	165,524
Bond underwriter premiums net of accumulated amortization	(1,328,042)
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds	(415,122)
Certain liabilities, including accrued compensated absences, bonds payable, lease purchase notes and net pension liability, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	(1,457,412)
General obligation bonds and lease purchase notes	(46,750,000)
Net pension liability	(172,835,476)
Net Position - Total Governmental Activities	\$ 182,064,453

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Operational Fund			
	General 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
<i>Revenues:</i>				
Property taxes	\$ 375,993	\$ -	\$ -	\$ -
State grants	100,949,995	4,953,856	958,122	216,193
Federal grants	254,213	-	-	9,622,802
Charges for services	153,029	-	5,413	186,336
Miscellaneous	497,092	-	-	-
Interest	4,869	-	-	1,185
<i>Total revenues</i>	<u>102,235,191</u>	<u>4,953,856</u>	<u>963,535</u>	<u>10,026,516</u>
<i>Expenditures:</i>				
Current:				
Instruction	64,875,190	-	763,962	-
Support Services				
Students	9,865,368	-	-	-
Instruction	4,252,300	-	-	-
General Administration	458,855	-	-	-
School Administration	6,243,175	-	-	-
Central Services	2,486,255	-	-	-
Operation & Maintenance of Plant	12,226,110	-	-	-
Student Transportation	-	4,958,253	-	-
Other Support Services	806	-	-	-
Food Services Operations	8,258	-	-	8,472,294
Community Service	48,697	-	-	-
Capital outlay	125,436	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond Issuance Costs	-	-	-	-
<i>Total expenditures</i>	<u>100,590,450</u>	<u>4,958,253</u>	<u>763,962</u>	<u>8,472,294</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,644,741</u>	<u>(4,397)</u>	<u>199,573</u>	<u>1,554,222</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
Premiums on bonds issued	-	-	-	-
Return of cash to PED	-	(4,575)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(4,575)</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>1,644,741</u>	<u>(8,972)</u>	<u>199,573</u>	<u>1,554,222</u>
<i>Fund balances - beginning of year</i>	<u>25,660,852</u>	<u>9,141</u>	<u>609,254</u>	<u>11,978,311</u>
<i>Fund balances - end of year</i>	<u>\$ 27,305,593</u>	<u>\$ 169</u>	<u>\$ 808,827</u>	<u>\$ 13,532,533</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
\$ -	\$ -	\$ 9,209,063	\$ 5,925,230	\$ 15,510,286
-	21,216,519	-	7,468,733	135,763,418
10,226,954	-	-	7,146,865	27,250,834
-	40,887	-	650,994	1,036,659
-	-	-	1,047,795	1,544,887
-	14,724	-	1,585	22,363
<u>10,226,954</u>	<u>21,272,130</u>	<u>9,209,063</u>	<u>22,241,202</u>	<u>181,128,447</u>
6,558,523	-	-	7,335,677	79,533,352
798,399	-	-	1,802,980	12,466,747
417,207	-	-	1,444,062	6,113,569
152,024	-	92,569	289,175	992,623
-	-	-	117,292	6,360,467
251,614	-	-	43,000	2,780,869
14,688	-	-	32,944	12,273,742
3,190	-	-	407,655	5,369,098
-	-	-	-	806
-	-	-	472,915	8,953,467
-	-	-	-	48,697
-	31,766,186	-	7,411,989	39,303,611
-	-	9,705,000	2,000,000	11,705,000
-	-	1,261,497	12,033	1,273,530
-	-	40,800	-	40,800
<u>8,195,645</u>	<u>31,766,186</u>	<u>11,099,866</u>	<u>21,369,722</u>	<u>187,216,378</u>
<u>2,031,309</u>	<u>(10,494,056)</u>	<u>(1,890,803)</u>	<u>871,480</u>	<u>(6,087,931)</u>
-	9,500,000	-	2,000,000	11,500,000
-	-	202,507	-	202,507
-	-	-	(887)	(5,462)
<u>-</u>	<u>9,500,000</u>	<u>202,507</u>	<u>1,999,113</u>	<u>11,697,045</u>
<u>2,031,309</u>	<u>(994,056)</u>	<u>(1,688,296)</u>	<u>2,870,593</u>	<u>5,609,114</u>
<u>(2,035,464)</u>	<u>20,655,083</u>	<u>10,657,724</u>	<u>9,938,619</u>	<u>77,473,520</u>
<u>\$ (4,155)</u>	<u>\$ 19,661,027</u>	<u>\$ 8,969,428</u>	<u>\$ 12,809,212</u>	<u>\$ 83,082,634</u>

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

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

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	\$ 5,609,114
<p>Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position 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.</p>	
Depreciation expense	(14,067,492)
Capital Outlays	33,044,670
Loss on disposition of assets	-
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>	
Change in deferred inflows of resources related to property taxes receivable	(154,814)
Change in deferred inflows of resources related to grants	(3,385,076)
<p>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 position. 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.</p>	
Amortization of bond premiums/(discounts)	327,177
Premium on bonds issued	(202,507)
Decrease in accrued interest payable	(69,167)
Increase in accrued compensated absences	(13,683)
Bond proceeds	(11,500,000)
Principal payments on bonds	11,705,000
<p>Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds</p>	
<p>Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:</p>	
Employer contributions subsequent to the measurement date	10,718,204
Pension expense	(12,132,087)
Change in Net Position - Total Governmental Activities	\$ 19,879,339

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 355,729	\$ 355,729	\$ 289,687	\$ (66,042)
State grants	100,683,562	100,946,113	100,978,591	32,478
Federal grants	109,000	109,000	254,213	145,213
Miscellaneous	11,000	11,000	497,092	486,092
Charges for Services	25,000	25,000	153,029	128,029
Interest	4,000	4,000	4,869	869
<i>Total revenues</i>	<u>101,188,291</u>	<u>101,450,842</u>	<u>102,177,481</u>	<u>726,639</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	68,861,124	69,480,224	64,863,963	4,616,261
Support Services				
Students	10,836,069	10,895,661	9,864,667	1,030,994
Instruction	4,592,791	4,777,791	4,251,883	525,908
General Administration	873,039	873,039	457,823	415,216
School Administration	6,565,207	6,706,093	6,225,997	480,096
Central Services	2,763,205	2,775,205	2,491,546	283,659
Operation & Maintenance of Plant	13,686,746	14,882,013	12,253,752	2,628,261
Student Transportation	-	-	-	-
Other Support Services	7,604,077	11,211,499	54,912	11,156,587
Food Services Operations	16,424	38,323	8,258	30,065
Community Services	65,000	127,750	48,697	79,053
Capital outlay	150,000	225,000	125,436	99,564
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>116,013,682</u>	<u>121,992,598</u>	<u>100,646,934</u>	<u>21,345,664</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(14,825,391)</u>	<u>(20,541,756)</u>	<u>1,530,547</u>	<u>22,072,303</u>
<i>Other financing sources (uses):</i>				
Designated cash	14,825,391	20,541,756	-	(20,541,756)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,825,391</u>	<u>20,541,756</u>	<u>-</u>	<u>(20,541,756)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,530,547</u>	<u>1,530,547</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,479,489</u>	<u>25,479,489</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,010,036</u>	<u>\$ 27,010,036</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			57,710	
Adjustments to expenditures			<u>56,484</u>	
<i>Net changes in fund balances</i>			<u>\$ 1,644,741</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	4,615,839	4,954,025	4,954,025	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,615,839</u>	<u>4,954,025</u>	<u>4,954,025</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	4,615,839	4,958,600	4,958,262	338
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,615,839</u>	<u>4,958,600</u>	<u>4,958,262</u>	<u>338</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(4,575)</u>	<u>(4,237)</u>	<u>338</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	4,575	-	(4,575)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(4,575)	(4,575)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>4,575</u>	<u>(4,575)</u>	<u>(9,150)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(8,812)</u>	<u>(8,812)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,150</u>	<u>9,150</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 338</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(169)	
Adjustments to expenditures			<u>9</u>	
<i>Net changes in fund balances</i>			<u>\$ (8,972)</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	738,380	958,123	958,122	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	5,413	5,413
Interest	-	-	-	-
<i>Total revenues</i>	<u>738,380</u>	<u>958,123</u>	<u>963,535</u>	<u>5,412</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,317,914	1,567,779	763,501	804,278
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>1,317,914</u>	<u>1,567,779</u>	<u>763,501</u>	<u>804,278</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(579,534)</u>	<u>(609,656)</u>	<u>200,034</u>	<u>809,690</u>
<i>Other financing sources (uses):</i>				
Designated cash	579,534	609,656	-	(609,656)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>579,534</u>	<u>609,656</u>	<u>-</u>	<u>(609,656)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>200,034</u>	<u>200,034</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>609,656</u>	<u>609,656</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 809,690</u>	<u>\$ 809,690</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
Adjustments to expenditures			(461)	
<i>Net changes in fund balances</i>			<u>\$ 199,573</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
FOOD SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2016

	<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	150,250	150,250	216,193	65,943
Federal grants	7,100,750	7,100,750	8,799,595	1,698,845
Miscellaneous	246,250	246,250	186,336	(59,914)
Interest	3,250	3,250	1,185	(2,065)
<i>Total revenues</i>	<u>7,500,500</u>	<u>7,500,500</u>	<u>9,203,309</u>	<u>1,702,809</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	15,333,308	19,098,361	7,662,987	11,435,374
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,333,308</u>	<u>19,098,361</u>	<u>7,662,987</u>	<u>11,435,374</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,832,808)</u>	<u>(11,597,861)</u>	<u>1,540,322</u>	<u>13,138,183</u>
<i>Other financing sources (uses):</i>				
Designated cash	7,832,808	11,597,861	-	(11,597,861)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,832,808</u>	<u>11,597,861</u>	<u>-</u>	<u>(11,597,861)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,540,322</u>	<u>1,540,322</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,597,861</u>	<u>11,597,861</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,138,183</u>	<u>\$ 13,138,183</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			823,207	
Adjustments to expenditures			<u>(809,307)</u>	
<i>Net changes in fund balances</i>			<u>\$ 1,554,222</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
TITLE I 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, 2016

Exhibit 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	8,455,908	9,232,532	9,009,456	(223,076)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>8,455,908</u>	<u>9,232,532</u>	<u>9,009,456</u>	<u>(223,076)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	6,436,946	7,215,164	6,558,523	656,641
Support Services				
Students	934,950	920,950	798,399	122,551
Instruction	518,665	518,665	417,207	101,458
General Administration	156,852	171,258	152,024	19,234
School Administration	2,000	-	-	-
Central Services	296,495	296,495	251,614	44,881
Operation & Maintenance of Plant	20,000	20,000	14,688	5,312
Student Transportation	90,000	90,000	3,190	86,810
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,455,908</u>	<u>9,232,532</u>	<u>8,195,645</u>	<u>1,036,887</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>813,811</u>	<u>813,811</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>813,811</u>	<u>813,811</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,045,619)</u>	<u>(3,045,619)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,231,808)</u>	<u>\$ (2,231,808)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,217,498	
No adjustments to expenditures			<u>-</u>	
<i>Net changes in fund balances</i>			<u>\$ 2,031,309</u>	

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

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

Exhibit D-1

	Private Purpose Trust Funds	Agency Funds
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 114,690	\$ 692,065
Due from other funds	17,281	-
	131,971	692,065
<i>Total assets</i>	131,971	692,065
LIABILITIES		
<i>Current Liabilities</i>		
Due to other funds/external parties	17,281	-
Deposits held in trust for others	-	692,065
	17,281	692,065
<i>Total liabilities</i>	17,281	692,065
NET POSITION		
Restricted net position	114,690	-
<i>Total net position</i>	114,690	-
<i>Total liabilities and net position</i>	\$ 131,971	\$ 692,065

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2016

Exhibit D-2

	<u>Private Purpose Trust Funds</u>
Additions:	
Investment earnings	\$ 174
Contributions & donations from private sources	9,616
Total additions	<u>9,790</u>
Deductions:	
Miscellaneous operating	11
Scholarships	11,250
Total deductions	<u>11,261</u>
Change in net position	(1,471)
Total beginning net position	<u>116,161</u>
Total ending net position	<u><u>\$ 114,690</u></u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies

The Gadsden Independent School District No. 16 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-two 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 School District No. 16's management, who is responsible for their integrity and objectivity. The financial statements of the Gadsden Independent School District No. 16 (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, 2016, the District adopted GASB Statements No. 72, *Fair Value Measurement and Application*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants*, and a portion of No 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. GASB Statements Nos. 72, 76, and a portion of 79, as well as the implemented portion of Statement No. 73, are required to be implemented for the fiscal year ending June 30, 2016.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. Effective for June 30, 2016 are the amendments for Statement No.s 67 and 68 and assets accumulated for pensions not administered as trusts. The amendments of this pronouncement clarifies application of certain provisions of GASB 67 and 68 with regards to the following issues: (1) Information that is required to be presented as notes to the 10-year schedules of RSI about investment-related factors that significantly affect trends in reported amounts; (2) Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions; and (3) Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

In addition, effective for June 30, 2016 year ends, the requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that, for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

The objective of GASB Statement No. 76 is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool for measuring all of its investments at amortized cost for financial reporting purposes. Professional judgement is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide for qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

A. Financial Reporting Entity

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 SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. Summary of Significant Accounting Policies - (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, 2016.

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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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 *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.

The *Debt Service Funds* account for the services of general long-term debt 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 SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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.

Special Revenue Funds:

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).

Capital Projects Funds:

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.

During 2015-2016, the District received authorization from the PSFA (Public School Facilities Authority) on \$21,216,519 in projects that had been completed and closed out on behalf of the District. This number is included in the additions to Construction in Progress which then flows to the Bond Building Capital Project Fund.

Debt Service Funds:

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.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

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.

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, 2016, the District did not hold any pool shares in the State Treasurer's Investment Pool.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

Fair Value Measurements: The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2016, there are no items are required to be valued using valuation techniques.

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, 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 Treasurers 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, 2016. 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, 2016, 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 on the PED 'Multiple 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 "Multiple List". 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.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

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.

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, 2016.

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 Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District has four types of items that qualify for reporting in this category. Accordingly, the items, change in proportion of \$1,492,217, change in assumption of \$5,944,733, net difference between projected and actual investment earnings on pension plan investments of \$58,789 and employer contributions subsequent to measurement date of \$10,718,204 are reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources the next period.

Deferred Inflows 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.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

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 \$1,904,790 related to property taxes and \$34,077 related to grants that are considered “unavailable”.

In addition, the District has two types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, changes in proportion and differences between District contributions and proportionate share of contributions, \$1,227,369; and difference between expected and actual experience, \$3,069,993 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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:

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

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 \$35,466,621 of restricted net position 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.

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 \$100,858,799 in state equalization guarantee distributions during the year ended June 30, 2016.

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

E. Revenues (Continued)

modified accrual basis. The District recognized \$15,510,286 in tax revenues during the year ended June 30, 2016. 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 \$4,953,856 in transportation distributions during the year ended June 30, 2016.

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 PED "Multiple 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, 2016 totaled \$958,122.

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 fiscal year 2016, the District did not receive any special capital outlay funds. The District did, however, receive \$21,216,519 from PSFA which flows through the Bond Building Capital Project Fund.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

E. Revenues (Continued)

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 \$3,449,731 in state SB-9 matching during the year end June 30, 2016.

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.

F. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board Plan (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 'function,' this may be accomplished with only local Board of Education approval. If a transfer between 'functions' or a budget increase is required, approval must also be obtained from the New Mexico Public Education Department.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

Budgetary Information - (Continued)

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

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

1. 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.
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.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

Budgetary Information - (Continued)

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, 2016, is presented.

The appropriated budget for the year ended June 30, 2016, 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	\$ (14,825,391)	\$ (20,541,756)
Transportation Fund	\$ -	\$ (4,575)
Instructional Materials Fund	\$ (579,534)	\$ (609,656)
Food Services Fund	\$ (7,832,808)	\$ (11,597,861)
Title I Fund	\$ -	\$ -
Bond Building Fund	\$ (26,351,596)	\$ (30,524,690)
Debt Service Fund	\$ (10,320,829)	\$ (10,336,099)
Other Governmental Funds	\$ (10,621,227)	\$ (11,928,121)

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. The District budgets on a modified cash basis with respect to payroll or held checks being accrued and expensed, therefore, fund balances on the budget statements do not reconcile to cash due to the District's accrued payroll which is presented on the accrual basis.

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, 2016.

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.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3. Deposits and Temporary Investments – (Continued)

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, 2016, \$26,672,642 of the District's deposits of \$27,632,642 was exposed to custodial credit risk. \$16,574,420 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. As of June 30, 2016, \$10,098,222 is uninsured and uncollateralized. As of June 30, 2016, the carrying amount of these deposits was \$25,934,058; total amount of deposits of \$27,632,642 less outstanding items of \$1,698,584. 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	\$17,599,384	\$ 9,823,258	\$ 210,000	\$27,632,642
FDIC coverage	<u>(500,000)</u>	<u>(250,000)</u>	<u>(210,000)</u>	<u>(960,000)</u>
Total uninsured public funds	<u>\$17,099,384</u>	<u>\$ 9,573,258</u>	<u>\$ —</u>	<u>\$26,672,642</u>
Pledged collateral held by pledging bank's trust department or agent but not in District's name	<u>11,118,562</u>	<u>5,455,858</u>	<u>—</u>	<u>16,574,420</u>
Uninsured and uncollateralized	<u>\$ 5,980,822</u>	<u>\$ 4,117,400</u>	<u>\$ —</u>	<u>\$ 10,098,222</u>
	<u>Wells Fargo</u>	<u>Bank of the West</u>	<u>First American Bank</u>	<u>Total</u>
Collateral requirement (50% of uninsured public funds	\$ 8,549,692	\$ 4,786,629	\$ —	\$ 13,336,321
Pledged security	<u>11,118,562</u>	<u>5,455,858</u>	<u>415,716</u>	<u>16,990,136</u>
Total under (over) collateralized	<u>\$ (2,568,870)</u>	<u>\$ (669,229)</u>	<u>\$ (415,716)</u>	<u>\$ (3,653,815)</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3. Deposits and Temporary Investments – (Continued)

Temporary Investments:

As of June 30, 2016, the District had the following temporary investments and maturities:

<u>Temporary Investment Types</u>	<u>Fair Value</u>	<u>Temporary Investments Maturities Less than 1 year</u>
Repurchase Agreements	\$ 54,848,387	\$ 54,848,387

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 Fargo</u>	<u>Bank of the West</u>	<u>First American Bank</u>	<u>Total</u>
Repurchase Agreements				
Total amount of deposits	\$ 52,540,994	\$ —	\$ 2,307,393	\$ 54,848,387
FDIC coverage	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total uninsured public funds	<u>\$ 52,540,994</u>	<u>\$ —</u>	<u>\$ 2,307,393</u>	<u>\$ 54,848,387</u>
Collateral requirement (102% of uninsured public funds)	\$ 53,591,817	\$ —	\$ 2,353,541	\$ 55,945,358
Pledged security	<u>60,815,243</u>	<u>—</u>	<u>2,641,037</u>	<u>63,456,280</u>
Under (over) collateralized	<u>\$ (7,223,426)</u>	<u>\$ —</u>	<u>\$ (287,496)</u>	<u>\$ (7,510,922)</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 \$54,848,387 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, 2016 was \$54,848,387.

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 is twelve months or less, which is an effective limit of interest rate risk.

Statement of Net Position	
Cash and cash equivalents per Exhibit B-1 Governmental Activities	\$ 80,090,795
Statement of Fiduciary Net Position – cash and cash equivalents per Exhibit D-1 (Agency only)	<u>692,065</u>
	80,782,860
Outstanding checks and other reconciling items	<u>1,698,584</u>
	82,481,444
Less petty cash	<u>(415)</u>
Bank balance of deposits and temporary investments	<u>\$ 82,481,029</u>

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4. Receivables

Receivables as of June 30, 2016 are as follows:

Primary Government:

	<u>General</u>	<u>Food Services</u>	<u>Title I</u>	<u>Bond Building</u>
Property Taxes	\$ 138,258	\$ -	\$ -	\$ -
Intergovernmental:				
Federal	-	169,476	2,231,808	-
State	-	-	-	-
Local	-	-	-	-
Total intergovernmental	<u>-</u>	<u>169,476</u>	<u>2,231,808</u>	<u>-</u>
Other	<u>1,323</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals by category	<u>\$ 139,581</u>	<u>\$ 169,476</u>	<u>\$2,231,808</u>	<u>\$ -</u>

	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Primary Government</u>
Property Taxes	\$ 3,572,641	\$ 2,116,414	\$ 5,827,313
Intergovernmental:			
Federal	-	2,085,326	4,486,610
State	-	1,522,513	1,522,513
Local	-	202,199	202,199
Total intergovernmental	<u>-</u>	<u>-</u>	<u>6,211,322</u>
Other	<u>-</u>	<u>-</u>	<u>1,323</u>
Totals by Category	<u>\$ 3,572,641</u>	<u>\$ 5,926,452</u>	<u>\$12,039,958</u>

In accordance with GASB No. 33, property tax and grant revenues in the amounts of \$1,904,790 and \$34,077, respectively, which were not collected within the period of availability have been reclassified as deferred inflows of resources-property taxes and grants in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

NOTE 5. Interfund Receivables, Payables, and Transfers

The District did not have any net operating transfers for the year ended June 30, 2016.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5. Interfund Receivables, Payables, and Transfers – (Continued)

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, 2016 is as follows:

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 4,377,758	\$ —
Food Services Fund	—	—
Title I Fund	—	1,954,806
Bond Building Fund	—	—
Nonmajor Funds:		
Special Revenue Funds	—	2,422,952
	<u> </u>	<u> </u>
Total Governmental Activities	<u>\$ 4,377,758</u>	<u>\$ 4,377,758</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, 2016 follows. Land and construction in progress are not subject to depreciation.

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2016</u>
Capital Assets used in Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 2,559,939	\$ —	\$ —	\$ —	\$ 2,559,939
Construction in progress	<u>2,408,417</u>	<u>27,219,344</u>	<u>—</u>	<u>(3,004,417)</u>	<u>26,623,344</u>
Total assets not being depreciated	<u>4,968,356</u>	<u>27,219,344</u>	<u>—</u>	<u>(3,004,417)</u>	<u>29,183,283</u>
Land improvements	14,286,965	12,019	—	—	14,298,984
Buildings and building improvements	373,257,762	4,760,456	—	3,004,417	381,022,635
Furniture, fixtures & equipment	<u>12,066,086</u>	<u>1,052,851</u>	<u>—</u>	<u>—</u>	<u>13,118,937</u>
Total assets being depreciated	<u>399,610,813</u>	<u>5,825,326</u>	<u>—</u>	<u>3,004,417</u>	<u>408,440,556</u>
Total assets	<u>\$ 404,579,169</u>	<u>\$ 33,044,670</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 437,623,839</u>
Less Accumulated Depreciation:					
Land improvements	\$ 7,080,706	\$ 921,872	\$ —	\$ —	\$ 8,002,578
Buildings and building improvements	101,008,495	12,622,082	—	—	113,630,577
Furniture, fixtures & equipment	<u>9,670,247</u>	<u>523,538</u>	<u>—</u>	<u>—</u>	<u>10,193,785</u>
Total accumulated depreciation	<u>\$ 117,759,448</u>	<u>\$ 14,067,492</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 131,826,940</u>
Net Capital Assets	<u>\$ 286,819,721</u>	<u>\$ 18,977,178</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 305,796,899</u>

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6. Capital Assets – (Continued)

Capital assets, net of accumulated depreciation, at June 30, 2016 appear in the Statement of Net Position and/or the Fund Statements Balance Sheets as follows: Governmental activities \$305,796,899.

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

Instruction	\$ 6,832,254
Support Services – Students	1,070,874
Support Services – Instruction	524,941
Support Services – General Administration	85,182
Support Services – School Administration	544,913
Central Services	239,342
Operations / Maintenance of Plant	1,056,730
Transportation Services	461,227
Other Support Services	4,717
Food Services	669,615
Community Services Operation	4,183
Capital Outlay	1,425,103
Debt Service	<u>1,118,411</u>
Total depreciation expense	<u>\$ 14,067,492</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, 2016 was \$84,555,000. 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, 2016 are for governmental activities.

General obligation bonds outstanding at June 30, 2016, 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 SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7. Long-Term Debt – (Continued)

General Obligation Bonds: (Continued)

	Series 10/26/2011	Series 12/12/2012	Series 10/16/2013	Series 10/29/2014
Original Issue:	\$12,300,000	\$12,180,000	\$9,500,000	\$9,500,000
Principal Due:	August 15	August 15	August 15	August 15
Interest Due:	February 15 August 15	February 15 August 15	February 15 August 15	February 15 August 15
Interest Rates:	2.00% - 4.00%	2.00% - 3.00%	2.00% - 3.00%	2.00% - 4.00%
Maturity Date:	08/15/2017	08/15/2022	08/15/2023	08/15/2024

	Series 10/14/2015
Original Issue:	\$9,500,000
Principal Due:	August 15
Interest Due:	February 15 August 15
Interest Rates:	2.00% - 2.12%
Maturity Date:	08/15/2025

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, 2016 was \$2,000,000. All lease purchase notes are for governmental activities.

Lease purchase notes outstanding as of June 30, 2016, are comprised of the following:

	Series 10/14/2015
Original Issue:	\$2,000,000
Principal Due:	August 15
Interest Due:	February 15 August 15
Interest Rates:	0.60%
Maturity Date:	8/15/2016

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7. Long-Term Debt – (Continued)

During the year ended June 30, 2016 the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>One Year</u>
General Obligation Bonds	\$ 44,955,000	\$ 9,500,000	\$ 9,705,000	\$ 44,750,000	\$ 9,600,000
Lease Purchase Notes	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Compensated Absences	<u>1,443,729</u>	<u>553,771</u>	<u>540,088</u>	<u>1,457,412</u>	<u>509,724</u>
Total	<u>\$ 48,398,729</u>	<u>\$ 12,053,771</u>	<u>\$ 12,245,088</u>	<u>\$ 48,207,412</u>	<u>\$ 12,109,724</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2016, including interest payments are as follows. The interest rates range from 2.00% to 4.00% with maturity dates until August 15, 2025.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2017	\$ 9,600,000	\$ 1,099,079	\$ 10,699,079
2018	8,525,000	838,341	9,363,341
2019	7,400,000	606,527	8,006,527
2020	3,975,000	427,166	4,402,166
2021	4,125,000	329,670	4,454,670
2022-2026	<u>11,125,000</u>	<u>489,718</u>	<u>11,614,718</u>
Totals	<u>\$ 44,750,000</u>	<u>\$ 3,790,501</u>	<u>\$ 48,540,501</u>

The annual requirements to amortize the Lease Purchase Notes as of June 30, 2016, including interest payments are as follows. The interest rate 0.60% with maturity date of August 15, 2016.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2017	\$ 2,000,000	\$ 6,000	\$ 2,006,000
2018	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 2,000,000</u>	<u>\$ 6,000</u>	<u>\$ 2,006,000</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, 2016, compensated absences decreased \$4,495 for annual leave and increased \$18,178 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, 2016 was \$644,941.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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.

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, 2016, 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, 2016 in the following funds:

Title I – 24101	\$4,155
Migrant Children Education – 24103	3,180
Entitlement IDEA B – 24106	2,681
Education of Homeless – 24113	<u>943</u>
Total Governmental Funds	<u>\$ 10,959</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 at the fund level for the year ended June 30, 2016.
- 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, 2016.

NOTE 10. Pension Plan – Educational Retirement Board

General Information about the Pension Plan

Plan description. ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

Benefits provided. A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

Contributions. The contribution requirements of plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$10,718,204 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$172,835,476 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District's proportion was 2.66834 percent, which was an increase of 0.035 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$12,132,087. At the June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,069,993
Changes of assumptions	5,944,733	-
Net difference between projected and actual earnings on pension plan investments	58,789	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,492,217	1,277,369
District's contributions subsequent to the measurement date	10,718,204	-
Total	\$18,213,943	\$ 4,347,362

\$10,718,204 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of June 30, 2015, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	(43,145)
2018	67,458
2019	723,504
2020	2,400,560
Thereafter	-

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

Actuarial assumptions. The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2015. The liabilities reflect the impact of Senate Bill 115, signed into law March 29, 2013 and new assumptions adopted by the Board of Trustees on June 12, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by the Board on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.
5. For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increase	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. ERB's investment allocation policy was reviewed and amended by the Board of Trustees on June 14, 2014. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted June 14, 2014 as well as the prior allocation policy targets.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

Comparative Schedule of Target Investment Allocation

Asset Class	Target Allocation	
	After 6/14/2014	Prior to 6/14/2014
Equities		
<i>Domestic Equities</i>		
Large cap equities	18%	20%
Small - mid cap equities	2%	2%
<i>International Equities</i>		
Developed	5%	5%
Emerging markets	10%	10%
Total equities	<u>35%</u>	<u>37%</u>
Fixed Income		
Opportunistic credit	20%	20%
Core bonds	6%	7%
Emerging market debt	2%	2%
Total fixed income	<u>28%</u>	<u>29%</u>
Alternatives		
Real estate - REITS	7%	5%
Real assets	8%	7%
Private equity	11%	8%
Absolute return	0%	6%
Global asset allocation	5%	5%
Risk parity	5%	5%
Total Alternatives	<u>36%</u>	<u>33%</u>
Cash	<u>1%</u>	<u>1%</u>
Total	<u>100%</u>	<u>100%</u>

For the years ended June 30, 2015 and 2014, the annual money-weighted rates of return on pension plan investments were 4.06% and 14.71%, respectively.

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015 and June 30, 2014. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

Discounted rate - continued

defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District’s proportionate share of the net pension liability	\$232,561,695	\$172,835,476	\$122,659,256

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2015 and June 30, 2014 which are publicly available at www.nmerb.org.

Payables to the pension plan. The Gadsden Independent School District No. 16 remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2016 the District owed the ERB \$2,840,630 for the contributions withheld in the month of June 2016.

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

Plan Description. Gadsden Independent School District No. 16 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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

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.

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, 2016, 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 School District No. 16 contributions to the RHCA for the year ended June 30, 2016, 2015 and 2014 were \$1,542,188, \$1,517,037 and \$1,451,628, 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 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: A portion of this provision of this Statement are effective for financial statements

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 15. Subsequent Accounting Standard Pronouncements – (Continued)

for periods beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not affect the District's financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The District expects this pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The District will implement this standard during the fiscal year ended June 30, 2017. The District is still evaluating how this pronouncement will affect the financial statements.

In December 2015, GASB Statement No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In January 2016, GASB Statement No. 80 *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 81 *Irrevocable Split-Interest Agreements*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 82 *Pension Issues-an amendment of GASB Statement No. 67, No. 68, and No.73*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

NOTE 16. Subsequent Events

The date to which events occurring after June 30, 2016, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements or disclosures is October 26, 2016 which is the date on which the financial statements were available to be issued.

On September 8, 2016 the Gadsden Independent School District No. 16 Board of Education passed resolutions authorizing the issuance and sale of the following debt:

Series 2016 General Obligation School Building Bonds
Bond Amount: \$9,500,000
Closing Date: 10/18/2016
Maturity Date: 8/15/2026
Interest Rate: 1.00% to 2.00%

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 16. Subsequent Events – (Continued)

Gadsden Independent School District No. 16 authorized issuance of General Obligation School Building Bonds, Series 2016, in the amount of \$9,500,000 to provide funds for construction within the District.

On September 8, 2016 the Gadsden Independent School District No. 16 Board of Education passed resolutions authorizing the issuance and sale of the following debt:

Series 2016 Lease Purchase Notes
Note Amount: \$2,000,000
Closing Date: 10/18/2016
Maturity Date: 10/20/2016
Interest Rate: 0.58%

Gadsden Independent School District No. 16 authorized issuance of Lease Purchase Notes, Series 2016, in the amount of \$2,000,000 to provide funds for technology needs within the District.

NOTE 17. 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 District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. For committed and assigned fund balance, the District's highest level of decision-making authority is the Board of Education. Formal action by the Board of Education is required to establish a fund balance commitment or assignment.

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the District considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

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. At June 30, 2016, the nonspendable fund balance of the District is comprised of inventory in the General and Food Services funds, \$522,865 and \$376,950, respectively, which are not in spendable form.

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 District's Board of Education. Those committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking formal action.

Assigned: Consist of amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed. Formal action by the District's Board of Education is required 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 except for those other governmental funds reflecting a deficit.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 17. Governmental Fund Balance (continued)

Gadsden Independent School District No. 16

	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	\$ 522,865	\$ -	\$ -	\$ 376,950	\$ -	\$ -	\$ -	\$ -	\$ 899,815
Spendable:									
Restricted for:									
Student instruction	-	-	9,191	-	-	-	-	1,643,460	1,652,651
Student support services	-	-	-	-	-	-	-	1,218,192	1,218,192
Central office services	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	43,686	43,686
School food services	-	-	-	13,155,583	-	-	-	-	13,155,583
Student transportation	-	169	-	-	-	-	-	-	169
Capital projects	-	-	-	-	-	19,661,027	-	4,202,318	23,863,345
Debt service	-	-	-	-	-	-	8,969,428	4,573,129	13,542,557
	-	169	9,191	13,155,583	-	19,661,027	8,969,428	11,680,785	53,476,183
Committed for:									
Student instruction	-	-	-	-	-	-	-	37,025	37,025
Student support services	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	37,025	37,025
Assigned for:									
Subsequent year's expenditures	17,178,873	-	799,636	-	-	-	-	1,098,206	19,076,715
Unassigned (deficit)	9,603,855	-	-	-	(4,155)	-	-	(6,804)	9,592,896
Total fund balance	\$ 27,305,593	\$ 169	\$ 808,827	\$ 13,532,533	\$ (4,155)	\$ 19,661,027	\$ 8,969,428	\$ 12,809,212	\$ 83,082,634

NOTE 18. Commitments

The District had multiple construction projects ongoing as of the year ended June 30, 2016 that continue into the following fiscal year. These projects are as follows:

<u>Contract</u>	<u>Year Ending</u>	<u>Amount</u>
New Desert Pride Academy Phase II - 2014	2016	2,756,452
Chaparral Addition & Remodel	2016	2,617,113
Chaparral High School Irrigation Well	2016	177,413
Yucca Heights Elementary School	2016	170,581
Riverside Re-Roof & Mechanical Upgrades - 2016	2016	287,064
Sunland Park Re-Roof & Mechanical Upgrades - 2016	2016	287,064
Gadsden High School Phase III Part 3	2016	1,727,696
STHS Mechanical Upgrades-2016 Phase 1 500 Wing	2016	650,210
Total Commitments		8,673,593

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN
LAST 10 FISCAL YEARS*

Schedule A-1

	<u>2015</u>	<u>2016</u>
Gadsden Independent Schools proportion of the net pension liability (asset)	2.63323%	2.66834%
Gadsden Independent Schools proportionate share of the net pension liability (asset)	\$ 150,245,048	\$ 172,835,476
Gadsden Independent Schools covered-employee payroll	\$ 72,581,397	\$ 75,848,460
Gadsden Independent Schools proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207.00%	227.87%
Plan fiduciary net position as a percentage of the total pension liability	66.54%	63.97%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Gadsden Independent Schools will present information for those years for which information is available.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
SCHEDULE OF CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN
LAST 10 FISCAL YEARS*

Schedule A-2

	2015	2016
Contractually required contribution	\$ 10,542,936	\$ 10,718,204
Contributions in relation to the contractually required contribution	10,542,936	10,718,204
Contribution deficiency (excess)	\$ -	\$ -
Gadsden Independent Schools covered-employee payroll	\$ 75,848,460	\$ 77,109,381
Contributions as a percentage of covered-employee payroll	13.90%	13.90%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Gadsden Independent Schools will present information for those years for which information is available.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Changes of benefit terms.

The COLA and retirement eligibility benefits changes in recent years are described in the ***Benefits Provided*** subsection of the financial statement note disclosure ***Pension Plan – Educational Retirement Board, General Information on the Pension Plan.***

Changes of assumptions.

The Board of Trustees approved the following economic and demographic assumptions used in the fiscal year 2015 actuarial calculation of the total pension liability on June 12, 2015:

1. Lower wage inflation from 4.25% to 3.75%
2. Update the mortality tables to incorporate generational improvements
3. Update demographic assumptions to use currently published tables, which may result in minor calculation changes
4. Maintain in current 3.00% inflation assumption
5. Retain net 4.75% real return assumption
6. Retain 7.75% nominal return assumption
7. No change to COLA assumption of 2.00% per year
8. Maintain current payroll growth assumption of 3.50%
9. Maintain experience-based rates for members who joined NMERB by June 30, 2010
10. Remove population growth assumption for projections
11. Lower population growth from .50% to zero (no impact on valuation results)

See also the ***Actuarial Assumptions*** subsection of the financial statement note disclosure ***Pension Plan – Educational Retirement Board, General Information on the Pension Plan.***

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
Cash and cash equivalents	\$ 4,137,785	\$ 3,415,105	\$ 3,165,933	\$ 10,718,823
Accounts receivable				
Taxes	-	692,391	1,424,023	2,116,414
Intergovernmental receivables	3,188,249	621,789	-	3,810,038
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Total Assets	7,326,034	4,729,285	4,589,956	16,645,275
LIABILITIES				
Accounts payable	60,872	278,371	-	339,243
Accrued payroll liabilities	441,311	-	-	441,311
Interfund payables	2,422,952	-	-	2,422,952
Total Liabilities	2,925,135	278,371	-	3,203,506
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	227,635	375,000	602,635
Unavailable revenue-grants	8,961	20,961	-	29,922
Total Deferrred Inflows of Resources	8,961	248,596	375,000	632,557
FUND BALANCES:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	3,263,511	4,202,318	4,214,956	11,680,785
Committed	37,025	-	-	37,025
Assigned	1,098,206	-	-	1,098,206
Unassigned (deficit)	(6,804)	-	-	(6,804)
Total Fund Balances	4,391,938	4,202,318	4,214,956	12,809,212
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,326,034	\$ 4,729,285	\$ 4,589,956	\$ 16,645,275

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

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STATE OF NEW MEXICO

Statement A-2

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDING JUNE 30, 2016

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ 1,837,906	\$ 4,087,324	\$ 5,925,230
State grants	4,001,911	3,466,822	-	7,468,733
Federal grants	7,146,865	-	-	7,146,865
Charges for services	650,994	-	-	650,994
Miscellaneous	937,904	109,891	-	1,047,795
Interest	1,205	380	-	1,585
<i>Total revenues</i>	<u>12,738,879</u>	<u>5,414,999</u>	<u>4,087,324</u>	<u>22,241,202</u>
<i>Expenditures:</i>				
Current:				
Instruction	7,335,677	-	-	7,335,677
Support Services				
Students	1,802,980	-	-	1,802,980
Instruction	1,444,062	-	-	1,444,062
General Administration	230,353	18,387	40,435	289,175
School Administration	117,292	-	-	117,292
Central Services	43,000	-	-	43,000
Operation & Maintenance of Plant	32,944	-	-	32,944
Student Transportation	407,655	-	-	407,655
Other Support Services	-	-	-	-
Food Services Operations	472,915	-	-	472,915
Community Service	-	-	-	-
Capital outlay	20,674	7,391,315	-	7,411,989
Debt service - Principal	-	-	2,000,000	2,000,000
Debt service - Interest	-	-	12,033	12,033
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>11,907,552</u>	<u>7,409,702</u>	<u>2,052,468</u>	<u>21,369,722</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>831,327</u>	<u>(1,994,703)</u>	<u>2,034,856</u>	<u>871,480</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	2,000,000	-	2,000,000
Premiums on bonds issued	-	-	-	-
Return of cash to PED	(887)	-	-	(887)
<i>Total other financing sources (uses)</i>	<u>(887)</u>	<u>2,000,000</u>	<u>-</u>	<u>1,999,113</u>
<i>Net changes in fund balances</i>	<u>830,440</u>	<u>5,297</u>	<u>2,034,856</u>	<u>2,870,593</u>
<i>Fund balances - beginning of year</i>	<u>3,561,498</u>	<u>4,197,021</u>	<u>2,180,100</u>	<u>9,938,619</u>
<i>Fund balances - end of year</i>	<u>\$ 4,391,938</u>	<u>\$ 4,202,318</u>	<u>\$ 4,214,956</u>	<u>\$ 12,809,212</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 (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, Discretionary IDEA-B – 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 (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 Fruit & 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 (Secondary – Current - 24174) (Secondary PY Obligation - 24175) (Secondary Redistribution - 24176) - 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 (HSTW - Current – 24180) (HSTW – Unliquidated – 24181) (HSTW - Redistribution – 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).

Migrant Regional Recruiting (24187) – To identify and recruit migrant students in New Mexico and support recruitment in other areas as needed. The work is performed through the region as assigned by the NMPED, and includes accurately documenting the facts of eligibility. Recruiter will assist in the monitoring of student academic progress and provide outreach to the families. In addition, recruiter will work with the identified personnel in the school districts to identify migrant students. Intergovernmental Agreement with the State of New Mexico Public Education Department.

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.

SPECIAL REVENUE FUNDS (continued)

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 Grant – Dona Ana County (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.

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.

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.

PARCC Readiness (27108) – Funds for infrastructure upgrades related to PARCC Readiness. The funding for this award was appropriated through the State of New Mexico legislature, laws of 2014, HB55, Chapter 66, Section 47, Item no. 3 as a capital project.

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 At-Risk & Advanced Placement (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.

SPECIAL REVENUE FUNDS (continued)

ALD4ALL Kellogg Foundation (27401) – To account for funding awarded through the NM PED Bilingual Multicultural Education Bureau and the W.K. Kellogg Foundation to support the participation of the District’s bilingual multicultural education program teams in the ALD4ALL professional learning training. Authority for the creation of this fund is the New Mexico Public Education Department.

Start Smart K-3 Plus 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.

CYFD Parents As Teachers Model (28193) – To account for funding provided from a collaborative with the NM Children, Youth and Families Department (CYFD) to support the Parents As Teachers Model in the District. The Parents As Teachers Model supports families of children, prenatal through age five, who request support in the areas of parent-child interaction, development centered parenting, and family well-being. 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 SCHOOL DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Athletics 22000	Non-Instructional Support 23000	Migrant Children Education 24103	Entitlement IDEA-B 24106
ASSETS				
Cash and cash equivalents	\$ 597,608	\$ 552,180	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Intergovernmental receivables	-	-	17,951	978,173
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>597,608</u>	<u>552,180</u>	<u>17,951</u>	<u>978,173</u>
LIABILITIES				
Accounts payable	-	7,896	3,121	6,702
Accrued payroll liabilities	-	-	746	150,478
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	14,084	820,993
Total liabilities	<u>-</u>	<u>7,896</u>	<u>17,951</u>	<u>978,173</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	3,180	2,681
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>3,180</u>	<u>2,681</u>
FUND BALANCES:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	43,686	-	-
Committed	-	-	-	-
Assigned	597,608	500,598	-	-
Unassigned (deficit)	-	-	(3,180)	(2,681)
Total fund balances	<u>597,608</u>	<u>544,284</u>	<u>(3,180)</u>	<u>(2,681)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 597,608</u>	<u>\$ 552,180</u>	<u>\$ 17,951</u>	<u>\$ 978,173</u>

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

Discretionary IDEA-B 24107	New Mexico Autism Project 24108	Preschool IDEA-B 24109	IDEA-B Early Intervention 24112	Education of Homeless 24113
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	1,945	13,400	-	6,173
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,945	13,400	-	6,173
-	-	-	-	943
-	-	1,654	-	-
-	-	-	-	-
-	1,945	11,746	-	5,230
-	1,945	13,400	-	6,173
-	-	-	-	-
-	-	-	-	943
-	-	-	-	943
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(943)
-	-	-	-	(943)
\$ -	\$ 1,945	\$ 13,400	\$ -	\$ 6,173

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	IDEA-B Private Schools Share 24115	Fresh Fruit & Vegetables 24118	21st Century Community Learning Centers 24119	IDEA-B "Risk Pool" 24120
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Intergovernmental receivables	-	-	111,676	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>111,676</u>	<u>-</u>
LIABILITIES				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	1,529	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	110,147	-
Total liabilities	<u>-</u>	<u>-</u>	<u>111,676</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,676</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 - Current 24174	Carl D Perkins Secondary PY Obligation 24175
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
518,765	201,310	38,582	9,734	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>518,765</u>	<u>201,310</u>	<u>38,582</u>	<u>9,734</u>	<u>-</u>
-	-	-	-	-
2,782	48,923	-	-	-
-	-	-	-	-
515,983	152,387	38,582	9,734	-
<u>518,765</u>	<u>201,310</u>	<u>38,582</u>	<u>9,734</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 518,765</u>	<u>\$ 201,310</u>	<u>\$ 38,582</u>	<u>\$ 9,734</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Carl D Perkins Secondary Redistribution 24176	Carl D Perkins HSTW - Current 24180	Carl D Perkins HSTW - Unliquidated 24181	Carl D Perkins HSTW - Redistribution 24182
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Intergovernmental receivables	27,891	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	27,891	-	-	-
LIABILITIES				
Accounts payable	-	-	-	-
Accrued payroll liabilities	1,250	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	26,641	-	-	-
Total liabilities	27,891	-	-	-
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 27,891	\$ -	\$ -	\$ -

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

Migrant Regional Recruiting 24187	Title XIX Medicaid 3/21 Years 25153	Save the Children 26143	Spaceport GRT Grant - Dona Ana County 26204	The Bridge of Southern New Mexico 26215
\$ -	\$ 1,099,093	\$ 2,157	\$ 1,488,855	\$ 2,694
-	-	-	-	-
-	159,726	-	202,199	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,258,819	2,157	1,691,054	2,694
-	1,968	-	38,567	-
-	38,659	-	11,721	-
-	-	-	-	-
-	-	-	-	-
-	40,627	-	50,288	-
-	-	-	-	-
-	-	2,157	-	-
-	-	2,157	-	-
-	-	-	-	-
-	1,218,192	-	1,640,766	2,694
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,218,192	-	1,640,766	2,694
\$ -	\$ 1,258,819	\$ 2,157	\$ 1,691,054	\$ 2,694

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library 27107	PRACC Readiness 27108	NM Reads to Lead K-3 Initiative 27114
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Intergovernmental receivables	-	-	-	14,218
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Total Assets	-	-	-	14,218
LIABILITIES				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	8,469
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	5,749
Total liabilities	-	-	-	14,218
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ -	\$ 14,218

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

Teacher/School Leader Stipend At-Risk & Advanced Placement 27122	Pre-K Initiative 27149	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	ALD4ALL Kellogg Foundation 27401
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	212,366	-	562,855	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	212,366	-	562,855	-
-	-	-	-	-
-	59,500	-	108,596	-
-	-	-	-	-
-	152,866	-	454,259	-
-	212,366	-	562,855	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ 212,366	\$ -	\$ 562,855	\$ -

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Start Smart K-3 Plus Utah State Study 28191	CYFD Parents as Teachers Model 28193	Private Direct Grants 29102
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable			
Taxes	-	-	-
Intergovernmental receivables	-	111,285	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
Total Assets	-	111,285	-
LIABILITIES			
Accounts payable	-	1,675	-
Accrued payroll liabilities	-	7,004	-
Accrued compensated absences	-	-	-
Interfund payables	-	102,606	-
Total liabilities	-	111,285	-
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue-property taxes	-	-	-
Unavailable revenue-grants	-	-	-
Total Deferrred Inflows of Resources	-	-	-
FUND BALANCES:			
Nonspendable	-	-	-
Spendable:			
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	-	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 111,285	\$ -

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

Industrial Revenue	
Bonds Payments in	
Lieu of Taxes	
29135	Total
<u> </u>	<u> </u>
\$ 395,198	\$ 4,137,785
-	-
-	3,188,249
-	-
-	-
<u> </u>	<u> </u>
<u>395,198</u>	<u>7,326,034</u>
-	60,872
-	441,311
-	-
-	2,422,952
<u> </u>	<u> </u>
<u> </u>	<u>2,925,135</u>
-	-
<u> </u>	<u>8,961</u>
<u> </u>	<u>8,961</u>
-	-
358,173	3,263,511
37,025	37,025
-	1,098,206
<u> </u>	<u>(6,804)</u>
<u>395,198</u>	<u>4,391,938</u>
<u>\$ 395,198</u>	<u>\$ 7,326,034</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2016

	Athletics 22000	Non-Instructional Support 23000	Migrant Children Education 24103	Entitlement IDEA-B 24106
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	74,919	2,995,813
Charges for services	127,515	523,479	-	-
Miscellaneous	-	111,048	-	-
Interest	528	677	-	-
<i>Total Revenues</i>	<u>128,043</u>	<u>635,204</u>	<u>74,919</u>	<u>2,995,813</u>
<i>Expenditures:</i>				
Current:				
Instruction	59,949	576,196	52,420	1,346,232
Support Services				
Students	-	-	11,326	771,235
Instruction	-	-	12,904	798,425
General Administration	-	-	1,449	55,229
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	27,373
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>59,949</u>	<u>576,196</u>	<u>78,099</u>	<u>2,998,494</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>68,094</u>	<u>59,008</u>	<u>(3,180)</u>	<u>(2,681)</u>
<i>Other financing sources (uses):</i>				
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>68,094</u>	<u>59,008</u>	<u>(3,180)</u>	<u>(2,681)</u>
<i>Fund balances - beginning of year</i>	<u>529,514</u>	<u>485,276</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 597,608</u>	<u>\$ 544,284</u>	<u>\$ (3,180)</u>	<u>\$ (2,681)</u>

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

Discretionary IDEA-B 24107	New Mexico Autism Project 24108	Preschool IDEA-B 24109	IDEA-B Early Intervention 24112	Education of Homeless 24113
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	5,191	61,101	-	19,463
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	5,191	61,101	-	19,463
-	4,571	8,610	-	-
-	495	40,504	-	20,406
-	125	10,854	-	-
-	-	1,133	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	5,191	61,101	-	20,406
-	-	-	-	(943)
-	(627)	-	-	-
-	(627)	-	-	-
-	(627)	-	-	(943)
-	627	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ (943)

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2016

	IDEA-B Private Schools Share 24115	Fresh Fruit & Vegetables 24118	21st Century Community Learning Centers 24119	IDEA-B "Risk Pool" 24120
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	350,075	488,319	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>350,075</u>	<u>488,319</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	340,781	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	104,404	-
School Administration	-	-	-	-
Central Services	-	-	43,000	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	350,075	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>350,075</u>	<u>488,185</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>134</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Return of cash to PED	-	-	(134)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(134)</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.

English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Immigrant Funding - Title III 24163	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary PY Obligation 24175
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
623,912	1,170,254	38,582	192,830	758
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>623,912</u>	<u>1,170,254</u>	<u>38,582</u>	<u>192,830</u>	<u>758</u>
623,912	860,988	38,582	184,960	758
-	-	-	-	-
-	65,017	-	-	-
-	17,502	-	2,767	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>623,912</u>	<u>943,507</u>	<u>38,582</u>	<u>187,727</u>	<u>758</u>
-	226,747	-	5,103	-
-	-	-	-	-
-	-	-	-	-
-	226,747	-	5,103	-
-	(226,747)	-	(5,103)	-
<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 SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2016

	Carl D Perkins Secondary Redistribution 24176	Carl D Perkins HSTW - Current 24180	Carl D Perkins HSTW - Unliquidated 24181	Carl D Perkins HSTW - Redistribution 24182
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	62,825	10,958	-	18,141
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>62,825</u>	<u>10,958</u>	<u>-</u>	<u>18,141</u>
<i>Expenditures:</i>				
Current:				
Instruction	62,699	-	-	18,141
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	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>62,699</u>	<u>-</u>	<u>-</u>	<u>18,141</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>126</u>	<u>10,958</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Return of cash to PED	(126)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(126)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>10,958</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>(10,958)</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.

Migrant Regional Recruiting 24187	Title XIX Medicaid 3/21 Years 25153	Save the Children 26143	Spaceport GRT Grant - Dona Ana County 26204	The Bridge of Southern New Mexico 26215
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
5,776	1,027,948	-	-	-
-	-	-	-	-
-	-	-	719,208	20,674
-	-	-	-	-
<u>5,776</u>	<u>1,027,948</u>	<u>-</u>	<u>719,208</u>	<u>20,674</u>
-	-	-	455,332	4,755
5,669	575,877	-	-	-
-	267,383	-	-	-
107	16,010	-	8,872	-
-	-	-	-	-
-	2,415	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	20,674
-	-	-	-	-
-	-	-	-	-
<u>5,776</u>	<u>861,685</u>	<u>-</u>	<u>464,204</u>	<u>25,429</u>
-	166,263	-	255,004	(4,755)
-	-	-	-	-
-	-	-	-	-
-	166,263	-	255,004	(4,755)
-	1,051,929	-	1,385,762	7,449
<u>\$ -</u>	<u>\$ 1,218,192</u>	<u>\$ -</u>	<u>\$ 1,640,766</u>	<u>\$ 2,694</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2016

	Dual Credit Instructional Materials 27103	2012 GO Bonds Student Library 27107	PARCC Readiness 27108	NM Reads to Lead K-3 Initiative 27114
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	28,051	1,231	107,770	190,724
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>28,051</u>	<u>1,231</u>	<u>107,770</u>	<u>190,724</u>
<i>Expenditures:</i>				
Current:				
Instruction	28,051	-	-	190,724
Support Services				
Students	-	-	-	-
Instruction	-	-	107,770	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>28,051</u>	<u>-</u>	<u>107,770</u>	<u>190,724</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>1,231</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
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>1,231</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>(1,231)</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.

Teacher/School Leader Stipend At-Risk & Advanced Placement 27122	Pre-K Initiative 27149	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	ALD4ALL Kellogg Foundation 27401
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,641,075	122,840	1,503,306	7,763
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,641,075	122,840	1,503,306	7,763
-	1,307,913	-	1,094,610	-
-	1,750	-	27,958	-
-	140,164	-	33,657	7,763
-	16,248	-	-	-
-	-	-	114,426	-
-	-	-	-	-
-	-	-	-	-
-	175,000	-	232,655	-
-	-	-	-	-
-	-	122,840	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,641,075	122,840	1,503,306	7,763
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2016

	Start Smart K-3 Plus Utah State Study 28191	CYFD Parents as Teachers Model 28193	Private Direct Grants 29102
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	41,603	357,548	-
Federal grants	-	-	-
Charges for services	-	-	-
Miscellaneous	-	-	-
Interest	-	-	-
<i>Total Revenues</i>	<u>41,603</u>	<u>357,548</u>	<u>-</u>
<i>Expenditures:</i>			
Current:			
Instruction	38,737	-	-
Support Services			
Students	-	347,760	-
Instruction	-	-	-
General Administration	-	6,632	-
School Administration	2,866	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	3,156	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital Outlay	-	-	-
Debt Service - Principal	-	-	-
Debt Service - Interest	-	-	-
<i>Total Expenditures</i>	<u>41,603</u>	<u>357,548</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>			
Return of cash to PED	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</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.

Industrial Revenue	
Bonds Payments in	
Lieu of Taxes	
29135	Total
\$ -	\$ -
-	4,001,911
-	7,146,865
-	650,994
86,974	937,904
-	1,205
<u>86,974</u>	<u>12,738,879</u>
36,756	7,335,677
-	1,802,980
-	1,444,062
-	230,353
-	117,292
-	43,000
-	32,944
-	407,655
-	-
-	472,915
-	-
-	20,674
-	-
<u>36,756</u>	<u>11,907,552</u>
<u>50,218</u>	<u>831,327</u>
-	(887)
-	(887)
<u>50,218</u>	<u>830,440</u>
<u>344,980</u>	<u>3,561,498</u>
<u>\$ 395,198</u>	<u>\$ 4,391,938</u>

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

STATE OF NEW MEXICO

Statement B-3

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
ATHLETICS 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, 2016

	<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	110,000	110,000	127,515	17,515
Interest	-	-	528	528
<i>Total revenues</i>	<u>110,000</u>	<u>110,000</u>	<u>128,043</u>	<u>18,043</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	485,001	639,515	59,949	579,566
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>485,001</u>	<u>639,515</u>	<u>59,949</u>	<u>579,566</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(375,001)</u>	<u>(529,515)</u>	<u>68,094</u>	<u>597,609</u>
<i>Other financing sources (uses):</i>				
Designated cash	375,001	529,515	-	(529,515)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>375,001</u>	<u>529,515</u>	<u>-</u>	<u>(529,515)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>68,094</u>	<u>68,094</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>529,514</u>	<u>529,514</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597,608</u>	<u>\$ 597,608</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ 68,094</u>	

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

STATE OF NEW MEXICO

Statement B-4

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

	<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	420,000	420,000	634,527	214,527
Interest	-	-	677	677
<i>Total revenues</i>	<u>420,000</u>	<u>420,000</u>	<u>635,204</u>	<u>215,204</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	870,188	911,294	574,318	336,976
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>870,188</u>	<u>911,294</u>	<u>574,318</u>	<u>336,976</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(450,188)</u>	<u>(491,294)</u>	<u>60,886</u>	<u>552,180</u>
<i>Other financing sources (uses):</i>				
Designated cash	450,188	491,294	-	(491,294)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>450,188</u>	<u>491,294</u>	<u>-</u>	<u>(491,294)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>60,886</u>	<u>60,886</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>491,294</u>	<u>491,294</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 552,180</u>	<u>\$ 552,180</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
Adjustments to expenditures			<u>(1,878)</u>	
<i>Net changes in fund balances</i>			<u>\$ 59,008</u>	

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

STATE OF NEW MEXICO

Statement B-5

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

	<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	123,592	123,592	82,491	(41,101)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>123,592</u>	<u>123,592</u>	<u>82,491</u>	<u>(41,101)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	73,218	93,703	52,420	41,283
Support Services				
Students	33,000	11,752	11,326	426
Instruction	15,675	16,438	12,904	3,534
General Administration	1,699	1,699	1,449	250
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>123,592</u>	<u>123,592</u>	<u>78,099</u>	<u>45,493</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,392</u>	<u>4,392</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>4,392</u>	<u>4,392</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(22,343)</u>	<u>(22,343)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,951)</u>	<u>\$ (17,951)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(7,572)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ (3,180)</u>	

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

STATE OF NEW MEXICO

Statement B-6

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	<u>Budgeted Amounts</u>			Variance
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,782,451	3,557,148	2,689,463	(867,685)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,782,451</u>	<u>3,557,148</u>	<u>2,689,463</u>	<u>(867,685)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,228,744	1,596,593	1,346,056	250,537
Support Services				
Students	731,726	982,704	771,175	211,529
Instruction	751,330	875,254	794,590	80,664
General Administration	52,589	66,959	55,229	11,730
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	17,562	35,138	27,373	7,765
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	500	500	-	500
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,782,451</u>	<u>3,557,148</u>	<u>2,994,423</u>	<u>562,725</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(304,960)</u>	<u>(304,960)</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>(304,960)</u>	<u>(304,960)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(669,142)</u>	<u>(669,142)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (974,102)</u>	<u>\$ (974,102)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			306,350	
Adjustments to expenditures			<u>(4,071)</u>	
<i>Net changes in fund balances</i>			<u>\$ (2,681)</u>	

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

STATE OF NEW MEXICO

Statement B-7

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<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>				
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>-</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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-8

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 NEW MEXICO AUTISM PROJECT 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	10,000	3,288	(6,712)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>3,288</u>	<u>(6,712)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	9,000	4,571	4,429
Support Services				
Students	-	500	495	5
Instruction	-	500	125	375
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>10,000</u>	<u>5,191</u>	<u>4,809</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,903)</u>	<u>(1,903)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(627)	(627)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(627)</u>	<u>(627)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,530)</u>	<u>(2,530)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>585</u>	<u>585</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,945)</u>	<u>\$ (1,945)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,903	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ (627)</u>	

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

STATE OF NEW MEXICO

Statement B-9

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	<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	72,271	80,348	58,172	(22,176)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>72,271</u>	<u>80,348</u>	<u>58,172</u>	<u>(22,176)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	20,595	26,022	8,610	17,412
Support Services				
Students	41,672	41,672	40,504	1,168
Instruction	8,663	11,163	10,854	309
General Administration	1,341	1,491	1,133	358
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>72,271</u>	<u>80,348</u>	<u>61,101</u>	<u>19,247</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,929)</u>	<u>(2,929)</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>(2,929)</u>	<u>(2,929)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,471)</u>	<u>(10,471)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,400)</u>	<u>\$ (13,400)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,929	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-10

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	4,775	4,775
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,775</u>	<u>4,775</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>4,775</u>	<u>4,775</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>4,775</u>	<u>4,775</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,775)</u>	<u>(4,775)</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			(4,775)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-11

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 EDUCATION OF 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, 2016

	<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	18,366	20,407	24,327	3,920
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>18,366</u>	<u>20,407</u>	<u>24,327</u>	<u>3,920</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	18,366	20,407	20,406	1
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>18,366</u>	<u>20,407</u>	<u>20,406</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,921</u>	<u>3,921</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>3,921</u>	<u>3,921</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,094)</u>	<u>(10,094)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,173)</u>	<u>\$ (6,173)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(4,864)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ (943)</u>	

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

STATE OF NEW MEXICO

Statement B-12

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 IDEA-B PRIVATE SCHOOLS SHARE 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, 2016

	<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	-	8,473	693	(7,780)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,473</u>	<u>693</u>	<u>(7,780)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	8,316	-	8,316
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	157	-	157
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>8,473</u>	<u>-</u>	<u>8,473</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>693</u>	<u>693</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>693</u>	<u>693</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(693)</u>	<u>(693)</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			(693)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-13

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 FRESH FRUIT & 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, 2016

	<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	386,851	386,851	350,075	(36,776)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>386,851</u>	<u>386,851</u>	<u>350,075</u>	<u>(36,776)</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	386,851	386,851	350,075	36,776
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>386,851</u>	<u>386,851</u>	<u>350,075</u>	<u>36,776</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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-14

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 21ST CENTURY COMMUNITY LEARNING CENTERS 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, 2016

	<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	-	780,674	616,339	(164,335)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>780,674</u>	<u>616,339</u>	<u>(164,335)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	593,166	340,781	252,385
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	120,952	104,404	16,548
School Administration	-	-	-	-
Central Services	-	66,556	43,000	23,556
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>780,674</u>	<u>488,185</u>	<u>292,489</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>128,154</u>	<u>128,154</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(134)	(134)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(134)</u>	<u>(134)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>128,020</u>	<u>128,020</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(239,696)</u>	<u>(239,696)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (111,676)</u>	<u>\$ (111,676)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(128,020)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-15

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	2,935	2,995	60
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,935</u>	<u>2,995</u>	<u>60</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	2,881	-	2,881
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	54	-	54
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>2,935</u>	<u>-</u>	<u>2,935</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,995</u>	<u>2,995</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>2,995</u>	<u>2,995</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,995)</u>	<u>(2,995)</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			(2,995)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-16

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	<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	400,105	661,403	269,357	(392,046)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>400,105</u>	<u>661,403</u>	<u>269,357</u>	<u>(392,046)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	394,105	655,403	623,912	31,491
Support Services				
Students	-	-	-	-
Instruction	2,000	2,000	-	2,000
General Administration	-	-	-	-
School Administration	4,000	4,000	-	4,000
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>400,105</u>	<u>661,403</u>	<u>623,912</u>	<u>37,491</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(354,555)</u>	<u>(354,555)</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>(354,555)</u>	<u>(354,555)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(164,211)</u>	<u>(164,211)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (518,766)</u>	<u>\$ (518,766)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			354,555	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-17

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

	<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	963,156	1,558,658	968,944	(589,714)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>963,156</u>	<u>1,558,658</u>	<u>968,944</u>	<u>(589,714)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	847,145	1,431,601	860,988	570,613
Support Services				
Students	-	-	-	-
Instruction	98,145	98,145	65,017	33,128
General Administration	17,866	28,912	17,502	11,410
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>963,156</u>	<u>1,558,658</u>	<u>943,507</u>	<u>615,151</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>25,437</u>	<u>25,437</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>25,437</u>	<u>25,437</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(226,747)</u>	<u>(226,747)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (201,310)</u>	<u>\$ (201,310)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			201,310	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ 226,747</u>	

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

STATE OF NEW MEXICO

Statement B-18

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 IMMIGRANT FUNDING - TITLE III 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, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	50,000	33,894	(16,106)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,000</u>	<u>33,894</u>	<u>(16,106)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	50,000	38,582	11,418
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>50,000</u>	<u>38,582</u>	<u>11,418</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,688)</u>	<u>(4,688)</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>(4,688)</u>	<u>(4,688)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(33,894)</u>	<u>(33,894)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,582)</u>	<u>\$ (38,582)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			4,688	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-19

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	<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	201,143	213,796	278,465	64,669
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>201,143</u>	<u>213,796</u>	<u>278,465</u>	<u>64,669</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	198,611	211,029	184,960	26,069
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,532	2,767	2,767	-
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>201,143</u>	<u>213,796</u>	<u>187,727</u>	<u>26,069</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>90,738</u>	<u>90,738</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>90,738</u>	<u>90,738</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(100,472)</u>	<u>(100,472)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,734)</u>	<u>\$ (9,734)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(85,635)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ 5,103</u>	

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

STATE OF NEW MEXICO

Statement B-20

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	945	758	(187)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>945</u>	<u>758</u>	<u>(187)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	945	758	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>945</u>	<u>758</u>	<u>187</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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-21

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	74,087	53,122	(20,965)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>74,087</u>	<u>53,122</u>	<u>(20,965)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	74,087	62,699	11,388
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>74,087</u>	<u>62,699</u>	<u>11,388</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,577)</u>	<u>(9,577)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	(126)	(126)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(126)</u>	<u>(126)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(9,703)</u>	<u>(9,703)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(18,188)</u>	<u>(18,188)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,891)</u>	<u>\$ (27,891)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			9,703	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-22

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 CARL D PERKINS HSTW - 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	48,938	48,938
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>48,938</u>	<u>48,938</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>48,938</u>	<u>48,938</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>48,938</u>	<u>48,938</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(48,938)</u>	<u>(48,938)</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			(37,980)	
No adjustments to expenditures			<u>-</u>	
<i>Net changes in fund balances</i>			<u>\$ 10,958</u>	

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

STATE OF NEW MEXICO

Statement B-23

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 CARL D PERKINS HSTW - UNLIQUIDATED 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<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	-	-	-	-
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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-24

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	<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	-	31,779	21,824	(9,955)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>31,779</u>	<u>21,824</u>	<u>(9,955)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	31,779	18,141	13,638
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>31,779</u>	<u>18,141</u>	<u>13,638</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,683</u>	<u>3,683</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>3,683</u>	<u>3,683</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,683)</u>	<u>(3,683)</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			(3,683)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-25

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
MIGRANT REGIONAL 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	50,130	5,776	(44,354)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,130</u>	<u>5,776</u>	<u>(44,354)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	47,200	5,669	41,531
Instruction	-	-	-	-
General Administration	-	930	107	823
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	2,000	-	2,000
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>50,130</u>	<u>5,776</u>	<u>44,354</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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-26

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	<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	650,000	650,000	1,042,653	392,653
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>650,000</u>	<u>650,000</u>	<u>1,042,653</u>	<u>392,653</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,000	2,000	-	2,000
Support Services				
Students	835,400	835,400	575,877	259,523
Instruction	400,293	673,293	268,846	404,447
General Administration	11,000	16,162	16,010	152
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	4,000	4,000	2,341	1,659
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,252,693</u>	<u>1,530,855</u>	<u>863,074</u>	<u>667,781</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(602,693)</u>	<u>(880,855)</u>	<u>179,579</u>	<u>1,060,434</u>
<i>Other financing sources (uses):</i>				
Designated cash	602,693	880,855	-	(880,855)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>602,693</u>	<u>880,855</u>	<u>-</u>	<u>(880,855)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>179,579</u>	<u>179,579</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>880,855</u>	<u>880,855</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,060,434</u>	<u>\$ 1,060,434</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(14,705)	
Adjustments to expenditures			1,389	
<i>Net changes in fund balances</i>			<u>\$ 166,263</u>	

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

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	-	-	10,713	10,713
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>10,713</u>	<u>10,713</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>10,713</u>	<u>10,713</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>10,713</u>	<u>10,713</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,556)</u>	<u>(8,556)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,157</u>	<u>\$ 2,157</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(10,713)	
No adjustments to expenditures			<u>-</u>	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-28

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

	<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	-	-	517,009	517,009
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>517,009</u>	<u>517,009</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,030,524	1,404,109	469,395	934,714
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	19,477	26,538	8,872	17,666
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>1,050,001</u>	<u>1,430,647</u>	<u>478,267</u>	<u>952,380</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,050,001)</u>	<u>(1,430,647)</u>	<u>38,742</u>	<u>1,469,389</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,050,001	1,430,647	-	(1,430,647)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,050,001</u>	<u>1,430,647</u>	<u>-</u>	<u>(1,430,647)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>38,742</u>	<u>38,742</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,430,647</u>	<u>1,430,647</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,469,389</u>	<u>\$ 1,469,389</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			202,199	
Adjustments to expenditures			<u>14,063</u>	
<i>Net changes in fund balances</i>			<u>\$ 255,004</u>	

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

STATE OF NEW MEXICO

Statement B-29

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 THE BRIDGE OF SOUTHERN NEW MEXICO 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, 2016

	<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	-	20,674	20,674	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,674</u>	<u>20,674</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	7,450	7,450	4,755	2,695
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	-	20,674	20,674	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,450</u>	<u>28,124</u>	<u>25,429</u>	<u>2,695</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,450)</u>	<u>(7,450)</u>	<u>(4,755)</u>	<u>2,695</u>
<i>Other financing sources (uses):</i>				
Designated cash	7,450	7,450	-	(7,450)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,450</u>	<u>7,450</u>	<u>-</u>	<u>(7,450)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,755)</u>	<u>(4,755)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,449</u>	<u>7,449</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,694</u>	<u>\$ 2,694</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ (4,755)</u>	

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

STATE OF NEW MEXICO

Statement B-30

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	28,051	30,899	2,848
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>28,051</u>	<u>30,899</u>	<u>2,848</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	28,051	28,051	-
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>28,051</u>	<u>28,051</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,848</u>	<u>2,848</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>2,848</u>	<u>2,848</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,848)</u>	<u>(2,848)</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			(2,848)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-31

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 2012 GO BOND STUDENT LIBRARY 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, 2016

	<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	102,325	102,325	1,231	(101,094)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>102,325</u>	<u>102,325</u>	<u>1,231</u>	<u>(101,094)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	102,325	102,325	-	102,325
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>102,325</u>	<u>102,325</u>	<u>-</u>	<u>102,325</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,231</u>	<u>1,231</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>1,231</u>	<u>1,231</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,231)</u>	<u>(1,231)</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>Net changes in fund balances</i>			<u>\$ 1,231</u>	

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

STATE OF NEW MEXICO

Statement B-32

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 PARCC READINESS 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, 2016

	<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	-	126,598	107,770	(18,828)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>126,598</u>	<u>107,770</u>	<u>(18,828)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	126,598	107,770	18,828
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>126,598</u>	<u>107,770</u>	<u>18,828</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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-33

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 NM READS TO LEAD K-3 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, 2016

	<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	195,000	195,000	246,205	51,205
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>195,000</u>	<u>195,000</u>	<u>246,205</u>	<u>51,205</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	195,000	195,000	190,724	4,276
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>195,000</u>	<u>195,000</u>	<u>190,724</u>	<u>4,276</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>55,481</u>	<u>55,481</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>55,481</u>	<u>55,481</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(69,699)</u>	<u>(69,699)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,218)</u>	<u>\$ (14,218)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(55,481)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-34

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 TEACHER/SCHOOL LEADER STIPEND AT-RISK & ADVANCED PLACEMENT 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, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<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	-	-	-	-
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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-35

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,999,179	1,999,179	1,694,639	(304,540)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,999,179</u>	<u>1,999,179</u>	<u>1,694,639</u>	<u>(304,540)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,588,850	1,588,850	1,307,913	280,937
Support Services				
Students	173,080	3,000	1,750	1,250
Instruction	40,000	210,080	140,164	69,916
General Administration	19,749	19,749	16,248	3,501
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	2,500	2,500	-	2,500
Student Transportation	175,000	175,000	175,000	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,999,179</u>	<u>1,999,179</u>	<u>1,641,075</u>	<u>358,104</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>53,564</u>	<u>53,564</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>53,564</u>	<u>53,564</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(265,930)</u>	<u>(265,930)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (212,366)</u>	<u>\$ (212,366)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(53,564)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-36

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	175,661	122,840	(52,821)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>175,661</u>	<u>122,840</u>	<u>(52,821)</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	-	175,661	122,840	52,821
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>175,661</u>	<u>122,840</u>	<u>52,821</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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-37

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	<u>Budgeted Amounts</u>			Variance
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,226,367	1,577,396	1,515,407	(61,989)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,226,367</u>	<u>1,577,396</u>	<u>1,515,407</u>	<u>(61,989)</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,038,614	1,142,851	1,094,610	48,241
Support Services				
Students	18,469	30,169	27,958	2,211
Instruction	21,642	34,718	33,657	1,061
General Administration	-	-	-	-
School Administration	47,642	136,943	114,426	22,517
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	100,000	232,715	232,655	60
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,226,367</u>	<u>1,577,396</u>	<u>1,503,306</u>	<u>74,090</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,101</u>	<u>12,101</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>12,101</u>	<u>12,101</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(574,956)</u>	<u>(574,956)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (562,855)</u>	<u>\$ (562,855)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(12,101)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-38

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 ALD4ALL KELLOGG FOUNDATION 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	10,000	8,101	(1,899)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>8,101</u>	<u>(1,899)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	10,000	7,763	2,237
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>10,000</u>	<u>7,763</u>	<u>2,237</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>338</u>	<u>338</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>338</u>	<u>338</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(338)</u>	<u>(338)</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			(338)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-39

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 START SMART K-3 PLUS UTAH STATE 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, 2016

	<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	93,254	93,254	68,607	(24,647)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>93,254</u>	<u>93,254</u>	<u>68,607</u>	<u>(24,647)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	52,469	90,254	38,737	51,517
Support Services				
Students	7,785	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	3,000	2,866	134
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>60,254</u>	<u>93,254</u>	<u>41,603</u>	<u>51,651</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>33,000</u>	<u>-</u>	<u>27,004</u>	<u>27,004</u>
<i>Other financing sources (uses):</i>				
Designated cash	(33,000)	-	-	-
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(33,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>27,004</u>	<u>27,004</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(27,004)</u>	<u>(27,004)</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			(27,004)	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-40

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 CYFD PARENTS AS TEACHERS MODEL 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, 2016

	<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	405,720	405,720	304,554	(101,166)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>405,720</u>	<u>405,720</u>	<u>304,554</u>	<u>(101,166)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	392,194	392,194	347,727	44,467
Instruction	-	-	-	-
General Administration	7,526	7,526	6,632	894
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	6,000	6,000	3,156	2,844
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>405,720</u>	<u>405,720</u>	<u>357,515</u>	<u>48,205</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(52,961)</u>	<u>(52,961)</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>(52,961)</u>	<u>(52,961)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(56,649)</u>	<u>(56,649)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109,610)</u>	<u>\$ (109,610)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			52,994	
Adjustments to expenditures			<u>(33)</u>	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-41

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<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>				
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>-</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			-	
<i>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-42

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

	<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	-	-	86,974	86,974
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>86,974</u>	<u>86,974</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	277,175	344,979	36,756	308,223
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>277,175</u>	<u>344,979</u>	<u>36,756</u>	<u>308,223</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(277,175)</u>	<u>(344,979)</u>	<u>50,218</u>	<u>395,197</u>
<i>Other financing sources (uses):</i>				
Designated cash	277,175	344,979	-	(344,979)
Operating transfers	-	-	-	-
Return of cash to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>277,175</u>	<u>344,979</u>	<u>-</u>	<u>(344,979)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>50,218</u>	<u>50,218</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>344,980</u>	<u>344,980</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,198</u>	<u>\$ 395,198</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ 50,218</u>	

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

CAPITAL PROJECT FUNDS

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 SCHOOL DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2016

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

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

Statement C-1

Capital Improvements SB-9 31700	Education Technology Equipment Act 31900	Total
\$ 3,316,961	\$ 98,144	\$ 3,415,105
692,391	-	692,391
621,789	-	621,789
-	-	-
-	-	-
-	-	-
<u>4,631,141</u>	<u>98,144</u>	<u>4,729,285</u>
277,846	525	278,371
-	-	-
-	-	-
-	-	-
<u>277,846</u>	<u>525</u>	<u>278,371</u>
227,635	-	227,635
20,961	-	20,961
<u>248,596</u>	<u>-</u>	<u>248,596</u>
-	-	-
4,104,699	97,619	4,202,318
-	-	-
-	-	-
-	-	-
<u>4,104,699</u>	<u>97,619</u>	<u>4,202,318</u>
<u>\$ 4,631,141</u>	<u>\$ 98,144</u>	<u>\$ 4,729,285</u>

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2016

	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	17,091
Federal grants	-	-	-
Charges for services	-	-	-
Miscellaneous	-	-	-
Interest	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>17,091</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 Service	-	-	-
Capital outlay	-	-	17,091
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>17,091</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>			
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</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
\$ 1,837,906	\$ -	\$ 1,837,906
3,449,731	-	3,466,822
-	-	-
-	-	-
41,870	68,021	109,891
380	-	380
<u>5,329,887</u>	<u>68,021</u>	<u>5,414,999</u>
-	-	-
-	-	-
-	-	-
18,387	-	18,387
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
5,192,402	2,181,822	7,391,315
-	-	-
<u>5,210,789</u>	<u>2,181,822</u>	<u>7,409,702</u>
<u>119,098</u>	<u>(2,113,801)</u>	<u>(1,994,703)</u>
-	2,000,000	2,000,000
-	2,000,000	2,000,000
<u>119,098</u>	<u>(113,801)</u>	<u>5,297</u>
<u>3,985,601</u>	<u>211,420</u>	<u>4,197,021</u>
<u>\$ 4,104,699</u>	<u>\$ 97,619</u>	<u>\$ 4,202,318</u>

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

STATE OF NEW MEXICO

Statement C-3

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	40,887	40,887
Interest	15,000	15,000	14,724	(276)
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>55,611</u>	<u>40,611</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	26,366,596	30,539,690	9,353,245	21,186,445
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>26,366,596</u>	<u>30,539,690</u>	<u>9,353,245</u>	<u>21,186,445</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(26,351,596)</u>	<u>(30,524,690)</u>	<u>(9,297,634)</u>	<u>21,227,056</u>
<i>Other financing sources (uses):</i>				
Designated cash	16,851,596	21,024,690	-	(21,024,690)
Operating transfers	-	-	-	-
Proceeds from bond issues	9,500,000	9,500,000	9,500,000	-
<i>Total other financing sources (uses)</i>	<u>26,351,596</u>	<u>30,524,690</u>	<u>9,500,000</u>	<u>(21,024,690)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>202,366</u>	<u>202,366</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>21,024,690</u>	<u>21,024,690</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,227,056</u>	<u>\$ 21,227,056</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			21,216,519	
Adjustments to expenditures			<u>(22,412,941)</u>	
<i>Net changes in fund balances</i>			<u>\$ (994,056)</u>	

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

STATE OF NEW MEXICO

Statement C-4

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<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>				
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>-</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>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement C-5

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<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>				
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>-</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>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement C-6

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	17,091	17,091	17,091	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>17,091</u>	<u>17,091</u>	<u>17,091</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	17,091	17,091	17,091	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,091</u>	<u>17,091</u>	<u>17,091</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>Net changes in fund balances</i>			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement C-7

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 1,751,315	\$ 1,751,315	\$ 1,425,903	\$ (325,412)
State grants	2,764,626	5,095,321	2,848,903	(2,246,418)
Federal grants	-	-	-	-
Miscellaneous	-	-	41,870	41,870
Interest	-	-	380	380
<i>Total revenues</i>	<u>4,515,941</u>	<u>6,846,636</u>	<u>4,317,056</u>	<u>(2,529,580)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	24,215	24,215	18,387	5,828
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	8,278,093	10,697,503	4,856,791	5,840,712
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,302,308</u>	<u>10,721,718</u>	<u>4,875,178</u>	<u>5,846,540</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,786,367)</u>	<u>(3,875,082)</u>	<u>(558,122)</u>	<u>3,316,960</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,786,367	3,875,082	-	(3,875,082)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,786,367</u>	<u>3,875,082</u>	<u>-</u>	<u>(3,875,082)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(558,122)</u>	<u>(558,122)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,875,083</u>	<u>3,875,083</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,316,961</u>	<u>\$ 3,316,961</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,012,831	
Adjustments to expenditures			(335,611)	
<i>Net changes in fund balances</i>			<u>\$ 119,098</u>	

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

STATE OF NEW MEXICO

Statement C-8

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	68,021	68,021
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>68,021</u>	<u>68,021</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	2,281,934	2,246,380	2,216,258	30,122
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,281,934</u>	<u>2,246,380</u>	<u>2,216,258</u>	<u>30,122</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,281,934)</u>	<u>(2,246,380)</u>	<u>(2,148,237)</u>	<u>98,143</u>
<i>Other financing sources (uses):</i>				
Designated cash	281,934	246,380	-	(246,380)
Operating transfers	-	-	-	-
Proceeds from bond issues	2,000,000	2,000,000	2,000,000	-
<i>Total other financing sources (uses)</i>	<u>2,281,934</u>	<u>2,246,380</u>	<u>2,000,000</u>	<u>(246,380)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(148,237)</u>	<u>(148,237)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>246,381</u>	<u>246,381</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,144</u>	<u>\$ 98,144</u>
<i>Reconciliation to GAAP Basis:</i>				
No adjustments to revenues			-	
Adjustments to expenditures			<u>34,436</u>	
<i>Net changes in fund balances</i>			<u>\$ (113,801)</u>	

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

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 Statement D-1
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2016

	Educational Technology Debt Service <u>43000</u>
ASSETS	
Cash and cash equivalents	\$ 3,165,933
Accounts receivable	
Taxes	1,424,023
Intergovernmental receivables	-
Interfund receivables	-
Other	-
Inventory	<u>-</u>
Total Assets	<u><u>4,589,956</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	375,000
Unavailable revenue-grants	<u>-</u>
Total Deferrred Inflows of Resources	<u><u>375,000</u></u>
FUND BALANCES:	
Nonspendable	-
Spendable:	
Restricted	4,214,956
Committed	-
Assigned	-
Unassigned	<u>-</u>
Total Fund Balances	<u><u>4,214,956</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 4,589,956</u></u>

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

STATE OF NEW MEXICO Statement D-2
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDING JUNE 30, 2016

		Educational Technology Debt Service
<i>Revenues:</i>		43000
Property taxes	\$	4,087,324
State grants		-
Federal grants		-
Charges for services		-
Miscellaneous		-
Interest		-
<i>Total revenues</i>		4,087,324
 <i>Expenditures:</i>		
Current:		
Instruction		-
Support Services		
Students		-
Instruction		-
General Administration		40,435
School Administration		-
Central Services		-
Operation & Maintenance of Plant		-
Student Transportation		-
Other Support Services		-
Food Services Operations		-
Community Service		-
Capital outlay		-
Debt service - Principal		2,000,000
Debt service - Interest		12,033
Bond Issuance Cost		-
<i>Total expenditures</i>		2,052,468
<i>Excess (deficiency) of revenues over (under) expenditures</i>		2,034,856
 <i>Other financing sources (uses):</i>		
Premiums on bonds issued		-
<i>Total other financing sources (uses)</i>		-
 <i>Net changes in fund balances</i>		2,034,856
 <i>Fund balances - beginning of year</i>		2,180,100
 <i>Fund balances - end of year</i>	\$	4,214,956

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

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
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, 2016

Statement D-3

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property taxes	\$ 11,107,938	\$ 11,107,938	\$ 7,218,584	\$ (3,889,354)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>11,107,938</u>	<u>11,107,938</u>	<u>7,218,584</u>	<u>(3,889,354)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	111,079	121,079	92,569	28,510
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service</i>				
Bond issuance cost	-	40,800	40,800	-
Reserve	10,209,750	10,174,220	-	10,174,220
Principal	9,705,000	9,705,000	9,705,000	-
Interest	1,402,938	1,402,938	1,261,497	141,441
<i>Total expenditures</i>	<u>21,428,767</u>	<u>21,444,037</u>	<u>11,099,866</u>	<u>10,344,171</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(10,320,829)</u>	<u>(10,336,099)</u>	<u>(3,881,282)</u>	<u>6,454,817</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,320,829	10,336,099	-	(10,336,099)
Operating transfers	-	-	-	-
Premiums on bonds issued	-	-	202,507	202,507
<i>Total other financing sources (uses)</i>	<u>10,320,829</u>	<u>10,336,099</u>	<u>202,507</u>	<u>(10,133,592)</u>
<i>Net changes in fund balances</i>	-	-	(3,678,775)	(3,678,775)
<i>Fund balances - beginning of year</i>	-	-	10,336,100	10,336,100
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,657,325</u>	<u>\$ 6,657,325</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,990,479	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ (1,688,296)</u>	

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

STATE OF NEW MEXICO

Statement D-4

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 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, 2016

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ 2,028,000	\$ 2,028,000	\$ 3,096,482	\$ 1,068,482
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,028,000</u>	<u>2,028,000</u>	<u>3,096,482</u>	<u>1,068,482</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	20,280	50,280	40,435	9,845
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service</i>				
Bond issuance cost	-	-	-	-
Reserve	1,803,138	2,071,639	-	2,071,639
Principal	2,000,000	2,000,000	2,000,000	-
Interest	28,000	28,000	12,033	15,967
<i>Total expenditures</i>	<u>3,851,418</u>	<u>4,149,919</u>	<u>2,052,468</u>	<u>2,097,451</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,823,418)</u>	<u>(2,121,919)</u>	<u>1,044,014</u>	<u>3,165,933</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,823,418	2,121,919	-	(2,121,919)
Operating transfers	-	-	-	-
Premiums on bonds issued	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,823,418</u>	<u>2,121,919</u>	<u>-</u>	<u>(2,121,919)</u>
<i>Net changes in fund balances</i>	-	-	1,044,014	1,044,014
<i>Fund balances - beginning of year</i>	-	-	2,121,919	2,121,919
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,165,933</u>	<u>\$ 3,165,933</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			990,842	
No adjustments to expenditures			-	
<i>Net changes in fund balances</i>			<u>\$ 2,034,856</u>	

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

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FIDUCIARY FUNDS

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2016

Statement E-1

	Private Purpose Trust Fund	Gadsden Foundation Inc.	Total Private Purpose Trust Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 114,690	\$ 114,690
Due from other funds	17,281	-	17,281
<i>Total assets</i>	17,281	114,690	131,971
LIABILITIES			
Due to other funds	-	17,281	17,281
<i>Total liabilities</i>	-	17,281	17,281
NET POSITION			
Restricted Net Position	17,281	97,409	114,690
<i>Total Net Position</i>	17,281	97,409	114,690
<i>Total liabilities and net position</i>	\$ 17,281	\$ 114,690	\$ 131,971

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

STATE OF NEW MEXICO Statement E-2
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2016

	Private Purpose Trust Fund	Gadsden Foundation Inc.	Total Private Purpose Trust Funds
ADDITIONS			
Investment earnings	\$ 10	\$ 164	\$ 174
Contributions & donations from private sources	-	9,616	9,616
<i>Total additions</i>	10	9,780	9,790
DEDUCTIONS			
Miscellaneous operating	-	11	11
Scholarships	-	11,250	11,250
<i>Total deductions</i>	-	11,261	11,261
Change in net position	10	(1,481)	(1,471)
Total beginning net position	17,271	98,890	116,161
Total ending net position	\$ 17,281	\$ 97,409	\$ 114,690

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

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

Schedule I

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Chaparral Middle School	30,851	65,238	78,175	17,914
Chaparral High School	76,106	129,176	131,404	73,878
Gadsden Middle School	26,816	44,026	48,298	22,544
Gadsden High School	145,566	334,071	337,492	142,145
Santa Teresa Middle School	7,615	28,082	23,631	12,066
Santa Teresa High School	103,807	262,798	250,808	115,797
Desert Pride Academy	1,157	222	-	1,379
Alta Vista Early College High School	325	6,567	3,162	3,730
Mesquite Environmental	-	811	-	811
Construction Surplus	4,770	4,426	5,221	3,975
La Union JTP	533	-	-	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	12,088	-	818	11,270
Trucha - Drug Free Program	54	-	-	54
Nurse's Department	600	-	-	600
Spanish Spelling Bee	298	-	-	298
Unemployment Ins. Reserve Fund	248,598	79,002	72,904	254,696
Cancer Awareness	104	27,132	26,395	841
Total All Schools	<u><u>\$ 688,822</u></u>	<u><u>\$ 981,551</u></u>	<u><u>\$ 978,308</u></u>	<u><u>\$ 692,065</u></u>

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2016

Schedule II
(Page 1 of 2)

Name of Depository	Description of Pledged Collateral	Fair Market Value / Par Value June 30, 2016	Name and Location of Safekeeper
Wells Fargo			
	FN 3141TEKW0 3.00% 01/01/2043	\$ 11,118,562	Bank of New York Mellon
	Collateral for deposit accounts	<u>11,118,562</u>	
	FHG-3 3128MJWB2 3.50% 05/01/2045	17,965,240	Wells Fargo Bank
	FHG-3 3128MJWB2 3.50% 05/01/2045	13,603,974	Wells Fargo Bank
	FHG-3 3128MJWB2 3.50% 05/01/2045	29,246,029	Wells Fargo Bank
	Collateral for repurchase agreements	<u>60,815,243</u>	
Total Wells Fargo		<u>71,933,805</u>	
Bank of the West			
	GNMA2 SINGLE FAMILY 36179NM96 Maturity 09/20/2043	180,688	Bank of the West
	FN 1339C MP PAC FIX 3136AEEF0 Maturity 05/25/2028	2,483,797	Bank of the West
	GNMA2 ARM MULTIPLE 36179M6H8 Maturity 03/20/2043	70,652	Bank of the West
	GNMA2 SINGLE FAMILY 36179NM96 Maturity 09/20/2043	1,003,822	Bank of the West
	GNMA2 ARM MULTIPLE 36179MYQ7 Maturity 01/20/2043	711,543	Bank of the West
	FNMA SF ARM; LIBOR 3138W7JL9 Maturity 04/01/2043	454,445	Bank of the West
	GNMA2 SINGLE FAMILY 36179NM96 Maturity 09/20/2043	365,391	Bank of the West
	GNMA1 SINGLE FAMILY 36176W7E5 Maturity 01/15/2042	37,752	Bank of the West
	MINOT N D RFDG-HWY-SER I 60436PHY1 Maturity 10/01/2017	147,768	Bank of the West
	Collateral for deposit accounts	<u>5,455,858</u>	
Total Bank of the West		<u>5,455,858</u>	

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2016

Schedule II
 (Page 2 of 2)

Name of Depository	Description of Pledged Collateral	Fair Market Value / Par Value June 30, 2015	Name and Location of Safekeeper
First American Bank			
	BERNALILLO SD#1 - REF 085279QY6 Maturity 08/01/20	415,716	Fed Home Loan Bank
	Collateral for deposit accounts	<u>415,716</u>	
	GNMA 15YR 36241LWS1 Maturity 06/15/19	604,707	Fed Home Loan Bank
	GNMA 15YR 3620A9ZR5 Maturity 01/15/25	257,955	Fed Home Loan Bank
	SLVR-GNMA 15YR 36178NB99 Maturity 08/15/27	340,661	Fed Home Loan Bank
	FHLMC 15YR 31306YKG5 Maturity 11/01/27	528,660	Fed Home Loan Bank
	SLVR-GNMA II ARM 36225DP24 Maturity 05/20/35	116,197	Fed Home Loan Bank
	GNMA 30YR 36292GLU7 Maturity 01/15/36	105,070	Fed Home Loan Bank
	GNMA 30YR 36241KKS6 Maturity 03/15/36	98,960	Fed Home Loan Bank
	GNMA II 5x1 36179MLM0 Maturity 08/20/42	588,827	Fed Home Loan Bank
	Collateral for repurchase	<u>2,641,037</u>	
Total First American Bank		<u>3,056,753</u>	
Total District		<u><u>\$ 80,446,416</u></u>	

See independent auditors' report

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STATE OF NEW MEXICO

Schedule III

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
 SCHEDULE OF CASH DEPOSITS AND TEMPORARY INVESTMENT ACCOUNTS
 JUNE 30, 2016

Bank Account Type/Name	Wells Fargo	Bank of the West	First American Bank	Totals
Cash Deposits:				
Checking - Operational	\$ 9,750,000	\$ -	\$ -	\$ 9,750,000
Checking - Activity	941,929	-	10,000	951,929
Checking - Athletics	370,889	-	-	370,889
Checking - Building	-	-	200,000	200,000
Checking - Food Services	456	-	-	456
Checking - Payroll Clearing	-	-	-	-
Checking - Accounts Payable Clearing	-	-	-	-
Checking - Debt Service	-	9,823,258	-	9,823,258
Savings - Building	5,016,981	-	-	5,016,981
Certificate of Deposit - Operational	1,012,180	-	-	1,012,180
Certificate of Deposit - Athletics	226,719	-	-	226,719
Certificate of Deposit - Activity	280,230	-	-	280,230
Total Cash Deposits	<u>17,599,384</u>	<u>9,823,258</u>	<u>210,000</u>	<u>27,632,642</u>
Temporary Investments:				
Sweep Account Balance	52,540,994	-	2,307,393	54,848,387
US Obligation Money Market - Debt Service	-	-	-	-
US Treasury Bills/Notes	-	-	-	-
Total Temporary Investments	<u>52,540,994</u>	<u>-</u>	<u>2,307,393</u>	<u>54,848,387</u>
Total Cash Deposits and Temporary Investments	70,140,378	9,823,258	2,517,393	82,481,029
Reconciling Items				
District	(1,698,584)	-	-	(1,698,584)
Cash on Hand	415	-	-	415
Reconciled Balance June 30, 2016	<u>\$ 68,442,209</u>	<u>\$ 9,823,258</u>	<u>\$ 2,517,393</u>	<u>80,782,860</u>
Less Agency Funds				<u>692,065</u>
Cash and cash equivalents per Exhibit B-1				<u>\$ 80,090,795</u>
Reconciliation to Statement of Net Position - Cash and cash equivalents:				
Current assets - Cash and cash equivalents				\$ 45,625,376
Noncurrent assets - Restricted cash and cash equivalents				<u>34,465,419</u>
Cash and cash equivalents per Exhibit A-1				<u>\$ 80,090,795</u>

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
CASH RECONCILIATION
JUNE 30, 2016

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2015	\$ 25,479,489	\$ 9,150	\$ 609,656	\$ 11,597,861	\$ 529,514
Add:					
2015-16 revenues	102,177,481	4,954,025	963,535	9,203,309	128,043
Total cash available	127,656,970	4,963,175	1,573,191	20,801,170	657,557
Less:					
2015-16 expenditures	(100,646,934)	(4,958,262)	(763,501)	(7,662,987)	(59,949)
Permanent cash transfers	-	(4,575)	-	-	-
PY outstanding loans	-	-	-	-	-
Net Cash	27,010,036	338	809,690	13,138,183	597,608
Adjustments:					
Due To / Due From Other Funds	(4,377,758)	-	-	-	-
Current Year Outstanding Loans	-	-	-	-	-
Current Year Payroll Accruals	4,715,720	3,007	-	163,826	-
Other Adjs Receivable/Payables	24,549	-	-	-	-
Cash, June 30, 2016	<u>\$ 27,372,547</u>	<u>\$ 3,345</u>	<u>\$ 809,690</u>	<u>\$ 13,302,009</u>	<u>\$ 597,608</u>

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Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	State Direct 28000
\$ 491,294	\$ (4,601,375)	\$ 880,855	\$ 1,429,540	\$ (915,003)	\$ (83,654)
635,204	14,523,152	1,042,653	550,550	3,727,092	373,161
1,126,498	9,921,777	1,923,508	1,980,090	2,812,089	289,507
(574,318)	(14,074,228)	(863,074)	(503,695)	(3,601,528)	(399,117)
-	(886)	-	-	-	-
-	-	-	-	-	-
552,180	(4,153,337)	1,060,434	1,476,395	(789,439)	(109,610)
-	3,662,278	-	-	612,874	102,606
-	-	-	-	-	-
-	480,286	38,659	11,721	176,565	7,004
-	10,773	-	5,590	-	-
<u>\$ 552,180</u>	<u>\$ -</u>	<u>\$ 1,099,093</u>	<u>\$ 1,493,706</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
CASH RECONCILIATION
JUNE 30, 2016

	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, 2015	\$ 344,980	\$ 21,024,690	\$ -	\$ -	\$ -
Add:					
2015-16 revenues	86,974	9,555,611	-	-	17,091
Total cash available	431,954	30,580,301	-	-	17,091
Less:					
2015-16 expenditures	(36,756)	(9,353,245)	-	-	(17,091)
Permanent cash transfers	-	-	-	-	-
PY outstanding loans	-	-	-	-	-
Net Cash	395,198	21,227,056	-	-	-
Adjustments:					
Due To / Due From Other Funds	-	-	-	-	-
Current Year Outstanding Loans	-	-	-	-	-
Prior Year Payroll Accruals	-	-	-	-	-
Other Adjs Receivable/Payables	-	-	-	-	-
Cash, June 30, 2016	<u>\$ 395,198</u>	<u>\$ 21,227,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
\$ 3,875,083	\$ 246,381	\$ 10,336,100	\$ 2,121,919	\$ 688,822	\$ 74,065,302
4,317,056	2,068,021	7,421,091	3,096,482	-	164,840,531
8,192,139	2,314,402	17,757,191	5,218,401	688,822	238,905,833
(4,875,178)	(2,216,258)	(11,099,866)	(2,052,468)	3,243	(163,755,212)
-	-	-	-	-	(5,461)
-	-	-	-	-	-
3,316,961	98,144	6,657,325	3,165,933	692,065	75,145,160
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,596,788
-	-	-	-	-	40,912
<u>\$ 3,316,961</u>	<u>\$ 98,144</u>	<u>\$ 6,657,325</u>	<u>\$ 3,165,933</u>	<u>\$ 692,065</u>	<u>\$ 80,782,860</u>

See independent auditors' report

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)
JUNE 30, 2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded (2016FY)	In-State/ Out-of-State Vendor (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference	Winning Bidder	Brief Description of Scope of Work
13-1-98-E	EXEMPT	ARCHWAY (RESOLVE CORPORATION)	\$ 144,369.91	\$ 144,369.91	1600 FIRST ST. N.W., ALBUQUERQUE, NM 87102	N	N	ARCHWAY (RESOLVE CORPORATION)	2015-16 ELA MODERN LANGUAGES ADOPTION TEXTBOOK ORDER
13-1-98-E	EXEMPT	ARCHWAY (RESOLVE CORPORATION)	\$ 212,310.41	\$ 212,310.41	1600 FIRST ST. N.W., ALBUQUERQUE, NM 87102	N	N	ARCHWAY (RESOLVE CORPORATION)	2015-16 ELA MODERN LANGUAGES ADOPTION TEXTBOOK ORDER
13-1-98-E	EXEMPT	ARCHWAY (RESOLVE CORPORATION)	\$ 145,858.72	\$ 145,858.72	1600 FIRST ST. N.W., ALBUQUERQUE, NM 87102	N	N	ARCHWAY (RESOLVE CORPORATION)	2015-16 ELA MODERN LANGUAGES ADOPTION TEXTBOOK ORDER
13-1-98-E	EXEMPT	HEINEMANN PROFESSIONAL DEVELOPMENT	\$ 142,862.98	\$ 142,862.98	361 HANOVER ST. PORTMOUTH NH 03801	N	N	HEINEMANN PROFESSIONAL DEVELOPMENT	UNITS OF STUDY FOR READING SERIES BUNDLE GRADES K-5
13-1-98 E	EXEMPT	MACKIN LIBRARY MEDIA	\$ 175,000.00	\$ 175,000.00	3505 COUNTY RD., 42 WEST BURNSVILLE, MN 55306	N	N	MACKIN LIBRARY MEDIA	BOOKS FOR YUCCA HEIGHTS ELEM.
13-1-98-E	EXEMPT	TEACHER CREATED MATERIALS	\$ 199,900.00	\$ 199,900.00	5301 OCEANUS DRIVE, HUNTINGTON BEACH, CA 92649	N	N	TEACHER CREATED MATERIALS	STRATEGIES FOR BUILDING VOCABULARY
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 100,000.00	\$ 124,154.57	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	CURR./STUDENT TRAVEL FOR K-3+ EXTENDED SCHOOL YEAR
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 140,000.00	\$ 251,926.11	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	ATHLETICS DEPT/STUDENT TRAVEL 2015-16 SY
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 422,589.00	\$ 583,390.00	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	SUPPORT SVCS/ RENT & LEASES FOR 2015-16 SY
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 3,970,866.00	\$ 4,144,395.00	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	SUPPORT SVCS/ TO AND FROM FOR 2015-16 SY
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 200,000.00	\$ 195,723.69	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	FEDS/ AFTER SCHOOL ACTIVITY FOR SECONDARY SCHOOLS
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 150,000.00	\$ 178,189.77	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	FEDS/ ON-TRACK PRE-K STUDENT TRANSPORTATION
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 60,000.00	\$ 33,836.98	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	ED. RESOURCES/ AFTER SCHOOL ACTIVITY FOR ALL ELEMENTARY SCHOOLS
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 64,565.95	\$55,406.21	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	STUDENT TRANSPORTATION
13-1-98-HI	EXEMPT	BOONE TRANSPORTATION, INC.	\$ 108,500.00	\$ 108,500.00	2102 W. WASHINGTON, ANTHONY, NM 88021	N	N	BOONE TRANSPORTATION, INC.	STUDENT TRANSPORTATION
13-1-98 E	EXEMPT	NORTHWEST EVALUATION ASSOCIATION	\$ 115,500.00	\$ 115,500.00	121 NORTHWEST EVERETT ST., PORTLAND OR 97209	N	N	NORTHWEST EVALUATION ASSOCIATION	SOFTWARE WEB-BASED MEASURES OF ACADEMIC PROGRESS (MAP) MATH, READING, AND LANGUAGE
13-1-98 D	EXEMPT	RIO VALLEY BIOFUELS, LLC	\$ 94,297.45	\$ 75,818.71	P.O. BOX 1300 ANTHONY NM 88021.	Y	N	RIO VALLEY BIOFUELS, LLC	UNLEADED AND DIESEL FUEL DISTRICT WIDE
15-16-02	RFB	LABATT NEW MEXICO, LLC	\$ 142,289.60	\$ 139,978.56	LABATT NEW MEXICO LLC 4500 INDUSTRY PARK, SAN ANTONIO, TX 78218	N	N	LABATT NEW MEXICO, LLC	DRY GOODS
15-16-02	RFB	SHAMROCK FOODS	\$ 50,916.95	\$ 49,947.10	SHAMROCK #2 SHAMROCK WAY NW, ALBUQUERQUE, NM 87121	N	N	SHAMROCK FOODS	DRY GOODS
15-16-02	RFB	DEE'S FOODSERVICE-EL PASO, LLC	\$ 70,193.10	\$ 10,531.41	DEE'S PO BOX 26249 19 BUTTERFIELD TRAIL EL PASO, TX 79906	N	N	DEE'S FOODSERVICE-EL PASO, LLC	DRY GOODS
15-16-03	RFB	DEE'S FOODSERVICE-EL PASO, LLC	\$ 463,984.25	\$ 369,608.72	DEE'S PO BOX 26249 19 BUTTERFIELD TRAIL EL PASO, TX 79906	N	N	DEE'S FOODSERVICE-EL PASO, LLC	REF. & FROZEN FOODS
15-16-03	RFB	LABATT NEW MEXICO, LLC	\$ 269,373.80	\$ 196,747.51	LABATT NEW MEXICO LLC 4500 INDUSTRY PARK, SAN ANTONIO, TX 78218	N	N	LABATT NEW MEXICO, LLC	REF. & FROZEN FOODS
15-16-03	RFB	SHAMROCK FOODS	\$ 318,930.29	\$ 213,730.18	SHAMROCK #2 SHAMROCK WAY NW, ALBUQUERQUE, NM 87121	N	N	SHAMROCK FOODS	REF. & FROZEN FOODS
15-16-04	RFP	SOUTHWEST HAZARD CONTROL	\$ 10,000.00	\$ 1,410.50	SOUTHWEST HAZARD CONTROL 280 17TH SUITE B, LAS CRUCES, NM 88005	Y	N	SOUTHWEST HAZARD CONTROL	ASBESTOS ABATEMENT/CES
15-16-04	RFP	N/A	N/A	N/A	BORDER DEMOLITION & ENVIRONMENTAL, INC. 1004 DIESEL DRIVE EL PASO, TX 79907	N	N	SOUTHWEST HAZARD CONTROL	ASBESTOS ABATEMENT/CES
15-16-04	RFP	N/A	N/A	N/A	KEERS REMEDIATION 5904 FLORENCE AVENUE, NE ALBUQUERQUE, NM 87113	Y	N	SOUTHWEST HAZARD CONTROL	ASBESTOS ABATEMENT/CES
15-16-05	RFB	ESA CONSTRUCTION	\$ 595,105.00	\$ 33,461.21	ESA CONSTRUCTION, INC. 3435 GIRARD, N.E. ALBUQUERQUE, NM 87107	Y	N	ESA CONSTRUCTION	RS & SP ROOF/MECH
15-16-05	RFB	N/A	N/A	N/A	CD GENERAL CONTRACTORS PO BOX 8637 LAS CRUCES, NM 88006	Y	N	ESA CONSTRUCTION	RS & SP ROOF/MECH
15-16-05	RFB	N/A	N/A	N/A	C & E INDUSTRIAL SERVICES 103 MAGUEY COURT SUNLAND PARK, NM 88063	N	N	ESA CONSTRUCTION	RS & SP ROOF/MECH
15-16-07	RFP	TEACHER CREATED MATERIALS	\$ 105,000.00	\$ 105,000.00	TEACHER CREATED MATERIALS, INC 5301 OCEANUS DRIVE HUNTINGTON BEACH, CA 92649	N	N	TEACHER CREATED MATERIALS	PROFESSIONAL DEVELOPMENT
15-16-07	RFP	N/A	N/A	N/A	NCS PEARSON, INC. 5601 GREEN VALLEY DRIVE MINNEAPOLIS, MN 55437	N	N	TEACHER CREATED MATERIALS	PROFESSIONAL DEVELOPMENT

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 *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Gadsden Independent School District
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, the budgetary comparisons of the General Fund and major special revenue funds of the Gadsden Independent School District (the District), as of and for the year ended June 30, 2016, 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 26, 2016.

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 (internal control) 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.

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. 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.

Our consideration of internal control was for the limited purpose described on the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. See item FS 2014-003.

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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

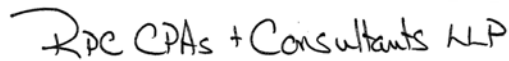
We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMFA 1978 findings as items NM 2014-004, NM 2016-001, and NM 2016-002.

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.



RPC CPAs + Consultants, LLP
Albuquerque, NM
October 26, 2016

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FEDERAL FINANCIAL ASSISTANCE

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Gadsden Independent School District
Sunland Park, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Gadsden Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB 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, 2016. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

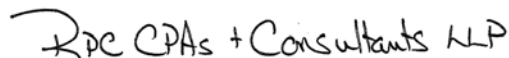
Report on Internal Control Over Compliance

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



RPC CPAs + Consultants, LLP
Albuquerque, NM
October 26, 2016

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016

Schedule VI

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures	Funds Provided to Subrecipients	Noncash Assistance
U.S. Department of Education					
<i>Passthrough State of New Mexico Department of Education</i>					
* Title I	24101	84.010	8,195,645	-	-
Migrant Children Education	24103	84.011	78,099	-	-
* Entitlement IDEA-B (1)	24106	84.027	2,998,494	-	-
* New Mexico Autism Project (1)	24108	84.027A	5,191	-	-
* Preschool IDEA B (1)	24109	84.173	61,101	-	-
* IDEA-B-Early Intervention Services (1)	24112	84.027	-	-	-
Education of Homeless	24113	84.196	20,406	-	-
* IDEA B Private Schools Share (1)	24115	84.027A	-	-	-
21st Century Community Learning Centers	24119	84.287	488,185	-	-
* IDEA-B "Risk Pool" (1)	24120	84.027	-	-	-
English Language Acquisition (Title III)	24153	84.365	623,912	-	-
* Teacher/Principal Training & Recruiting (Title II)	24154	84.367A	943,507	-	-
Immigrant Funding - Title III	24163	84.365A	38,582	-	-
Carl D Perkins Secondary - Current (2)	24174	84.048	187,727	-	-
Carl D Perkins Secondary PY Obligations (2)	24175	84.048	758	-	-
Carl D Perkins Secondary Redistribution (2)	24176	84.048	62,699	-	-
Carl D Perkins HSTW - Current (2)	24180	84.048	-	-	-
Carl D Perkins HSTW - Unliquidated (2)	24181	84.048	-	-	-
Carl D Perkins HSTW - Redistribution (2)	24182	84.048	18,141	-	-
Migrant Regional Recruiting	24187	84.011	5,776	-	-
<i>Total - U.S. Department of Education</i>			13,728,223	-	-

See independent auditors' report
See accompanying notes to the schedule of expenditures of federal awards

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016

Schedule VI

U.S. Department of Agriculture

Passthrough State of New Mexico Department of Education

National School Lunch Program	21000	10.553/10.555	7,818,563	-	-
USDA Commodities	21000	10.553/10.555	-	-	653,731
Fruit and Vegetable Program	24118	10.582	350,075	-	-
<i>Total - U.S. Department of Agriculture</i>			8,168,638	-	653,731

Total Federal Financial Assistance

\$ 21,896,861 \$ - \$ 653,731

Total Federal Financial Assistance - Gadsden Independent School District No. 16

\$ 21,896,861 \$ - \$ 653,731

() Denotes a Cluster Program

* Denotes Major Audited Programs

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Gadsden Independent School District No. 16 (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 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 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

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, 2016 was \$653,731 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities Program. Commodities are recorded as revenues and expenditures in the food service fund.

4. 10% de Minimus Indirect Cost Rate

The District did not elect to use the 10% indirect cost rate

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 21,896,861
Total expenditures funded by other sources	165,319,517
Total expenditures	187,216,378

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STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 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 2 CFR section 200.516(a)? | None noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.010	Title I
84.367A	Title II
84.027 and 87.173	IDEA, Part B and IDEA Preschool

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule VII
Page 2 of 6

SECTION II - FINANCIAL STATEMENT FINDINGS

FS 2014-003 Capital Assets (Significant Deficiency) – Repeated and Modified

Condition: Accumulated depreciation which is maintained by the District's software did not roll forward from the prior year properly. Adjustments of \$1,523,313 were made during the year to accounts for the difference in the beginning balances, however these adjustments were immaterial but necessary for proper roll forward of capital assets. The District worked with the accounting software provider to ensure this issue was resolved, however the solution that the accounting software provider suggested did not work. The District is continuing to work with the accounting software provider to develop a solution for subsequent years.

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 accumulated depreciation balances required an adjustment that neither the District nor the software company know how to fix. The effect is each year accumulated depreciation will not roll forward and adjustments will be necessary.

Cause: When a year is closed out in the accounting software system it is unknown to management or representatives from the software company why ending balances do not roll to subsequent year beginning balances.

Auditors' Recommendations: We recommend that the District review its internal controls over capital assets (specifically accumulated depreciation) to include verification of accumulated depreciation on a timely basis 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).

Agency's Response: The District implemented additional procedures related to the processing of depreciation in the District's Fixed Asset Accounting System in FY 2015-16. The District will continue to work with the software company to identify and correct accumulated depreciation balances via a provisional user testing software environment. Fixed Asset staff will work with the software company to identify any system and/or user issues. The provisional test environment will serve as a training tool to ensure depreciation balances are monitored throughout the year.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule VII
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SECTION III - FEDERAL AWARD FINDINGS

None noted

SECTION IV – SECTION 12-6-5 NMSA FINDINGS

NM 2014-004 (FS 2014-004) Activity Funds (Findings that do not rise to the level of significant deficiency) – Repeated and Modified

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 the District's internal review noted late deposits at Mesquite Elementary in March 2016, Santa Teresa Middle School in August 2016, Gadsden High School in December 2015, Sunland Park Elementary in December 2015, and Chaparral High School in January 2016. During testwork performed by RPC, 3 deposits out of 5 deposits tested were not deposited within the 24 hour deposit rule as well. In addition, it was also noted that the purchase order was dated after the invoice date, indicating purchases were made prior to receiving approval via purchase order approval, at Riverside Elementary in August 2015, Santa Teresa Middle School in August 2015 and Alta Vista Early College High School in September 2015. The District is continually monitoring and internally inspecting transactions and processes for the activity funds.

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. In addition according to NMAC 6.20.2.17 (A) Purchasing- each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations

Effect: Monies that are collected at decentralized locations which are not deposited timely or do not follow District policies and procedures are subject to possible errors, fraud or abuse. Purchases made without proper authorization prior to the purchase may be disapproved and the individual held personally liable.

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 continues to conduct monthly internal reviews to closely monitor the timeliness of deposits, after the fact purchase orders and compliance with procurement card purchases. During the fiscal year, staff at school sites received training on the importance of staying compliant with state and federal regulations. For fiscal year 2015-16, the superintendent with additional support from the principals at the school sites have taken on this oversight. Monthly internal review results are communicated to the Gadsden School Board and the school principals for review and action.

The District will continue education around accounting practices, regulations and processes for key personnel at the school sites. Trainings and workshops will continue to stress the importance of current regulations and requirements to ensure understanding, implementation and compliance.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SECTION IV – SECTION 12-6-5 NMSA FINDINGS (continued)

NM 2016-001 Proceeds from Recycling of Scrap Metal (Findings that do not rise to the level of significant deficiency)

Condition: The District received money for old/damaged parts/equipment that were sold for the scrap metal. The old/damaged parts/equipment were originally purchased by the District in the General Fund. The revenue for the scrap of these items was receipted into the Agency Funds (fund 7000). The value of the receipted scrap metal for fiscal year ending June 30, 2016 was \$4,587,70.

Criteria: According NMAC 2.20.1.18 (D) Appropriate entries must also be made in the financial accounts to reflect the disposition of the property. Gains or losses on disposal must be recorded in funds where such accounting is required. Items purchased with General Fund or other fund resources, once sold, should be accounted for in the fund that purchased the item.

Effect: The District incorrectly posted revenue generated by the District's assets to an agency fund.

Cause: The District was unaware of any issues with selling old/damaged parts/equipment purchased by the District and recording the revenue in the agency fund.

Auditors' Recommendations: We recommend that when the District sales scrap metal, District reviews what fund (source) originally purchased the items being sold.

Agency's Response: The District will implement controls to ensure that any gains or losses resulting from the disposal of property is properly accounted for in the fund used to purchase the item(s) being disposed. Furthermore, the District will ensure that personnel responsible for the accounting and posting of such transactions receives appropriate training to ensure that the District is compliant with NMAC 2.20.1.18 (D).

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SECTION IV – SECTION 12-6-5 NMSA FINDINGS (continued)

NM 2016-002 – Evaluations over Schoolwide Programs (Findings that do not rise to the level of significant deficiency)

Federal Program Information:

Funding Agency: Department of Education
Passthrough- State of NM Public Education Department
Title: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Award Year: 2016

Condition: During our review of the District’s Education Plan for Student Success (EPSS), it was noted that Gadsden High School did not update their schoolwide program evaluation via the EPSS system.

Criteria: Per the Core Elements of a Schoolwide Program - Evaluations as described in 34 CFR section 200.26(c), a school operating a schoolwide program must – (1) annually evaluate the implementation of, and results achieved by, the schoolwide program, using data from the State’s annual assessments and other indicators of academic achievement; (2) Determine whether the schoolwide program has been effective in increasing the achievement of students in meeting the State’s academic standards, particularly for those students who had been furthest from achieving the standards; and (3) Revise the plan, as necessary, based on the results of the evaluation, to ensure continuous improvement of students in the schoolwide program.

Effect: The District has no way of knowing if the High School is implementing or achieving the schoolwide program achievements.

Questioned Costs: None

Cause: The District had turnover at the High School during fiscal year ending June 30, 2016

Auditors’ Recommendation: We recommend that the District has someone monitoring each school locations progress within the EPSS program and ensuring that updates are made throughout the year.

Agency’s Response: At present, the Gadsden Independent School District has someone assigned at the district level to monitor and assist school campuses in the implementation of the EPSS program. In April of each year principals are reminded to review their plan and make any adjustments that need to be made, and update for the following year. In June, principals are again reminded by the District Literacy and Intervention Specialist that the EPSS must be reviewed and updated, if they haven’t done so. The principal of Gadsden High School has been put on alert that his school was found non-compliant of 34 CFR section 200.26(c) and directed to write an action plan to review, monitor, and revise the EPSS plan for his school so as to avoid further corrective action. He has been given specific dates at which time throughout the year the district will review his EPSS plan.

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule VII
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SECTION V. PRIOR YEAR AUDIT FINDINGS

FS 2014-003 Capital Assets (Significant Deficiency) – Repeated and Modified

NM 2014-004 (FS 2014-004) Activity Funds (Significant Deficiency) – Repeated and Modified

FS 2015-001 Procurement Cards (Findings that do not rise to the level of significant deficiency) – Resolved

FS 2015-002 Exceeded Budget Authority - (Findings that do not rise to the level of significant deficiency) - Resolved

FA 2015-001 — Annual Report Card, High School Graduation Rate for Title I– (Noncompliance) – Resolved

STATE OF NEW MEXICO
GADSDEN INDEPENDENT SCHOOLS
OTHER DISCLOSURES
JUNE 30, 2016

Exit Conference

An exit conference was held on October 26, 2016. The following individuals were in attendance.

Gadsden Independent Schools

Maria Saenz, Board of Education President
Daniel Castillo, Board of Education Member
Efren Yturalde, Superintendent
Ludym Martinez, Interim Associate Superintendent for Finance
Erica Villarreal, Director for Compliance and Budgeting

RPC CPAs + Consultants, LLP

Bobby Cordova, CPA, Partner