

State of New Mexico

**Deming Public Schools
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT THERON**

For the Fiscal Year ended June 30, 2010

Deming Public Schools
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Deming Public Schools
DIRECTORY OF OFFICIALS
June 30, 2010

BOARD OF EDUCATION

Anne Keeler	President
Bayne Anderson	Vice-President
Ruben S. Torres	Secretary
David McSherry	Member
Andrew Hernandez	Member

SCHOOL OFFICIALS

Harvielee Moore	Superintendent
Ted Burr	Associate Superintendent of Finance

MIKE STONE, C.P.A.
LINDA STONE McGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
and
Board of Education
Deming Public Schools
Deming, New Mexico

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and the major special revenue funds of the Deming Public Schools (District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's non-major governmental funds and the budgetary comparisons for the components of the general fund, the non-major special revenue funds, the debt service funds and the capital projects funds presented as other supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Deming Public Schools as of June 30, 2010, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Title I, State Grants, and SB-9 funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of Deming Public Schools as of June 30, 2010, and the respective changes in financial position, where

applicable, thereof and the respective budgetary comparisons for the components of the general fund, the non-major special revenue funds, the debt service funds, and the capital projects funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2010, on our consideration of Deming Public School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, presented on pages 4-16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements and on the combining, individual fund and budgetary comparisons statements presented as other supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the District. In addition, the accompanying financial information listed as other supplemental data in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards and the other supplemental data have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Stone, McGee & Co CPAs

October 29, 2010

DEMING PUBLIC SCHOOLS
Management Discussion and Analysis
For the Fiscal Year Ending June 30, 2010

This written analysis is of Deming Public Schools District's financial reporting and is an objective and easily readable discussion of the School District's financial activities. The discussion and analysis, as well as the Statement of Net Assets and Statement of Activities, provide a review of the School District's overall financial activities, using the accrual basis of accounting, for the years ending June 30, 2009 and 2010. Fund financial statements are reported on a modified accrual basis of accounting. Rather than look at specific areas of performance, this discussion and analysis focuses on the financial performance of the School District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphic information.

This annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's Report on Compliance on Internal Control (Governmental Accounting Standards), The Independent Auditor's Report on Compliance with Requirements Applicable in each Major Program (OMB A-133) and a Schedule of Findings and Questioned Costs.

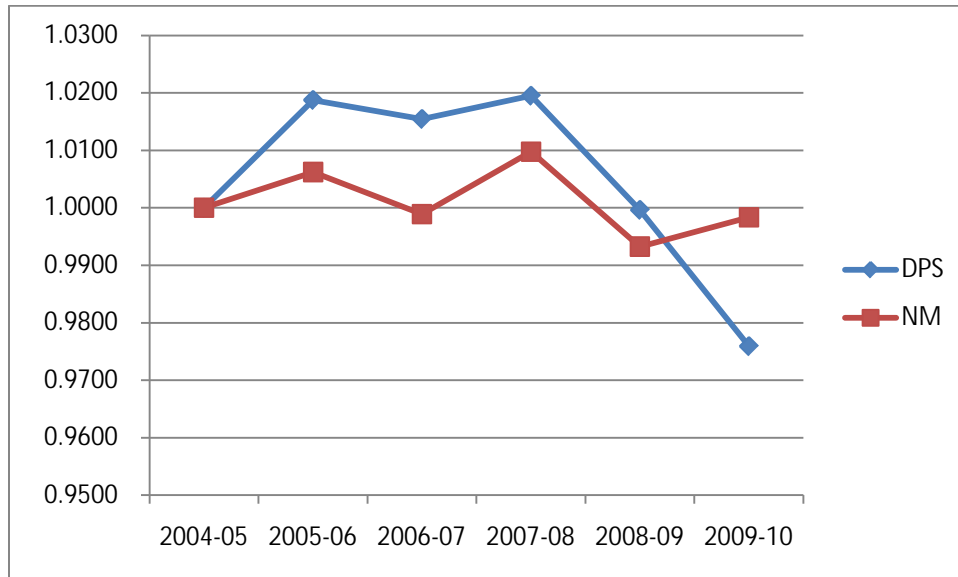
About the Deming Public Schools

To completely understand the financial discussion of the Deming Public Schools it is important to understand the nature of the School District. Covering all of Luna County, 2,968 square miles, Deming Public Schools is, geographically, the 6th largest school district in the state. The Southern border of the District is the county line which shares a 53 mile border with Mexico. Some U.S. citizens reside in Mexico and attend Deming Schools as out-of-district students. In addition, Luna County incorporates the largest migrant population in the state. Schools are located in Deming and Columbus. The Deming Public School District consists of 12 schools and has a 2009-2010 student membership of 5390 students at the preschool through 12th grade level. The preschool serves students of ages 3 and 4 years. Five Elementary Schools serve students in kindergarten through 5th grade, an additional Elementary School serves students in kindergarten through 6th grade. The Intermediate school serves students in 6th grade, the Middle School is grades 7th and 8th, with the High School and Charter High School serving students in grades 9th through 12th.

The District's enrollment declined 129 students for the 2009-2010 school year. District five year enrollment decreased 2% while the state wide enrollment was flat at 0.2% growth. The following chart presents the five year enrollment history for Deming Public Schools and the State of New Mexico using 2004-05 enrollment as an index.

Student Enrollment for New Mexico (NM) and Deming Public Schools (DPS)

As a Percent of 2004-2005 Enrollment



Student enrollment for FY-11 is up 180 students since the 2009-2010 fiscal year.

The demographics of the School District region are considered “rural”, the general population growth in Luna County has provided the School District with an increasing property tax base. The property tax is used to generate revenues through voter approval which are, in turn, used as a basis to sell obligation bonds. Additional property taxes, approved by voters also support an additional two mill levy revenue which generates the local match for Senate Bill # 9 State Funding. The Senate Bill # 9 Capital Improvements Fund (SB-9), both state and local moneys, are used for maintenance, purchase and improvements of land and buildings, student activity vehicles and student technology. The general obligation bond proceeds are used to expand and improve district infrastructure through the building of new schools and adding to existing school facilities to meet the student population and to house students in regular classrooms instead of portable classroom buildings. To set facility priorities, the School District employs a detailed Five-Year Master Facility Plan which is updated and reviewed annually.

Deming Public Schools Accounting and Finance

We believe this written analysis and the accompanying financial reporting will indicate to the reader that the Deming Public Schools is in good financial health. Indicators to the reader such as bond interest rates, fund balances, cash on hand and budget management all are indicators of a positive financial direction and management. The School District maintains a financial and accounting staff with strong levels of technical experience and education.

Staffing levels are adequate to meet daily workload demands and to provide the necessary level of internal controls demanded of an organization the size of the Deming Public School District. Financial policies and procedures are in place to guide staff through the daily business routines.

As an integral part of the School District accountability process, the Deming Public School Board is active in the monitoring of expenditures and budgets through a formal, monthly reporting process to the School Board. This reporting is provided at public meetings and becomes a part of the School Board's permanent, public record.

Significant Financial Highlights for the Year Ending June 30, 2010

- Capital Outlay increased by \$7,676,901 in the year ending June 30, 2009 and \$3,057,584 in the year ending June 30, 2010. The primary reasons for 2009 increase completion of the 4th new school buildings funded by bond proceeds and New Mexico Public Schools Capital Outlay Council awards. 2010 increase was primarily building improvements funded by local bond issues.
- Accumulated depreciation has increased by \$2,665,550 to \$35,975,462 as of June 30, 2010 from \$33,309,402 for June 30, 2009.
- Total revenues decreased from \$61,629,766 in the year ending June 30, 2009 to \$58,294,540 in the year ending June 30, 2010. This is an decrease of \$3,335,226 or 5.4%.

- Total expenditures, inclusive of all capital expenditures from general obligation bond proceeds, decreased from \$61,040,084 for the year ending June 30 2009 to \$58,441,092 for the year ending June 30 2010. This is a decrease in expenditures of \$2,598,992 or 4%. Decrease of \$5,350,059 in Capital Outlay for year ended June 30, 2010 compared to June 30, 2009 was offset by increases in Instruction, and Student Support.

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Assets

Statement of Net Assets, is prepared using the accrual method of accounting. This statement shows that the School District has total assets of \$89,952,583 and \$91,019,428 as of June 30, 2009 and 2010, respectively. The School District cash and cash equivalents on hand as of June 30, 2010 increased by 8% to \$14,936,603 due to building construction. Accounts payable increased by 53% to \$868,413 as of June 30, 2010 compared to June 30, 2009 accounts payable of \$566,783. Accounts payable for FY 2010 is comprised of employee benefits obligated during June and due within 3 months. Net Assets restricted for various purposes totaling \$8,344,550 and \$9,837,283 as of June 30, 2009 and 2010 respectively, increased by 18%. Restricted for capital projects and debt services decreased by \$.3 million was offset by \$1.8 million increase in restrictions for other purposes.

District, without Component Unit, Statement of Net Assets

Assets	June 30, 2009	June 30, 2010
Cash Assets	13,860,956	14,936,603
All Other Current Assets	3,957,225	3,556,389
Capital Assets	105,444,314	108,501,898
Depreciation	(33,309,912)	(35,975,462)
Total Assets	89,952,583	91,019,428

Liabilities

Accounts Payable	566,783	868,413
Other Current Liabilities	4,217,699	4,211,279
Long Term Liabilities	16,092,530	14,571,206
Total Liabilities	20,877,012	19,650,898

Net Assets

Invested in Capital Assets	57,599,517	58,066,342
Restricted	8,344,550	9,837,283
Unrestricted	3,131,504	3,462,905
Total Net Assets	69,075,571	71,366,530

This statement includes accumulated depreciation of the School District's capital assets in the amount of \$33,309,912 and \$35,975,462 as of June 30, 2009 and 2010 respectively. The School District utilizes a "straight line" depreciation method in all cases and standardized lifetime tables in calculating depreciation.

The component unit, Deming Cesar Chavez Charter High School, ended the year with \$351,320 total net assets compared to \$402,880 as of June 30, 2009. This is an decrease of \$51,560 or 13%. This is the third year the component unit has served students.

Component Unit Statement of Net Assets		
Assets	June 30, 2009	June 30, 2010
Cash Assets	\$ 218,740	\$ 275,783
All Other Current Assets	21,237	19,087
Equipment	188,254	188,254
Less Accumulated Depreciation	(17,621)	(31,155)
Total Assets	\$ 410,610	\$ 451,969
Liabilities		
Accounts Payables	\$ 7,730	\$ 1,039
Deferred Revenue		99,610
Total Liabilities	\$ 7,730	\$ 100,649

Component Unit Statement of Net Assets, continued

Net Assets	June 30, 2009	June 30, 2010
Invested in Capital Assets	\$ 170,633	\$ 157,099
Restricted	27,659	31,930
Unrestricted	204,588	162,291
Total net Assets	\$ 402,880	\$ 351,320

Accounts payable were reduced to 1,039 for June 30, 2010 from 7,730 as of June 30 2009. Deferred Revenue of \$99,610 as of June 30, 2010 was advanced payments for Federal programs

Statement of Activities

The Statement of (Governmental) Activities is prepared using the accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the School District's net assets for the fiscal year ending June 30, 2010. As of June 30, 2010 the School District, exclusive of the component unit, had net assets of \$71,366,530 compared to \$69,075,571 for 2009. Net assets increased \$2,290,959 and \$7,602,166 for the years ending June 30, 2010 and 2009.

Governmental Activities	June 30, 2009	June 30, 2010
Total Government Activities Expense	\$ 53,464,077	\$ 55,968,232
Charges For Services Revenue	666,640	952,521
Operating Grants and Contributions Revenue	12,710,792	19,153,969
Grants and Contributions Revenue	<u>8,408,481</u>	<u>1,786,404</u>
Net (Expenses) Revenues and		
Changes in Net Assets	\$ (31,678,164)	\$ (34,075,338)
General Revenues		
Taxes –general, debt service	\$ 3,610,018	\$ 3,853,700
State aid	36,343,387	32,202,972
Investment earnings	134,499	78,886
Recoveries and refunds	14,447	225,974
Gain (Loss) on disposition of assets	<u>(822,021)</u>	<u>4,765</u>
Total General Revenues & Special Item	\$ 39,280,330	\$ 36,366,297
Changes in Net Assets	\$ 7,602,166	\$ 2,290,959
Net Assets beginning	<u>61,473,405</u>	<u>69,075,571</u>
Net Assets – ending	\$ 69,075,571	\$ 71,366,530

The \$822,021 loss on disposition of assets was created by expensing capitalized intangible items.

The component unit net assets increased by \$90,255 and decreased by \$51,560 for the years ending June 30, 2009 and 2010, respectively.

Component Unit Activities	June 30, 2009	June 30, 2010
Total Government Activities Expense	1,865,172	1,425,226
Net (Expenses) Revenues and Changes in Net Assets	(1,865,172)	(1,425,226)
General Revenues		
State aid	1,898,185	1,272,592
Miscellaneous	26,540	101,074
Total General Revenues & Special Item	1,924,725	1,373,666
Changes in Net Assets	59,553	(51,560)
Net Assets beginning	343,327	402,880
Net Assets – ending	402,880	351,320

FUND FINANCIAL STATEMENTS

Statement of Revenues and Expenditures

Fund financial statements are based on a modified accrual basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances – Governmental Funds, guides the reader to a meaningful overall view for the district revenues, expenditures fund balance and changes to the fund balance. Total revenues from state, local and Federal sources were \$61,422,650, and \$58,294,540 for fiscal years 2009 and 2010 respectively. Total expenditures for the School District were \$61,040,084 and \$58,433,624 for fiscal years 2009 and 2010 respectively. The total ending fund balance was \$14,445,958 and \$14,821,874 for fiscal years 2009 and 2010, respectively, an increase of \$375,916.

Multi-Year District Revenues and Expenditures

A multi-year view of overall School District revenues and expenditures indicates inconsistent growth in both areas. Issuance of general obligation bonds during 2006 and 2009 increased revenue without increasing expenses while construction expenses in subsequent years increased expenses.

Year	Total Revenues *	Increase %	Total Expenditures*	Increase %
2004/05	\$48,349,070	10%	\$50,632,574	11%
2005/06 a	\$57,729,448	19%	\$55,903,546	10%
2006/07 b	\$56,254,831	-3%	\$58,557,155	5%
2007/08	\$61,422,680	9%	\$65,420,308	12%
2008/09	\$61,629,766	0%	\$61,040,084	-7%
2009/10	\$58,294,540	-5%	\$58,433,624	-4%

* Note: Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; Expenses include capital outlays.

(a). FY 06 revenue includes \$5 million of G.O. Bonds.

(b). FY 07 revenue includes \$6 million of G.O. Bonds.

The Budget

School District budgets reflect the same pattern as seen in the revenue and expenditures of the School District. The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the Deming Public School District utilizes goals and objectives defined by the Deming Public School Board, community input meetings, long term plans and input from various staff groups to develop the School District budget. School District priorities are well defined through this process.

Governmental Accounting Standards do not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are; The General Fund, Title I, State Grants, SB-9, Public School Capital Outlay, Debt Service, and Other Funds. The General Fund is comprised of three New Mexico Public Education Department funds, operational, transportation, and non-instructional student support. The following table presents the fiscal relationship of three of the major funds, General Fund, Title I and Debt Service to Construction and all other. The construction category is comprised of SB-9, Public School Capital Outlay expenditures and capital outlay expenditures in other funds.

Total Expenditures Fiscal Years 2009 and 2010						
	FY-09		FY-10	Increase (Decrease)		
General Fund	39,518,451	65%	36,322,741	62%	(3,195,710)	-8%
Title I	3,243,678	5%	4,194,755	7%	951,077	29%
Construction	7,995,087	13%	1,089,603	2%	(6,905,484)	-86%
Debt Service	2,186,275	4%	2,108,018	4%	(78,257)	-4%
All Other	8,096,593	13%	14,718,507	25%	6,621,914	82%
Total	61,040,084	100%	58,433,624	100%	(2,606,460)	-4%

The reader will note that construction decreased to 2% of all funds for FY-10 from a high of 13% in FY-09. The District has completed the final school funded with the 2007 bond issue. The General Fund decreased 8% from fiscal year 2009 to 2010. The General Fund provides the salary and benefits for the significant majority of the instruction, instructional support, school support, maintenance and

administrative staff as well as classroom materials, special education consulting staff and fixed utility costs. The General Fund decrease is reflective of the difficult financial position the State of New Mexico is in. The District was able to offset the reduction in state aid in a large part by the increases in Title I and other Federal programs in the All Other category.

General Fund revenue is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the New Mexico Legislature.

All funds met the regulatory criteria set by the State Department of Education and New Mexico Statute. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, annotated require that budget expenditures be within the authorization of the approved budget.

The General Fund

The School District General Fund is comprised of the Operational fund, Transportation fund and Non-instructional fund. General Fund revenues represented 65% and 60% of the School District's revenue for fiscal years 2009 and 2010, respectively. The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administrative staff. The General Fund also provides funding for student transportation.

The following table presents the General Fund Expenditures in 5 functions for the fiscal years 2009 and 2010.

General Fund Expenditures by Functions				
Function	FY 2009		FY 2010	
Instruction	23,135,689	59%	19,065,982	52%
Pupil & Instructional Support	6,844,991	17%	6,491,040	18%
Maintenance & Operations	4,669,328	12%	5,536,917	15%
Transportation	2,151,591	5%	2,651,947	7%
Administration & Business	2,716,848	7%	2,576,855	7%
Total	39,518,447	100%	36,322,741	100%

The proportion of General Fund expended for Instruction decreased and was offset by \$3,135,000 additional Federal Stabilization funding that was applied to maintain teacher salaries.

The percentage of the General Fund spent on the instruction function decreased for fiscal year 2010 from 59% to 52%, however, when the Federal Stabilization funds are included Instruction becomes 56% and Pupil & Instructional Support drops to 17%. Instruction spending after adjusting for the Stabilization funds

decreased \$934,648 or 4% and includes salaries for teachers and assistants, benefits, payroll taxes, school supplies, training, and miscellaneous instructional related contract services. Pupil & Instructional Support decreased for fiscal year 2010 \$353,951 for 18% of the General Fund and includes expenditures for school building administration, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs. Maintenance and Operations increased for fiscal year 2010 \$867,589 and raised to 15% of General Fund expenditures. It includes expenses for salaries and benefits for maintenance staff, computer technicians, school custodians, fixed utility costs, insurance, maintenance and repairs, maintenance supplies, school custodial supplies and capital outlay. Transportation represents General Fund expenditures to transport students to and from school, however, the increase is explained by additional \$563,000 flow-through to purchase a state wide GPS tracking system for school busses. Administration and business include the office of the superintendent and other central administrators and clerical staff representing the overhead support for the entire school district; these programs decreased \$1390,993 to remain at 7% of the total General Fund for fiscal year 2010.

Capital Assets

In the fiscal year ending June 30, 2010 the Statement of Revenues, Expenditures and Changes in Fund Balances shows the School District expended \$3,482,501 for capital outlay. This is down from \$7,676,901 for the previous fiscal year and reflects the completion of the forth new school constructed since 2004.

The following table presents the capital assets from the Statement of Net Assets along with the increases. The increases in Land and Improvement are due to installation of new playgrounds, fields and parking lots at school buildings. Construction in Progress for FY-10 is HVAC replacement and roof repair.

Capital assets:	FY 2009	FY 2010	Changes	
Land and improvements	\$ 6,126,970	\$ 7,663,778	\$ 1,536,808	25%
Building and improvements	89,652,598	89,652,598	-	0%
Furniture and equipment	9,664,746	9,734,945	70,199	1%
Construction in progress	-	1,448,577	1,448,577	
Less: Accumulated depreciation	(33,309,402)	(35,975,462)	(2,666,060)	8%
Total capital assets, net of depreciation	\$ 72,134,912	\$ 72,524,436	\$ 389,524	1%

General Long Term Debt

Article IX, Section 11 of the New Mexico Constitution limits the powers of a school district to incur general obligation debt beyond a school year. The School District can incur such debt for “the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving schools grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes.” The approval of the debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the School District.

The School District has never defaulted on any of its debt or other obligations. Listed below is the School District’s total general obligation debt as of June 30, 2010.

Deming Public Schools General Obligation Bonds			
Projected Principal and Interest Payments			
Fiscal YR	Principal Payment	Interest Payment	Total Payments
2011	2,135,000	552,612	2,687,612
2012	1,800,000	475,225	2,275,225
2013	1,300,000	423,000	1,723,000
2014	1,400,000	376,450	1,776,450
2015	1,450,000	327,388	1,777,388
2016	1,500,000	275,350	1,775,350

Continued on following page through fiscal year 2021

Continued,			
Deming Public Schools General Obligation Bonds			
Projected Principal and Interest Payments			
Fiscal YR	Principal Payment	Interest Payment	Total Payments
2017	1,400,000	222,975	1,622,975
2018	1,600,000	168,100	1,768,100
2019	1,700,000	107,275	1,807,275
2020	1,500,000	47,750	1,547,750
2021	500,000	9,875	509,875
Total	\$ 16,285,000	\$ 298,600	\$ 19,271,000

Future Trends

The majority of the District's General Fund is provided by the State of New Mexico through the State Equalization Funding Formula. Until the recent economic recession the funding per unit had seen positive growth for the last 10 years. In October the possibility of a 5% cut for the current year ending June 30, 2011 was announced. The Legislature is waiting for the revenue forecast that is due to be released the first week of December 2010 to make a decision on current year funding. The following table presents the value per funding unit or (unit value).

State Equalization Formula				
Value per Funding Unit				
YEAR	State	Federal	Total	
FY-01	2,647.56	-	2,647.56	
FY-02	2,871.01	-	2,871.01	8%
FY-03	2,889.89	-	2,889.89	1%
FY-04	2,977.23	-	2,977.23	3%
FY-05	3,068.70	-	3,068.70	3%
FY-06	3,281.00	-	3,281.00	7%
FY-07	3,446.44	-	3,446.44	5%
FY-08	3,674.26	-	3,674.26	7%
FY-09	3,862.79	-	3,862.79	5%
FY-10	3,458.06	334.59	3,792.65	-2%
FY-11	3,556.14	139.29	3,695.43	-3%

Until FY-10 the unit value was completely funded by the State of New Mexico. In FY-10 Federal State Stabilization Funds were used to offset a 10% reduction in State Funding. For FY-11 the remaining Federal State Stabilization Funds along with the Federal Education Jobs Fund comprise 4% of the current year unit value. These Federal funds expire at the end of this year. To maintain the unit value the State will have to increase funding at least 4%. It is not clear that the State

will be able to maintain the unit value.

Contacting the Deming Public School District

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Deming Public School District's financial condition and to provide accountability for the funds the School District receives. If you have questions about our report or about the operations of the Deming Public School District, please contact:

Ted Burr, Associate Superintendent of Finance
Emmett Shockley Administration Building
400 Cody Road
Deming, NM 88030

Mailing address:
Deming Public Schools
1001 S. Diamond Ave
Deming, NM 88030

Deming Public Schools
STATEMENT OF NET ASSETS
June 30, 2010

	<u>Governmental Activities</u>	<u>Component Unit</u>
Assets		
Cash and cash equivalents	\$ 14,936,603	\$ 275,783
Interest receivable	105	
Property taxes receivable	512,389	
Accounts receivable	6,194	
Due from other governments	2,781,355	19,087
Inventory	197,209	
Notes receivable	7,081	
Bond issue costs	52,056	
Capital assets:		
Land and improvements	7,663,778	
Buildings and improvements	89,652,598	
Equipment	9,734,945	188,254
Construction in progress	1,448,577	
Less accumulated depreciation	<u>(35,975,462)</u>	<u>(31,155)</u>
Total capital assets, net of depreciation	<u>\$ 72,524,436</u>	<u>\$ 157,099</u>
Total assets	<u>\$ 91,017,428</u>	<u>\$ 451,969</u>
Liabilities		
Cash overdraft	\$ 1,860,486	\$ -
Accounts payable	868,413	1,039
Deferred revenue	39,826	99,610
Long-term liabilities:		
Portion due or payable within one year:		
Capital lease payable	515,000	
Bonds payable	1,550,000	
Accrued interest payable	245,967	
Portion due or payable after one year:		
Bonds payable	14,150,000	
Compensated absences	<u>421,206</u>	
Total liabilities	<u>\$ 19,650,898</u>	<u>\$ 100,649</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 58,066,342	\$ 157,099
Restricted for:		
Debt service	2,735,188	
Capital projects	2,074,550	27,659
Other purposes	5,027,545	4,271
Unrestricted	<u>3,462,905</u>	<u>162,291</u>
Total net assets	<u>\$ 71,366,530</u>	<u>\$ 351,320</u>

The accompanying notes are an integral part of these financial statements

Deming Public Schools
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Governmental activities:		
Instruction	\$ 31,586,948	\$ 483,919
Support services - Students	4,819,997	
Support services - Instruction	1,276,065	
General administration	2,027,422	337,035
School administration	2,521,793	
Central services	1,554,698	
Operation of plant	5,969,007	105,288
Food services	2,792,330	26,279
Transportation	2,806,675	
Community services		
Interest on long-term debt	613,297	
	<u>\$ 55,968,232</u>	<u>\$ 952,521</u>
Total governmental activities		
General revenues:		
Property taxes:		
Levied for general purposes		
Levied for debt service		
Levied for capital improvements		
State aid - formula grants		
Recoveries and refunds		
Donations and contributions		
Gain on disposition of assets		
Unrestricted investment earnings		
Total general revenues and special items		
Change in net assets		
Net assets, beginning of year		
Net assets - end of year		

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

Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit
\$ 10,849,652	\$ 371,138	\$ (19,882,239)	\$ (501,702)
1,188,991		(3,631,006)	(124,537)
372,458		(903,607)	(72,682)
723,728		(966,659)	(27,973)
33,396		(2,488,397)	(287,793)
31,269		(1,523,429)	(78,487)
44,674	1,415,266	(4,403,779)	(313,528)
3,015,802		249,751	
2,893,999		87,324	
		-	(18,524)
		(613,297)	
<u>\$ 19,153,969</u>	<u>\$ 1,786,404</u>	<u>\$ (34,075,338)</u>	<u>\$ (1,425,226)</u>
		\$ 232,495	\$ -
		2,665,869	
		955,336	
		32,202,972	1,272,592
		225,974	86,279
			14,795
		4,765	
		78,886	
		<u>\$ 36,366,297</u>	<u>\$ 1,373,666</u>
		\$ 2,290,959	\$ (51,560)
		69,075,571	402,880
		<u>\$ 71,366,530</u>	<u>\$ 351,320</u>

Deming Public Schools
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2010

	General Fund	Title I	State Grants	SB-9
Assets				
Cash and investments	\$ 3,557,737	\$ -	\$ -	\$ 3,560,579
Interest receivable	104			
Taxes receivable	21,778			88,205
Inventory	165,928			
Due from other governments	165,238	439,911	468,181	
Notes receivable	7,081			
Accounts receivable	6,194			
Interfund receivable	162,909		1,136	39,524
	<u>162,909</u>	<u></u>	<u>1,136</u>	<u>39,524</u>
Total assets	<u>\$ 4,086,969</u>	<u>\$ 439,911</u>	<u>\$ 469,317</u>	<u>\$ 3,688,308</u>
Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ 150,420	\$ 122,099	\$ -
Accounts payable	250,506	126,582	35,262	
Interfund payable	4,408	162,909	39,524	
Deferred revenue	21,531		454,340	57,616
	<u>21,531</u>	<u></u>	<u>454,340</u>	<u>57,616</u>
Total liabilities	<u>\$ 276,445</u>	<u>\$ 439,911</u>	<u>\$ 651,225</u>	<u>\$ 57,616</u>
Fund balance:				
Reserved for inventory	\$ 165,928	\$ -	\$ -	\$ -
Reserved for debt service				
Reserved for capital projects				
Unreserved, reported in:				
General fund	3,644,596			
Special revenue funds			(181,908)	3,630,692
	<u>3,644,596</u>	<u></u>	<u>(181,908)</u>	<u>3,630,692</u>
Total fund balances	<u>\$ 3,810,524</u>	<u>\$ -</u>	<u>\$ (181,908)</u>	<u>\$ 3,630,692</u>
Total liabilities and fund balances	<u>\$ 4,086,969</u>	<u>\$ 439,911</u>	<u>\$ 469,317</u>	<u>\$ 3,688,308</u>

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

Public School Capital Outlay	Debt Service	Other Funds	Total Governmental Funds
\$ 1,954,786	\$ 2,028,529	\$ 3,834,972	\$ 14,936,603
		1	105
	333,695	68,711	512,389
		31,281	197,209
		1,708,025	2,781,355
			7,081
			6,194
	16,982	88,523	309,074
<u>\$ 1,954,786</u>	<u>\$ 2,379,206</u>	<u>\$ 5,731,513</u>	<u>\$ 18,750,010</u>
\$ -	\$ -	\$ 1,587,967	\$ 1,860,486
100,863		355,200	868,413
		102,233	309,074
	264,961	91,715	890,163
<u>\$ 100,863</u>	<u>\$ 264,961</u>	<u>\$ 2,137,115</u>	<u>\$ 3,928,136</u>
\$ -	\$ -	\$ 31,281	\$ 197,209
	2,114,245	550,060	2,664,305
1,853,923		1,977,533	3,831,456
			3,644,596
		1,035,524	4,484,308
<u>\$ 1,853,923</u>	<u>\$ 2,114,245</u>	<u>\$ 3,594,398</u>	<u>\$ 14,821,874</u>
<u>\$ 1,954,786</u>	<u>\$ 2,379,206</u>	<u>\$ 5,731,513</u>	<u>\$ 18,750,010</u>

Deming Public Schools
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
June 30, 2010

Total governmental fund balances	\$ 14,821,874
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	72,524,436
Bond issue costs are capitalized and amortized over the life of the bonds	52,056
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
Property taxes subject to the 60 day availability period	388,916
Miscellaneous receivables subject to the 60 day availability period	7,081
Intergovernmental receivables subject to the 60 day availability period	454,340
Long-term liabilities, including bonds payable, compensated absences, lease- purchases payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:	
Capital lease payable	(515,000)
Bonds payable	(15,700,000)
Accrued interest payable	(245,967)
Compensated absences payable	(421,206)
	<hr/>
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 71,366,530</u></u>

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

Deming Public Schools
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2010

	General Fund	Title I	State Grants	SB-9
Revenues:				
Property taxes	\$ 229,331	\$ -	\$ -	\$ 943,950
Fees and charges	578,521			
State aid	35,301,910		676,404	1,415,266
Federal aid	323,630	4,194,755		
Earnings on investments	6,391		479	48,287
Miscellaneous	248,854		101,500	
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	\$ 36,688,637	\$ 4,194,755	\$ 778,383	\$ 2,407,503
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction	\$ 19,065,982	\$ 3,513,599	\$ 567,900	\$ -
Support service - Students	3,346,319	210,938	117,260	
Support services - Instruction	841,786	43,029	88,471	
General administration	1,170,509	405,168	827	9,303
School administration	2,302,935		15,082	
Central services	1,406,346			
Operation of plant	5,133,563	4,200	37,235	17,860
Food service			31,410	
Transportation	2,651,947	151		
Debt service:				
Principal				
Interest				
Capital outlay	403,354	17,670	14,361	787,624
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 36,322,741	\$ 4,194,755	\$ 872,546	\$ 814,787
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	\$ 365,896	\$ -	\$ (94,163)	\$ 1,592,716
Other financing sources (uses):				
Debt proceeds				
Transfer out				
Transfer in				
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	\$ 365,896	\$ -	\$ (94,163)	\$ 1,592,716
Fund balance, July 1, 2009	3,444,628		(87,745)	2,037,976
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, June 30, 2010	\$ 3,810,524	\$ -	\$ (181,908)	\$ 3,630,692
	<hr/>	<hr/>	<hr/>	<hr/>

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

Public School Capital Outlay	Debt Service	Other Funds	Total Governmental Funds
\$ -	\$ 2,076,309	\$ 563,542	\$ 3,813,132
		62,936	641,457
		371,138	37,764,718
		11,127,422	15,645,807
	6,136	17,593	78,886
		186	350,540
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ 2,082,445	\$ 12,142,817	\$ 58,294,540
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 6,679,810	\$ 29,827,291
		898,197	4,572,714
		240,958	1,214,244
	25,293	323,591	1,934,691
		18,314	2,336,331
		24,710	1,431,056
		435,585	5,628,443
		2,606,918	2,638,328
		25	2,652,123
	1,475,000	615,000	2,090,000
	607,725	18,177	625,902
274,816		1,984,676	3,482,501
<hr/>	<hr/>	<hr/>	<hr/>
\$ 274,816	\$ 2,108,018	\$ 13,845,961	\$ 58,433,624
<hr/>	<hr/>	<hr/>	<hr/>
\$ (274,816)	\$ (25,573)	\$ (1,703,144)	\$ (139,084)
		515,000	515,000
			-
			-
<hr/>	<hr/>	<hr/>	<hr/>
\$ (274,816)	\$ (25,573)	\$ (1,188,144)	\$ 375,916
2,128,739	2,139,818	4,782,542	14,445,958
<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,853,923	\$ 2,114,245	\$ 3,594,398	\$ 14,821,874
<hr/>	<hr/>	<hr/>	<hr/>

Deming Public Schools
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
June 30, 2010

Net change in fund balances- total governmental funds	\$ 375,916
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	3,482,501
Depreciation expense	(3,091,038)
Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities	(515,000)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:	
Property taxes subject to the 60 day availability period	40,568
Miscellaneous receivables subject to the 60 day availability period	(872)
Intergovernmental grants subject to the 60 day availability period	(73,616)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	2,090,000
Bond issue costs are expenditures in the funds but are capitalized and amortized in the Statement of Activities:	
Amortization	(8,111)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.	(1,429)
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change during the year.	20,716
Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change in compensated absences for the year.	(28,676)
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ 2,290,959</u></u>

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

Deming Public Schools
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30,2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 145,939	\$ 145,939
State sources	35,826,269	35,959,357	35,317,910	(641,447)
Local sources	463,104	463,104	1,043,591	580,487
Earnings on investments	15,456	15,456	6,442	(9,014)
Total revenues	\$ 36,304,829	\$ 36,437,917	\$ 36,513,882	\$ 75,965
Expenditures:				
Current:				
Instruction	\$ 21,045,713	\$ 19,984,261	\$ 19,027,614	\$ 956,647
Support services - Students	4,133,958	3,951,458	3,346,224	605,234
Support services - Instruction	1,106,309	1,116,299	832,514	283,785
General administration	1,476,038	1,549,438	1,184,920	364,518
School administration	2,703,983	2,741,883	2,305,573	436,310
Central services	1,688,720	1,744,920	1,409,759	335,161
Operation of plant	5,792,752	5,699,452	5,145,116	554,336
Transportation	2,039,939	2,936,866	2,652,862	284,004
Capital outlay	11,588	407,511	403,354	4,157
Non-operating	28,362	28,362		28,362
Total expenditures	\$ 40,027,362	\$ 40,160,450	\$ 36,307,936	\$ 3,852,514
Revenues over (under) expenditures	\$ (3,722,533)	\$ (3,722,533)	\$ 205,946	\$ 3,928,479
Other financing sources (uses):				
Transfers in	3,722,533	3,722,533	-	(3,722,533)
Net change in fund balance	\$ -	\$ -	\$ 205,946	\$ 205,946
Fund balance, July 1, 2009			3,514,700	3,514,700
Fund balance, June 30, 2010	\$ -	\$ -	\$ 3,720,646	\$ 3,720,646

The accompanying notes are an integral part of these financial statements

Deming Public Schools
SPECIAL REVENUE FUND - TITLE I
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 4,858,843	\$ 4,834,998	\$ 4,154,552	\$ (680,446)
Expenditures:				
Current:				
Instruction	\$ 4,185,806	\$ 4,144,853	\$ 3,396,206	\$ 748,647
Support services - Students	182,527	212,678	210,938	1,740
Support services - Instruction	44,002	44,006	43,029	977
General administration	446,508	408,318	405,168	3,150
Operational plant maintenance		7,000	3,842	3,158
Transportation		143	142	1
Capital outlay		18,000	17,670	330
Total expenditures	\$ 4,858,843	\$ 4,834,998	\$ 4,076,995	\$ 758,003
Net change in fund balance	\$ -	\$ -	\$ 77,557	\$ 77,557
Fund balance, July 1, 2009	-	-	(390,886)	(390,886)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (313,329)	\$ (313,329)

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

Deming Public Schools
SPECIAL REVENUE FUND - VARIOUS STATE GRANTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 8,364	\$ 688,306	\$ 648,115	\$ (40,191)
Local sources	136,252	297,752	161,450	(136,302)
Earnings on investments			479	479
Total revenues	<u>\$ 144,616</u>	<u>\$ 986,058</u>	<u>\$ 810,044</u>	<u>\$ (176,014)</u>
Expenditures:				
Current:				
Instruction	\$ 144,616	\$ 662,813	\$ 609,849	\$ 52,964
Support services - Students		128,641	84,610	44,031
Support services - Instruction		91,207	49,654	41,553
General administration				-
School administration		15,082	15,082	-
Pupil transportation				-
Operational plant maintenance		56,905	53,212	3,693
Food service		31,410	31,410	-
Central services				-
Capital outlay				-
Total expenditures	<u>\$ 144,616</u>	<u>\$ 986,058</u>	<u>\$ 843,817</u>	<u>\$ 142,241</u>
Net change in fund balance	\$ -	\$ -	\$ (33,773)	\$ (33,773)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(88,326)</u>	<u>(88,326)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (122,099)</u></u>	<u><u>\$ (122,099)</u></u>

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

Deming Public Schools
SPECIAL REVENUE FUND - SENATE BILL 9
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 904,837	\$ 904,837	\$ 930,302	\$ 25,465
State sources	25,000	62,721	1,415,266	1,352,545
Earnings on investments			48,287	48,287
Total revenues	<u>\$ 929,837</u>	<u>\$ 967,558</u>	<u>\$ 2,393,855</u>	<u>\$ 1,426,297</u>
Expenditures:				
Current:				
Operational plant maintenance	\$ 1,686,878	\$ 1,685,878	\$ 27,163	\$ 1,658,715
Capital outlay	1,150,000	1,188,721	881,434	307,287
Total expenditures	<u>\$ 2,836,878</u>	<u>\$ 2,874,599</u>	<u>\$ 908,597</u>	<u>\$ 1,966,002</u>
Net change in fund balance	\$ (1,907,041)	\$ (1,907,041)	\$ 1,485,258	\$ 3,392,299
Fund balance, July 1, 2009	<u>1,907,041</u>	<u>1,907,041</u>	<u>2,075,321</u>	<u>168,280</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,560,579</u></u>	<u><u>\$ 3,560,579</u></u>

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

Deming Public Schools
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2010

	<u>Primary Government Agency</u>	<u>Component Unit Agency</u>
Assets		
Cash and investments	\$ 142,669	\$ 5,885
Total assets	<u>\$ 142,669</u>	<u>\$ 5,885</u>
 Liabilities		
Deposits held for others	<u>\$ 142,669</u>	<u>\$ 5,885</u>
Total liabilities	<u>\$ 142,669</u>	<u>\$ 5,885</u>

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

Deming Public Schools
NOTES TO FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2010

Note 1 Summary of Significant Accounting Policies

Deming Public Schools, organized under the laws of the State of New Mexico, operates under the school board-superintendent form of government. The System provides public education opportunities for children from first through twelfth grade, including but not limited to classroom and vocational studies; as well as school oriented social and athletic activities.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
 - ✓ A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
 - ✓ Financial statements prepared using full accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The District implemented GASB 34 effective July 1, 2002. As a part of GASB's Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc). The District does not own any infrastructure assets and therefore is unaffected by this provision.

A. REPORTING ENTITY

These financial statements present the District (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Based on the criterion in GASBS No. 14, the District

had one component unit, the Cesar Chavez Charter School which began operations in the 2006-2007 fiscal year. The District is the sponsoring school. The component unit is presented by a discrete presentation, with financial statements separate from the primary government. Separately issued financial statements can be obtained by writing to Cesar Chavez Charter High School at P.O. Box 1658, Deming, New Mexico 88031.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental, and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Included in this fund are State sources provided for Student Transportation, (Transportation Sub-Fund), Books (Instructional Material Sub-Fund), and Student Activities (Non-Instructional Support Sub-Fund).

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisitions or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the District.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

Agency Funds account for assets held in a purely custodial capacity. Since agency funds are custodial in nature (i.e.) assets equal liabilities, they do not involve the measurements of results of operations.

The emphasis in fund financial statements is on the major funds in the governmental category. Non-major funds are summarized into a single column.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated in to the government-wide statements.

Major Fund Descriptions

General – See above description.

Title I – accounts for federal resources administered by the New Mexico State Department of Education to provide assistance to educationally deprived students in low income areas of the District. P.L. 103-382, and is a Special Revenue Fund.

State Grants - account for various state grants received by the District. Authorization is the Board of Education, and is a Special Revenue Fund.

SB-9 – created by state law to account for the District tax levy restricted solely for use in improvements to the physical plant (NMSA 1978 22-25-1). This is a Special Revenue Fund.

Debt Service – See above description.

Public Schools Capital Outlay – to account for state resources to be used for specific construction projects. This is a Capital Project Fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus is used.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements and Agency Funds utilize an “economic resources” measurement focus measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this

general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Substantially all governmental fund revenues are accrued. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognized receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year end are reported as deferred revenue. Property taxes are considered fully collectible.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are 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 assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilized restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Charges for services include revenues bases on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase use or directly benefit from the goods, services or privileges provided. Revenues in this category include fees charged for specific services, such as attendance at athletic events, food service, copies and auxiliary services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

D. BUDGETS

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and approved by the local school board and the Public Finance School Division of the Department of Education. The District has one capital

projects fund, Red Mountain Parking, where vendors are paid directly by the State of New Mexico. No budget statements are presented for this fund.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget on a function category basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a “series”, this may be accomplished with only local Board of Education approval. If a transfer between “series” or a budget increase is required, approval must also be obtained from Public Education Department.

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

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes authorize the government to invest in obligations of the U.S. Treasury, interest-bearing accounts with local financial institutions and the State Treasurer Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the District. The pledged securities remain in the name of the financial institution. Repurchase agreements are required to be collateralized 102%.

F. INVENTORIES

Except for U.S.D.A. commodities, which are shown at estimated value, inventories are valued at costs (first-in, first-out). Inventory in the Cafeteria Fund consists mainly of food items. Inventories, in other governmental fund types, consist primarily of supply-type assets.

G. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Software and library resources	3-5 years

Machinery and equipment	5-10 years
Improvements	10-20 years

The accounting treatment over property, plant and equipment depends on whether they are reported in the government-wide financial statements or fund financial statements. In the government-wide financial statements, capital assets are accounted for as capital assets. In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, accrued compensated absences, and lease purchase.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

I. COMPENSATED ABSENCES

The District's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. These liabilities have typically been liquidated from general fund resources.

J. EQUITY CLASSIFICATIONS

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – 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, improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Equity is classified as fund balance and displayed in two components:

- a. Reserved – Consists of governmental fund balances that are not appropriable, legally segregated for specific usage, or commitments to outside third parties.
- b. Unreserved – Consists of designations of amounts representing tentative management plans for governmental fund balances, but subject to change (Designated), and undesignated, for which no restrictions or designations exist.

K. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the District by the County Treasurer, and are remitted to the District in the month following collection. Because the Treasurer of the County in which the District is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the District.

The District is permitted to levy taxes for general operating purposes up to \$.50 per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the District is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the District, as well as a Two Mill Levy for District improvements. The District's total tax rate to finance general government services for the year ended June 30, 2010 was \$.500 per \$1,000 for non-residential property and \$.463 for residential property. The District's tax rate for debt service was \$4.081 per \$1,000 for both residential and nonresidential property. The District's tax rate for District improvements was \$3.50 per \$1,000 for residential and \$3.50 for nonresidential property.

L. INTERFUND ACTIVITY

Inter-fund activity is reported as either 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 cost as a reimbursement. All other inter-fund transactions are treated as transfers. Inter-fund activity between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

M. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the government's deposits may not be returned to it. The government does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2010 \$3,613,112 of the government bank balance of \$20,114,888 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 3,613,112</u>
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The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer, with the advice and consent of the State Board of Finance, is authorized to invest money held in the short-term investment fund in accordance with Section 6-10-10I through 6-10-10P and Sections 6-10-10.1 A and E, NMSA 1978. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10.IF, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts fund were invested.

Investments are valued at fair value based on quoted market prices as of the valuation date.

Participation in the pool is voluntary. The District had \$709,712 on deposit in the pool at June 30, 2010, which is AAAM rated with a weighted average maturity of 50 days.

Note 3 Investments

At June 30, 2010, the District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
U.S. Government Money Market	<u>\$ 188,705</u>	<u>\$ 188,705</u>	N/A
Total investments	<u>\$ 188,705</u>	<u>\$ 188,705</u>	

Portfolio weighted average maturity

The District has elected to report its investments at amortized cost, since all investments have a maturity date of less than one year at time of purchase.

Interest Rate Risk – The District limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk – The District has no investment policy beyond that prescribed by New Mexico law. The District's current investments have no credit risk since they are all in U.S. Government Securities.

Concentration of Credit Risk – The District places no limits on the amount it may invest in any one issuer. The District's currently has 100% invested in U.S. Government securities.

Custodial Credit Risk – The District is not subject to custodial credit risk for its investments, since all are held in the name of the District.

Note 4 Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 2,308,938	\$	\$ -0-	\$ 2,308,938
Construction in progress	<u>-0-</u>	<u>1,819,715</u>	<u>371,138</u>	<u>1,448,577</u>
Total assets not being depreciated	<u>\$ 2,308,938</u>	<u>\$ 1,819,715</u>	<u>\$ 371,138</u>	<u>\$ 3,757,515</u>
Other capital assets:				
Buildings/improvements	\$ 89,652,598	\$	\$	\$ 89,652,598
Land improvements	3,818,031	1,536,808		5,354,839
Furniture and equipment	<u>9,664,746</u>	<u>497,116</u>	<u>426,917</u>	<u>9,734,945</u>
Total other capital assets at historical cost	<u>\$103,135,375</u>	<u>\$ 2,033,924</u>	<u>\$ 426,917</u>	<u>\$ 104,742,382</u>
Less accumulated depreciation for:				
Buildings/improvements	\$ (23,834,617)	\$ (2,517,581)	\$	\$ (26,352,198)
Land improvements	(1,027,541)	(192,518)		(1,220,059)
Furniture and equipment	<u>(8,442,755)</u>	<u>(380,939)</u>	<u>425,488</u>	<u>(8,403,206)</u>
Total accumulated depreciation	<u>\$ (33,309,913)</u>	<u>\$ (3,091,038)</u>	<u>\$ 425,488</u>	<u>\$ (35,975,463)</u>
Other capital assets, net	<u>\$ 69,825,462</u>	<u>\$ (1,057,114)</u>	<u>\$ (1,429)</u>	<u>\$ 68,766,919</u>
Total capital assets, net	<u>\$ 72,134,400</u>	<u>\$ 762,601</u>	<u>\$ (372,567)</u>	<u>\$ 72,524,434</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 1,730,981
Support Services – Students	247,283
Support Services – Instruction	61,821
General Administration	92,731
School Administration	185,462
Central Services	123,642
Operation of plant	340,564
Food Services	154,002
Transportation	<u>154,552</u>
	<u>\$ 3,091,038</u>

Note 5 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2010:

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletion</u>	Balance <u>June 30, 2010</u>	<u>Due In One Year</u>
Capital lease	\$ 615,000	\$ 515,000	\$ 615,000	\$ 515,000	\$ 515,000
G.O. Bonds, series 1998	1,725,000		1,000,000	725,000	725,000
G.O. Bonds, series 2003	4,825,000		250,000	4,575,000	425,000
Compensated absences payable	392,530	214,200	184,821	421,909	-0-
G.O. Bonds, series 2006	4,925,000		125,000	4,800,000	300,000
G.O. Bonds, series 2007	<u>5,700,000</u>	<u> </u>	<u>100,000</u>	<u>5,600,000</u>	<u>100,000</u>
	<u>\$18,182,530</u>	<u>\$ 729,200</u>	<u>\$ 2,274,821</u>	<u>\$ 16,636,909</u>	<u>\$ 2,065,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,065,000	\$ 547,991
2012	1,800,000	475,225
2013	1,300,000	423,000
2014	1,400,000	376,451
2015	1,450,000	327,387
2016-2020	7,700,000	821,450
2021-2025	<u>500,000</u>	<u>9,875</u>
	<u>\$ 16,215,000</u>	<u>\$ 2,981,379</u>

No compensated absences are considered due and payable in the next fiscal year.

On October 21, 2008, the District entered into a capital lease to acquire educational technology equipment. The economic substance of the lease is that the District is financing the acquisition of the equipment and, accordingly, they are recorded in the District's assets and liabilities. The obligations under the lease have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 3.8%. Payments under this lease are to be funded by enacted property taxes.

The following is the schedule of future minimum lease payments required under the lease together with its present value at June 30, 2010.

Due in Year Ending:

June 30, 2010	\$ 522,922
Less amounts representing imputed interest	<u>(7,922)</u>
Present value of future lease payments	<u>\$ 515,000</u>

July 1, 1998, the District issued \$5,000,000 in general obligation bonds with the interest rates 4% and 4.5% for the purpose of erecting, remodeling, making additions to and furnishing school buildings, or purchasing or improving school grounds and purchasing computer software and hardware for student use in public school classrooms, or any combination of these purposes. Principal payments are due on August 1st of each year. The interest payments are due on August 1st and February 1st. The bonds mature August 1, 2007. The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levies. Bonds totaling \$725,000 are due in the next fiscal year.

April 15, 2003, the District issued \$5,700,000 in general obligation bonds with the interest rates at 2.5% and 3.45% for the purpose of building a new elementary school. Principal payments are due on August 1st of every year, with first principal payment due August 1, 2005. Interest payments are due February 1st and August 1st. The bonds mature August 1, 2015. The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levied. Bonds totaling \$425,000 are due in the next fiscal year.

On May 15, 2006, the District issued \$5,000,000 in general obligation bonds with interest rates 3.5% to 3.95% for the purpose of erecting, remodeling, making additions to and furnishing school building, or purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools classrooms or any combination of these purposes. Principal payments are due August 1st of each year. The interest payments are due on August 1st and February 1st. The bonds mature August 1, 2021. The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levies. Bonds totaling \$30,000 are due in the next fiscal year.

On April 17, 2007 the District issued \$6,000,000 in general obligation bonds with interest rates 3.55% to 5.00% for the purpose of erecting, remodeling, making additions to and furnishing school building, or purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools classrooms or any combination of these purposes. Principal payments are due August 1st of each year. The interest payments are due on August 1st and February 1st. The bonds mature August 1, 2019. The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levies. Bonds totaling \$100,000 are due in the next fiscal year.

Note 6 Retirement Plan

Plan Description

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

Funding Policy

Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The Deming Public Schools was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the Deming Public Schools are established in State Statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the Legislature. The Deming Public School's contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008 were \$5,547,699, \$5,106,566 and \$4,723,983 respectively, which equal to the amount of the required contributions for each fiscal year.

Note 7 State Retiree Health Care Plan

Plan Description

Deming Public Schools contributes to the New Mexico Retiree health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New

Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retire 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, visions, 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 tie 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 contribution 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, New Mexico 87107.

Funding Policy

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

1) The Retiree Health Care Act (Section 10-7C NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY2011	1.666%	.833%
FY2012	1.834%	.917%
FY2013	2.000%	1.000%

Also, employers joining the program after 01/01/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Deming Public School's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$356,644, \$349,922, and \$330,931, respectively, which equal the required contributions for each year.

Note 8 Risk Management

The District's is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors; errors and omissions; injuries to employees;; and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred.

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below \$250,000 and purchases excess insurance above the self-insured retention aggregate for property is set at \$2,000,000 with a \$1,000,000 stop loss. The self-insured retention aggregate for liability is \$3,000,000 with a \$1,000,000 stop loss.

Note 9 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 government expects such amounts, if any, to be immaterial.

Note 10 Budgetary Reconciliations

The Statements of Revenues, Expenditures and Changes in Changes in Net Assets Budget (NON-GAAP Budgetary Basis) and Actual, General and Major Special Revenue Funds present comparisons of legally adopted budgets 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 changes in net assets by General and Major Special Revenue Funds for the year ended June 30, 2010 is as follows:

	<u>General</u>	<u>Title I</u>	<u>State Grants</u>	<u>SB-9</u>
Changes in net assets GAAP basis	\$ 365,896	\$ -0-	\$ (94,163)	\$1,592,716
Increases (decreases):				
Revenue accruals (net)	(174,755)	(40,203)	31,661	(13,648)
Expenditure accruals (net)	14,805	117,760	28,729	(93,810)
Other financing sources (users)	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Changes in net assets (NON-GAAP Budgetary basis)	<u>\$ 205,946</u>	<u>\$ 77,557</u>	<u>\$ (33,773)</u>	<u>\$1,485,258</u>

Note 11 Deficit Fund Balance

The District had a deficit fund balance in the State Grants Fund. Deficits occur due to the accrual of accounts payable and the 60 day limitation on revenue recognition required by the modified accrual basis of accounting. As liabilities are paid and revenue collected in subsequent periods, the deficit will be reduced.

Note 12 Inter-fund Activity

Inter-fund balances at June 30, 2010, consisted of the following:

	<u>General</u>	<u>Inter-fund Payable</u>			<u>Total</u>
		<u>State Grants</u>	<u>Title I</u>	<u>Other Funds</u>	
<u>Inter-fund Receivable</u>					
General	\$	\$	\$ 162,909	\$	\$ 162,909
State Grants				1,136	1,136
SB-9		39,524			39,524
Debt Service	4,408			12,574	16,982
Other Funds	<u> </u>	<u> </u>	<u> </u>	<u>88,523</u>	<u>88,523</u>
	<u>\$ 4,408</u>	<u>\$ 39,524</u>	<u>\$ 162,909</u>	<u>\$ 102,233</u>	<u>\$ 309,074</u>

All amounts are expected to be repaid within one year. The purposes of the loans was to provide cash for operating purposes.

During the year ended June 30, 2010, there were no transfers.

Note 13 Restricted Net Assets

At June 30, 2010, net assets restricted for other purposes included the following balances in special revenue funds:

SB-9	\$ 3,688,308
Cafeteria	937,363
State Grants	272,432
Medicaid	15,704
Other	<u>113,738</u>
	<u>\$ 5,027,545</u>

The District reports \$9,837,283 in restricted net assets, of which \$7,360,859 is restricted by enabling legislation.

Note 14 Leasing Arrangements

The District leases a school building to its component unit, Cesar Chavez High School Charter School.

The following schedule provides an analysis of the District's investment in the property by major classes at June 30, 2010:

Land	\$ 5,000
Buildings	<u>683,183</u>
	\$ 688,183
Less accumulated depreciation	<u>(621,625)</u>
Net assets	<u>\$ 66,558</u>

The lease is renegotiated annually, and currently requires payment annually of \$700 times the average full-time-equivalent enrollment on the eightieth and one hundred twentieth day of the prior school year.

The District received \$95,685 in rent from its component unit during the year ended June 30, 2010.

Notes Related to Component Unit of DPS

Note A Summary of Significant Accounting Policies

Cesar Chavez High School Charter School, organized under the laws of the State of New Mexico, operates under the governing council-Director form of government. The System provides public education opportunities for children from first through twelfth grad, including but not limited to classroom and vocational studies; as well as school oriented social and athletic activities.

The School is a component unit of Deming Public Schools. Deming Public Schools is the sponsoring organization for Cesar Chavez Charter School, however, the operation of the entities is separate and distinct.

The School's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the School are discussed below:

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
 - ✓ A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
 - ✓ Financial statements prepared using full accrual accounting for all of the School's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The School implemented GASB 34 effective July 1, 2006. As a part of GASB's Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The School does not own any infrastructure assets and therefore is unaffected by this provision.

A. REPORTING ENTITY

These financial statements present the School (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are included in the School's reporting entity because of the significance of their operating or financial relationships with the School. Based on the criterion in GASBS No. 14, the School had no component units.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental, and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the School and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Included in the General fund are sub-funds; Operational, the Unrestricted District Fund; Instructional Materials, which accounts for State Source Funds used to purchase textbooks; Charter Planning, which accounts for federal funds to charter schools; and Microsoft Settlement, which accounts for funds received in settlement which are unrestricted.

Special Revenue Funds

Special Revenue Funds are used to account for revenue sources restricted to a specific use.

Capital Outlay Funds

Capital Outlay Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for capital purposes.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

Agency Funds account for assets held in a purely custodial capacity. Since agency funds are custodial in nature (i.e.) assets equal liabilities, they do not involve the measurements of results of operations. Agency Funds typically hold funds for clubs, classes, and other student organizations.

The emphasis in fund financial statements is on the major funds in the governmental category. Non-major funds are summarized into a single column.

The School's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated in to the government-wide statements.

Major Fund Descriptions

General – See above description.

Special Revenue Funds

Title I – accounts for the federal assistance provided to the District for the improvement of educational opportunities to deprived children. (Authority, P.L. 103-382).

TANF/Grads – accounts for providing grants to States or Territories to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193. The fund was created by state grant provision.

State Equalization Stimulus – accounts for supporting and restoring funding for the District programs and services in states and local education agencies. (P.L. 111-5).

Title I/Stimulus – accounts for federal resources administered by the New Mexico State Department of Education to provide assistance to educationally deprived students in low-income areas of the District. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School districts to be accounted for as a separate fund within the Special Revenue funds (P.L. 103-382).

Teacher Mentoring – accounts for the federal resources intended to improve teacher quality. (No Child Left Behind Act). (Title II Part A).

Capital Projects Funds

Public School Capital Outlay – accounts for the state resources for various capital projects.

Special Capital Outlay State – accounts for the state resources to be used for specific construction projects.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus is used.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recover), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. **Accrual:**

The government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. **Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available.

“Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of

accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Substantially all governmental fund revenues are accrued. In applying GASBS No. 33 to grant revenues, the provider recognized liabilities and expenses and the recipient recognized receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognized all long-term assets and receivables as well as long-term debt and obligations. The School's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The School first utilized restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net assets area available.

The government-wide Statement of Activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues (certain intergovernmental revenues and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Charges for services include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase use or directly benefit from the goods, services or privileges provided. Revenues in this category include fees charged for specific services, such as attendance at athletic events, food service, copies and auxiliary services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (intergovernmental revenues, interest income, etc.).

The School does not allocate indirect costs.

This government-wide focus is more on the sustainability of the School as an entity and the change in the School's net assets resulting from the current year's activities.

C. BUDGETS

Budget for the General Fund is prepared by management and approved by the local governing council and the Public Finance School Division of the Department of Education.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be reappropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget on a functional category basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a "series", this may be accomplished with only local governing council approval. If a transfer between "series" or a budget increase is required, approval must also be obtained from Public Education Department.

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

D. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes authorize the government to invest in obligations of the U.S. Treasury, interest-bearing accounts with local financial institutions and the State Treasurer Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the District. The pledged securities remain in the name of the financial institution. Repurchase agreements are required to be collateralized 102%.

E. INVENTORIES

Except for U.S.D.A. commodities, which are shown at estimated value, inventories are valued at cost (first-in, first-out). Inventory in the Cafeteria Fund consists mainly of food items. Inventories, in other governmental fund types, consist primarily of supply-type assets. The School had no inventory at June 30, 2010.

F. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20- 50 years
Software and library resources	03-05 years
Machinery and equipment	05-10 years
Improvements	10-20 years

The accounting treatment over property, plant and equipment depends on whether they are reported in the government-wide financial statements or fund financial statement. In the government-wide financial statements, capital assets are accounted for as capital assets. In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. COMPENSATED ABSENCES

The School's policies, regarding vacation time, permit employees to accumulate earned but unusual vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. These liabilities have typically been liquidated from general fund resources.

H. EQUITY CLASSIFICATIONS

Governments-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets:
- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Equity is classified as fund balance and displayed in two components:

- a. Reserved – Consists of governmental fund balances that are not appropriable, legally segregated for specific usage, or commitments to outside third parties.
- b. Unreserved – Consists of designations of amounts representing tentative management plans for governmental fund balances, but subject to change (Designated), and undesignated, for which no restrictions or designations exist.

I. INTERFUND ACTIVITY

Inter-fund activity is reported as either 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 cost as a reimbursement. All other inter-fund transactions

are treated as transfers. Inter-fund activity between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note B Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the School's deposits may not be returned to it. The School does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2010 \$0.00 of the School's bank balance of \$324,560 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>-0-</u>
Total	\$ <u>-0-</u>

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 250,000	\$ 250,000
Collateral held by the pledging bank's agent in the District's names	74,560	25,783
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 324,560</u>	<u>\$ 275,783</u>

Note C Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets being depreciated				
Other capital assets:				
Furniture and equipment	\$ 54,269	\$	\$	\$ 54,269
Leasehold improvements	<u>133,985</u>	<u>-0-</u>	<u></u>	<u>133,985</u>
Total other capital assets at historical cost	<u>\$ 188,254</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 188,254</u>
Less accumulated depreciation for:	\$ (16,281)	\$ (12,194)	\$	\$ (28,475)

Furniture and equipment	<u>(1,340)</u>	<u>(1,340)</u>	<u> </u>	<u>(2,680)</u>
Total accumulated depreciation	<u>\$ (17,621)</u>	<u>\$ (13,534)</u>	<u>\$ -0-</u>	<u>\$ (31,155)</u>
Total capital assets, net	<u>\$ 170,633</u>	<u>\$ (13,534)</u>	<u>\$ -0-</u>	<u>\$ 157,099</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	<u>\$ 13,534</u>
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Note D Retirement Plan

Plan Description

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

Funding Policy

Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The School was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the Cesar Chavez High School Charter School are established in State Statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Cesar Chavez High School Charter School's contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$150,942, \$144,869 and \$88,095, respectively, which equal the amount of the required contributions for each fiscal year.

Note E Retiree Health Care Act Contributions

Plan Description

Cesar Chavez High School Charter School 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 Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; and 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The Retiree Health Care Authority 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 N.E., Suite 104, Albuquerque, New Mexico 87107.

Funding Policy

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

1) The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY2011	1.666%	.833
FY2012	1.834%	.917
FY2013	2.000%	1.000

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

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

The Cesar Chavez High School Charter School contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$10,521, \$7,319 and \$6,606, respectively, which equal the required contributions for each year.

Note F Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity is risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred.

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below \$250,000 and purchased excess insurance above the self-insured retention. The self-insured retention aggregate for property is set at \$2,000,000 with a \$1,000,000 stop loss. The self-insured retention aggregate for liability is \$3,000,000 with a \$1,000,000 stop loss.

Note G Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 government expects such amounts, if any, to be immaterial.

Note H Budgetary Reconciliations

The Statements of Revenues, Expenditures and Changes in Fund Balance Budget (NON-GAAP Budgetary Basis) and Actual, General Funds present comparisons of legally adopted budgets with actual data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of revenues and other sources over (under) expenditures and other uses by General Funds for the year ended June 30, 2010 is as follows:

	<u>Title I Stimulus</u>	<u>TANF GRADS</u>	<u>Title I</u>	<u>General</u>	<u>Teacher Mentoring</u>	<u>State Equalization Stimulus</u>
Revenues and other sources over (under) and other used GAAP basis	\$ -0-	\$ -0-	\$ -0-	\$ (42,297)	\$ 4,271	\$ -0-
Increase (decreases):						
Revenue accruals (net)	-0-	33,410	66,200	2,150	-0-	-0-
Expenditures accruals (net)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(6,691)</u>	<u>-0-</u>	<u>-0-</u>
Revenues and other sources over (under) expenditures and other uses (NON-GAAP budgetary basis)	<u>\$ -0-</u>	<u>\$ 33,410</u>	<u>\$ 66,200</u>	<u>\$ (46,838)</u>	<u>\$ 4,271</u>	<u>\$ -0-</u>

Note I Budgetary Authority

The School exceeded budgetary authority in the following functional categories:

General Fund:

Support Services – Students	\$ 28,282
Operation of Plant	18,524
Special Revenue:	
Title I – Instruction	180
State Equalization Stimulus – School Administration	139

The School has adopted a budget adjustment approval policy which will alleviate these budget overruns in the future.

Note J Inter-fund Activity

Inter-fund Receivable

Inter-fund Payable
Special Capital Outlay - State

General	<u>\$ 6,460</u>
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The purpose of the inter-fund activity was to fund operations, and will be repaid in the next fiscal year.

Note K Restricted Net Assets

At June 30, 2010, assets restricted for other purposes were the following Special Revenue Funds:

Teacher Mentoring	<u>\$ 4,271</u>
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The School reports \$31,930 in restricted assets, of which \$27,659 is restricted by enabling legislation.

Note L Fund Balance Deficits

Fund balance deficits occur through the application of modified accrual accounting to cash basis budgeting. As funds are received in the subsequent year, the deficit fund balance will be reduced. The Special Capital Outlay-State Fund had a fund balance deficit of \$6,460 at June 30, 2010. The School intends to transfer monies from its General Fund and close this fund during the 2010-2011 fiscal year.

Note M The Charter School leases a school building from Deming Public Schools. The lease is renegotiated annually, and currently requires payment annually of \$700 times the average full-time-equivalent enrollment on the eightieth and one hundred twentieth day of the prior school year.

The Charter School paid \$95,685 in rent to Deming Public Schools during the year ended June 30, 2010.

GENERAL FUND

General Fund – to account for resources traditionally associated with governments which are not required to be accounted for in another fund. Revenues and expenditures of the operational, transportation, and auxiliary student activity accounts are accounted for in this fund.

SPECIAL REVENUE FUNDS

Cafeteria – fund used to account for revenues generated by the District as well as the federal assistance received and the related expenditures necessary to provide food services for the district. Required by New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (PSAB, Supplement 17).

Athletics – to account for the revenues received, and the related expenditures incurred, by the District related to athletic functions (PSAB, Supplement 3).

Title I/Stimulus – fund used to account for federal resources administered by the New Mexico State Department of Education to provide assistance to educationally deprived students in low-income areas of the District. Required by the New Mexico Department of Educational Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

Entitlement/Entitlement Stimulus/Competitive/Discretionary – fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457)

Pre-School/Pre-School Stimulus – fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Funds (P.L. 94-142 and P.L. 99-457).

Drug Free Schools – fund used to account for federal resources administered by the New Mexico State Department of Education to provide an integrated approach in the school curriculum to aid in drug abuse education and prevention. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

Carl Perkins – fund used to account for federal resources for support for vocational and technical education programs that improve the academic, vocational, and technical skills of students (Carl D. Perkins Vocational and Applied Technology Education Act of 1988, P.L. 105-332).

Reading First – grant from the Federal Government administered by the New Mexico State Department of Education to help improve the reading skills of pre-kindergarten through third grade children (HR2614).

Medicaid – to account for the federal assistance to improve primary health care and increase health education (P.L. 105-33).

Immigrant Funding – to assist LEA's with rehabilitation services for immigrants. Authorization is Rehabilitation Act of 1973.

Enhancing Education – created by specific authority to support a system for the acquisition and use of technology and technology enhanced curricular for elementary and secondary schools. (Section 2411 et. Seq. of P.L. 107-110, 115 Statute 1678)

Teacher Training – created by P.L. 107-110 to improve teacher and principal quality and ensure that all teachers are highly qualified.

English Language Acquisition – created to improve the education of limited English proficient children and youths by helping them learn English. (ESEA as amended by the No Child Left Behind Act P.L. No. 107-110).

Innovation Programs – created by P.L. 107-110 to account for the federal assistance provided to the District to meet the educational needs of all students, including at-risk youths.

Rural Schools – created to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. (Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended).

Migrant – fund used to account for federal assistance administered by the New Mexico State Department of Education for migrant education. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

Education of Homeless/Education of Homeless Stimulus – fund used to account for federal resources administered by the New Mexico State Department of Education to provide comprehensive services to homeless children and youth and their families, and expedited evaluations of homeless children's needs to help facilitate enrollment, attendance, and success in school (Stewart B. McKinney Homeless Assistance Act of 1987).

Comprehensive School Reform – fund used to account for federal resources administered by the New Mexico State Department of Education to the individual schools that are in need to substantially improving students achievement for the development of educational programs based on reliable research and effective practices. (P.L. 105-78).

Emergency Food – fund used to account for federal resources administered by the New Mexico State Department of Education to provide for supportive services to the needy. (P.L. 100-77).

R.O.T.C. – fund used to account for federal resources administered by the Department of the Army for the cadet command training for the Reserve Officers Training Command (Department of the Army and Deming Public School Board).

School Improvement – to account for monies received from an award for high improving schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

Child and Adult Food – created by the National School Lunch Act, this fund is designed to initiate and maintain nonprofit food service programs for children.

Fruits and Vegetables – to account for the resources granted to insure that children get an adequate diet of fruits and vegetables with meals. (NMPED regulations).

Title III – Implement district-wide bilingual education programs or special alternative instruction programs to improve, reform, and upgrade relevant programs and operations, within an entire local educational agency, that serve a significant number of children and youth limited English proficiency in local educational agencies with significant concentrations of such children and youth. The program is authorized by Title III, P.L. 107-116.

Emergency Response Plan – to enhance the Nation's efforts to present the illegal use of drugs and violence and preparedness activities. Authority Elementary and Secondary Education Act, Title IV, Part A, Subpart 2 as amended, Sections 47140.

Goals 2000 – to account for federal resources received under the provisions of the Educate American Act (P.L. 103-227).

Title II – to account for federal resources administered by the State Department of Education to provide training and in-service for math and science teachers. Authority for creation is New Mexico Department of Education Manual of Procedures for New Mexico School Districts and P.L. 103-382.

Emergency Immigrant – to account for federal resources to be used to improve immigrant education. Authorization is Elementary and Secondary Education Act of 1965.

Reading Excellence – to account for federal grant administered by New Mexico State Department of Education to help improve the reading skills of pre-kindergarten through third grade children (HR 2614).

Education Technology – the purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the School System Authority for creation NMSA 22-15A-1 to 22-1.5A-10.

Teacher Quality – to account for the federal resources to be used to improve teacher quality. Authorization is P.L. 105-244.

DEBT SERVICE FUND

Interest and Principle – to account for the resources restricted for the payment of interest obligations on general long-term debt and for the retirement of general obligation bonds as they mature.

Ed Tech Debt Service – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

CAPITAL PROJECTS FUNDS

Public School Capital Outlay – to account for the state resources to be used for specific construction projects.

Red Mountain Parking – to account for the state funding to build the various new schools within the District. These projects are funded through direct funding from PSFA.

Bond Building – to account for bond proceeds and any interest earned thereon. 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.

AGENCY FUNDS

Agency Fund – to account for monies held in a custodial account (assets equal liabilities) for the benefit of others. Individual accounts are identified by name in the supporting schedule section of this report.

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2010

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant	Idea B Competitive
Assets				
Cash and investments	\$ 856,926	\$ 16,753	\$ -	\$ -
Interest receivable				
Taxes receivable				
Inventory	31,281			
Interfund receivable	8,967			
Due from other governments	144,157		194,846	3,564
Total assets	<u>\$ 1,041,331</u>	<u>\$ 16,753</u>	<u>\$ 194,846</u>	<u>\$ 3,564</u>
Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ -	\$ 194,728	\$ 3,564
Accounts payable	103,968	1,049	118	
Interfund payable				
Deferred revenue				
Total liabilities	<u>\$ 103,968</u>	<u>\$ 1,049</u>	<u>\$ 194,846</u>	<u>\$ 3,564</u>
Fund balance:				
Reserved for inventory	\$ 31,281	\$ -	\$ -	\$ -
Reserved for debt service				
Reserved for capital projects				
Unreserved	906,082	15,704		
Total fund balances	<u>\$ 937,363</u>	<u>\$ 15,704</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances	<u>\$ 1,041,331</u>	<u>\$ 16,753</u>	<u>\$ 194,846</u>	<u>\$ 3,564</u>

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

Special Revenue Funds					
Entitlement	Discretionary	Emergency Response	ROTC	Preschool	Fresh Fruits
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,537 190,888	325	16,356	691	554	6,500
<u>\$ 202,425</u>	<u>\$ 325</u>	<u>\$ 16,356</u>	<u>\$ 691</u>	<u>\$ 554</u>	<u>\$ 6,500</u>
\$ 199,665 2,760	\$ 325	\$ 14,318 2,038	\$ 691	\$ 554	\$ 6,500
<u>\$ 202,425</u>	<u>\$ 325</u>	<u>\$ 16,356</u>	<u>\$ 691</u>	<u>\$ 554</u>	<u>\$ 6,500</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 202,425</u>	<u>\$ 325</u>	<u>\$ 16,356</u>	<u>\$ 691</u>	<u>\$ 554</u>	<u>\$ 6,500</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2010

		Special Revenue Funds		
	<u>GOALS</u>	<u>Education of Homeless</u>	<u>Title II Incentive</u>	<u>Emergency Immigrant</u>
Assets				
Cash and investments	\$ -	\$ -	\$ 619	\$ 1,253
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				
Due from other governments	25,409	5,427		
Total assets	<u>\$ 25,409</u>	<u>\$ 5,427</u>	<u>\$ 619</u>	<u>\$ 1,253</u>
Liabilities and Fund Balances				
Cash overdraft	\$ 25,409	\$ 5,390	\$ -	\$ -
Accounts payable		37		
Interfund payable				
Deferred revenue			619	1,253
Total liabilities	<u>\$ 25,409</u>	<u>\$ 5,427</u>	<u>\$ 619</u>	<u>\$ 1,253</u>
Fund balance:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for debt service				
Reserved for capital projects				
Unreserved				
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances	<u>\$ 25,409</u>	<u>\$ 5,427</u>	<u>\$ 619</u>	<u>\$ 1,253</u>

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

Special Revenue Funds					
Title I Stimulus	Carl Perkins	Education Technology	Entitlement Stimulus	Comp School Reform	Preschool Stimulus
\$ -	\$ -	\$ 28,806	\$ -	\$ -	\$ -
175,496	91,187		34,984	31,309	153
<u>\$ 175,496</u>	<u>\$ 91,187</u>	<u>\$ 28,806</u>	<u>\$ 34,984</u>	<u>\$ 31,309</u>	<u>\$ 153</u>
\$ 169,212 6,284	\$ 90,442 745	\$ -	\$ 34,984	\$ 23,044 8,265	\$ 153
		28,806			
<u>\$ 175,496</u>	<u>\$ 91,187</u>	<u>\$ 28,806</u>	<u>\$ 34,984</u>	<u>\$ 31,309</u>	<u>\$ 153</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 175,496</u>	<u>\$ 91,187</u>	<u>\$ 28,806</u>	<u>\$ 34,984</u>	<u>\$ 31,309</u>	<u>\$ 153</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2010

	Special Revenue Funds			
	Enhancing Education	Title III Incentive	Reading Excellence	Homeless Stimulus
Assets				
Cash and investments	\$ -	\$ -	\$ 2,023	\$ -
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				
Due from other governments	244,416	6,699		2,715
Total assets	\$ 244,416	\$ 6,699	\$ 2,023	\$ 2,715
Liabilities and Fund Balances				
Cash overdraft	\$ 234,495	\$ 6,699	\$ -	\$ 2,715
Accounts payable	9,921			
Interfund payable				
Deferred revenue			2,023	
Total liabilities	\$ 244,416	\$ 6,699	\$ 2,023	\$ 2,715
Fund balance:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for debt service				
Reserved for capital projects				
Unreserved				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 244,416	\$ 6,699	\$ 2,023	\$ 2,715

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

Special Revenue Funds					
Innovative Programs	English Language	Teacher Training	Teacher Quality	Drug Free	Rural Schools
\$ -	\$ -	\$ -	\$ 3	\$ -	\$ -
115	176,372	64,885 62,222		3,134 12,256	52,900
<u>\$ 115</u>	<u>\$ 176,372</u>	<u>\$ 127,107</u>	<u>\$ 3</u>	<u>\$ 15,390</u>	<u>\$ 52,900</u>
\$ 115	\$ 104,691 3,662 68,019	\$ 127,107	\$ -	\$ 10,068 5,322	\$ 52,900
			3		
<u>\$ 115</u>	<u>\$ 176,372</u>	<u>\$ 127,107</u>	<u>\$ 3</u>	<u>\$ 15,390</u>	<u>\$ 52,900</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 115</u>	<u>\$ 176,372</u>	<u>\$ 127,107</u>	<u>\$ 3</u>	<u>\$ 15,390</u>	<u>\$ 52,900</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (concluded)
June 30, 2010

		Special Revenue Funds		
	Reading First	School Improvement	Emergency Food	Immigrant Fund
Assets				
Cash and investments	\$ -	\$ -	\$ 2,406	\$ 4,716
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				
Due from other governments	66,082	162,402		
Total assets	<u>\$ 66,082</u>	<u>\$ 162,402</u>	<u>\$ 2,406</u>	<u>\$ 4,716</u>
Liabilities and Fund Balances				
Cash overdraft	\$ 66,082	\$ 162,402	\$ -	\$ -
Accounts payable				
Interfund payable				
Deferred revenue			2,406	4,716
Total liabilities	<u>\$ 66,082</u>	<u>\$ 162,402</u>	<u>\$ 2,406</u>	<u>\$ 4,716</u>
Fund balance:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for debt service				
Reserved for capital projects				
Unreserved				
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances:	<u>\$ 66,082</u>	<u>\$ 162,402</u>	<u>\$ 2,406</u>	<u>\$ 4,716</u>

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

Special Revenue Funds		Capital Projects Funds		Debt Service Fund	Total
Child/Adult Food	Medicaid	Bond Building	Ed Tech Equipment	Ed Tech Debt Service	
\$ 8,967	\$ 113,863	\$ 1,791,615 1	\$ 456,802	\$ 550,220	\$ 3,834,972 1
				68,711	68,711
					31,281
					88,523
					1,708,025
<u>\$ 8,967</u>	<u>\$ 113,863</u>	<u>\$ 1,791,616</u>	<u>\$ 456,802</u>	<u>\$ 618,931</u>	<u>\$ 5,731,513</u>
\$ -	\$ -	\$ -	\$ 51,714	\$ -	\$ 1,587,967
	125	127,400	91,771		355,200
8,967				16,982	102,233
				51,889	91,715
<u>\$ 8,967</u>	<u>\$ 125</u>	<u>\$ 127,400</u>	<u>\$ 143,485</u>	<u>\$ 68,871</u>	<u>\$ 2,137,115</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,281
		1,664,216	313,317	550,060	550,060
	113,738				1,977,533
					1,035,524
<u>\$ -</u>	<u>\$ 113,738</u>	<u>\$ 1,664,216</u>	<u>\$ 313,317</u>	<u>\$ 550,060</u>	<u>\$ 3,594,398</u>
<u>\$ 8,967</u>	<u>\$ 113,863</u>	<u>\$ 1,791,616</u>	<u>\$ 456,802</u>	<u>\$ 618,931</u>	<u>\$ 5,731,513</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2010

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant	Entitlement
Revenues:				
Fees and charges	\$ 26,279	\$ 36,657	\$ -	\$ -
Property taxes				
State aid				
Federal aid	2,923,727		352,941	1,013,998
Earnings on investments	2,953			
Miscellaneous	186			
Total revenues	\$ 2,953,145	\$ 36,657	\$ 352,941	\$ 1,013,998
Expenditures:				
Current:				
Instruction	\$ -	\$ 22,053	\$ 60,192	\$ 549,822
Support services - Students			145,758	421,973
Support services - Instruction			133,347	
General administration			12,720	36,543
School administration				
Central services				
Operation of plant			899	5,660
Food services	2,546,278			
Transportation			25	
Debt service:				
Principle				
Interest				
Capital outlay				
Total expenditures	\$ 2,546,278	\$ 22,053	\$ 352,941	\$ 1,013,998
Revenues over (under) expenditures	\$ 406,867	\$ 14,604	\$ -	\$ -
Other financing sources:				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balances	\$ 406,867	\$ 14,604	\$ -	\$ -
Fund balance, July 1, 2009	530,496	1,100		
Fund balance, June 30, 2010	\$ 937,363	\$ 15,704	\$ -	\$ -

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

Special Revenue Funds						
Emergency Response	ROTC	Preschool	Fresh Fruits	Education of Homeless	Title I Stimulus	Carl Perkins
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,980	49,008	16,206	58,500	40,367	1,659,265	95,042
<u>\$ 14,980</u>	<u>\$ 49,008</u>	<u>\$ 16,206</u>	<u>\$ 58,500</u>	<u>\$ 40,367</u>	<u>\$ 1,659,265</u>	<u>\$ 95,042</u>
\$ 4,914	\$ 49,008	\$ 7,290 8,333	\$ -	\$ -	\$ 1,384,676 46,374	\$ 82,847
		583		37,800	22,495	
7,960				1,434	145,756	4,095
					2,254	8,100
2,106				1,133	24,710	
			58,500			
					33,000	
<u>\$ 14,980</u>	<u>\$ 49,008</u>	<u>\$ 16,206</u>	<u>\$ 58,500</u>	<u>\$ 40,367</u>	<u>\$ 1,659,265</u>	<u>\$ 95,042</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For The Fiscal Year Ended June 30, 2010

	Special Revenue Funds			
	Entitlement Stimulus	Preschool Stimulus	Enhancing Education	Title III Incentive
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid	288,844	6,759	306,958	2,838
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 288,844</u>	<u>\$ 6,759</u>	<u>\$ 306,958</u>	<u>\$ 2,838</u>
Expenditures:				
Current:				
Instruction	\$ 180,527	\$ 6,364	\$ 239,615	\$ 2,736
Support services - Students	97,903	151		
Support services - Instruction			47,316	
General administration	10,414	244	20,027	102
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay				
Total expenditures	<u>\$ 288,844</u>	<u>\$ 6,759</u>	<u>\$ 306,958</u>	<u>\$ 2,838</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Special Revenue Funds					
Homeless Stimulus	Innovative Programs	English Language	Child Nutrition Stimulus	Teacher Training	State Equalization Stimulus
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26,593	5,210	281,810	2,140	394,811	3,135,069
<u>\$ 26,593</u>	<u>\$ 5,210</u>	<u>\$ 281,810</u>	<u>\$ 2,140</u>	<u>\$ 394,811</u>	<u>\$ 3,135,069</u>
\$ 25,634	\$ 5,022	\$ 275,844 102	\$ -	\$ 323,702 7	\$ 3,135,069
959	188	5,864		71,102	
			2,140		
<u>\$ 26,593</u>	<u>\$ 5,210</u>	<u>\$ 281,810</u>	<u>\$ 2,140</u>	<u>\$ 394,811</u>	<u>\$ 3,135,069</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For The Fiscal Year Ended June 30, 2010

	Special Revenue Funds			
	Drug Free	Rural Schools	Reading First	School Improvement
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid	54,549	136,689	41,595	98,943
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 54,549</u>	<u>\$ 136,689</u>	<u>\$ 41,595</u>	<u>\$ 98,943</u>
Expenditures:				
Current:				
Instruction	\$ 24,090	\$ 131,736	\$ 41,595	\$ 98,943
Support services - Students	27,410			
Support services - Instruction				
General administration	3,049	4,953		
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay				
Total expenditures	<u>\$ 54,549</u>	<u>\$ 136,689</u>	<u>\$ 41,595</u>	<u>\$ 98,943</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009				
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Special Revenue Funds		Capital Projects Funds		
Emergency Food	Medicaid	Bond Building	Red Mountain Parking	Ed Tech Equipment
\$ -	\$ -	\$ -	\$ -	\$ -
7,798	112,782	14,640	371,138	
<u>\$ 7,798</u>	<u>\$ 112,782</u>	<u>\$ 14,640</u>	<u>\$ 371,138</u>	<u>\$ -</u>
\$ 7,798	\$ 20,333 150,186	\$ -	\$ -	\$ -
	1,227			424,560
		1,562,581	371,138	17,957
<u>\$ 7,798</u>	<u>\$ 171,746</u>	<u>\$ 1,562,581</u>	<u>\$ 371,138</u>	<u>\$ 442,517</u>
\$ -	\$ (58,964)	\$ (1,547,941)	\$ -	\$ (442,517)
				\$ 515,000
\$ -	\$ (58,964)	\$ (1,547,941)	\$ -	\$ 72,483
	172,702	3,212,157		240,834
<u><u>\$ -</u></u>	<u><u>\$ 113,738</u></u>	<u><u>\$ 1,664,216</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 313,317</u></u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)
For The Fiscal Year Ended June 30, 2010

	Debt Service Fund Ed Tech Debt Service	Total
Revenues:		
Fees and charges	\$ -	\$ 62,936
Property taxes	563,542	563,542
State aid		371,138
Federal aid		11,127,422
Earnings on investments		17,593
Miscellaneous		186
	<hr/>	<hr/>
Total revenues	\$ 563,542	\$ 12,142,817
	<hr/>	<hr/>
Expenditures:		
Current:		
Instruction	\$ -	\$ 6,679,810
Support services - Students		898,197
Support services - Instruction		240,958
General administration	5,558	323,591
School administration		18,314
Central services		24,710
Operation of plant		435,585
Food services		2,606,918
Transportation		25
Debt service:		
Principle	615,000	615,000
Interest	18,177	18,177
Capital outlay		1,984,676
	<hr/>	<hr/>
Total expenditures	\$ 638,735	\$ 13,845,961
	<hr/>	<hr/>
Revenues over (under) expenditures	\$ (75,193)	\$ (1,703,144)
Other financing sources (uses):		
Debt proceeds		515,000
Operating transfers in (out)		-
	<hr/>	<hr/>
Net change in fund balance	\$ (75,193)	\$ (1,188,144)
Fund balance, July 1, 2009	<hr/>	<hr/>
	625,253	4,782,542
Fund balance, June 30, 2010	<hr/>	<hr/>
	\$ 550,060	\$ 3,594,398
	<hr/>	<hr/>

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

Deming Public Schools
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2010

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Assets			
Cash and investments	\$ 2,806,343	\$ 7,004	\$ 316,372
Interest receivable	104		
Taxes receivable	21,778		
Inventory	165,928		
Due from other governments	165,238		
Interfund receivable	162,909		
Accounts receivable	6,194		
Notes receivable	7,081		
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 3,335,575</u></u>	<u><u>\$ 7,004</u></u>	<u><u>\$ 316,372</u></u>
 Liabilities and Fund Balances			
Accounts payable	\$ 250,506	\$ -	\$ -
Interfund payable	4,408		
Deferred revenue	21,531		
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u><u>\$ 276,445</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Fund balance:			
Reserved for inventory	\$ 165,928	\$ -	\$ -
Unreserved, reported in:			
General fund	2,893,202	7,004	316,372
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u><u>\$ 3,059,130</u></u>	<u><u>\$ 7,004</u></u>	<u><u>\$ 316,372</u></u>
 Total liabilities and fund balances	<u><u>\$ 3,335,575</u></u>	<u><u>\$ 7,004</u></u>	<u><u>\$ 316,372</u></u>

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

Non - Instructional Support	Total
\$ 428,018	\$ 3,557,737
	104
	21,778
	165,928
	165,238
	162,909
	6,194
	7,081
<u>\$ 428,018</u>	<u>\$ 4,086,969</u>
\$ -	\$ 250,506
	4,408
	21,531
<u>\$ -</u>	<u>\$ 276,445</u>
\$ -	\$ 165,928
428,018	3,644,596
<u>\$ 428,018</u>	<u>\$ 3,810,524</u>
<u>\$ 428,018</u>	<u>\$ 4,086,969</u>

Deming Public Schools
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2010

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Revenues:			
Property taxes	\$ 229,331	\$ -	\$ -
Fees and charges	212,760		
State aid	32,202,972	2,893,848	205,090
Federal aid	323,630		
Earnings on investments	3,545	1,016	
Miscellaneous	248,854		
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 33,221,092</u>	<u>\$ 2,894,864</u>	<u>\$ 205,090</u>
Expenditures:			
Current:			
Instruction	\$ 18,613,804	\$ -	\$ 251,323
Support services - Students	3,346,319		
Support services - Instruction	832,514		9,272
General administration	1,170,509		
School administration	2,302,935		
Central services	1,406,346		
Operation of plant	5,133,563		
Transportation	5,349	2,646,598	
Capital outlay	152,431	250,923	
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 32,963,770</u>	<u>\$ 2,897,521</u>	<u>\$ 260,595</u>
Revenues over (under) expenditures	\$ 257,322	\$ (2,657)	\$ (55,505)
Other financing sources:			
Loan proceeds			
Operating transfers in (out)	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	\$ 257,322	\$ (2,657)	\$ (55,505)
Fund balance, July 1, 2009	<u>2,801,808</u>	<u>9,661</u>	<u>371,877</u>
Fund balance, June 30, 2010	<u><u>\$ 3,059,130</u></u>	<u><u>\$ 7,004</u></u>	<u><u>\$ 316,372</u></u>

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

Non-Instructional Support	Total
\$ -	\$ 229,331
365,761	578,521
	35,301,910
	323,630
1,830	6,391
	248,854
<u>\$ 367,591</u>	<u>\$ 36,688,637</u>
\$ 200,855	\$ 19,065,982
	3,346,319
	841,786
	1,170,509
	2,302,935
	1,406,346
	5,133,563
	2,651,947
	403,354
<u>\$ 200,855</u>	<u>\$ 36,322,741</u>
\$ 166,736	\$ 365,896
	-
	-
\$ 166,736	\$ 365,896
261,282	3,444,628
<u>\$ 428,018</u>	<u>\$ 3,810,524</u>

Deming Public Schools
GENERAL FUND/OPERATIONAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30,2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 145,939	\$ 145,939
State sources	33,626,222	32,237,400	32,202,972	(34,428)
Local sources	230,619	230,619	693,830	463,211
Earnings on investments	15,456	15,456	3,596	(11,860)
Total revenues	<u>\$ 33,872,297</u>	<u>\$ 32,483,475</u>	<u>\$ 33,046,337</u>	<u>\$ 562,862</u>
Expenditures:				
Current:				
Instruction	\$ 20,364,141	\$ 18,937,319	\$ 18,566,164	\$ 371,155
Support services - Students	4,133,958	3,951,458	3,346,224	605,234
Support services - Instruction	1,106,309	1,107,009	832,514	274,495
General administration	1,476,038	1,549,438	1,184,920	364,518
School administration	2,703,983	2,741,883	2,305,573	436,310
Central services	1,688,720	1,744,920	1,409,759	335,161
Operation of plant	5,792,752	5,699,452	5,145,116	554,336
Transportation	39,464	40,064	6,264	33,800
Capital outlay	11,588	156,588	152,431	4,157
Non-operating	28,362	28,362		28,362
Total expenditures	<u>\$ 37,345,315</u>	<u>\$ 35,956,493</u>	<u>\$ 32,948,965</u>	<u>\$ 3,007,528</u>
Revenues over (under) expenditures	\$ (3,473,018)	\$ (3,473,018)	\$ 97,372	\$ 3,570,390
Other financing sources (uses):				
Transfers in				-
Net change in fund balance	\$ (3,473,018)	\$ (3,473,018)	\$ 97,372	\$ 3,570,390
Fund balance, July 1, 2009	<u>3,473,018</u>	<u>3,473,018</u>	<u>2,871,880</u>	<u>(601,138)</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,969,252</u>	<u>\$ 2,969,252</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 257,322	
Revenue accruals (net)			(174,755)	
Expenditure accruals (net)			<u>14,805</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 97,372</u>	

Deming Public Schools
GENERAL FUND/TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 2,000,475	\$ 3,147,725	\$ 2,893,848	\$ (253,877)
Local sources				-
Earnings on investments			1,016	1,016
Total revenues	<u>\$ 2,000,475</u>	<u>\$ 3,147,725</u>	<u>\$ 2,894,864</u>	<u>\$ (252,861)</u>
Expenditures:				
Current:				
Transportation	\$ 2,000,475	\$ 2,896,802	\$ 2,646,598	\$ 250,204
Capital outlay		250,923	250,923	-
Total expenditures	<u>\$ 2,000,475</u>	<u>\$ 3,147,725</u>	<u>\$ 2,897,521</u>	<u>\$ 250,204</u>
Net change in fund balance	\$ -	\$ -	\$ (2,657)	\$ (2,657)
Fund balance, July 1, 2009	-	-	9,661	9,661
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,004</u>	<u>\$ 7,004</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (2,657)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (2,657)</u>	

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

Deming Public Schools
GENERAL FUND/INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 199,572	\$ 574,232	\$ 205,090	\$ (369,142)
Expenditures:				
Current:				
Instruction	\$ 199,572	\$ 564,942	\$ 251,323	\$ 313,619
Support services - Instruction	-	9,290	9,272	18
Total expenditures	\$ 199,572	\$ 574,232	\$ 260,595	\$ 313,637
Net change in fund balance	\$ -	\$ -	\$ (55,505)	\$ (55,505)
Fund balance, July 1, 2009	-	-	371,877	371,877
Fund balance, June 30, 2010	\$ -	\$ -	\$ 316,372	\$ 316,372
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (55,505)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (55,505)	

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

Deming Public Schools
GENERAL FUND/NON-INSTRUCTIONAL SUPPORT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 232,485	\$ 232,485	\$ 365,761	\$ 133,276
Earnings on investments			1,830	1,830
Total revenues	<u>\$ 232,485</u>	<u>\$ 232,485</u>	<u>\$ 367,591</u>	<u>\$ 135,106</u>
Expenditures:				
Current:				
Instruction	<u>\$ 482,000</u>	<u>\$ 482,000</u>	<u>\$ 200,855</u>	<u>\$ 281,145</u>
Net change in fund balance	\$ (249,515)	\$ (249,515)	\$ 166,736	\$ 416,251
Fund balance, July 1, 2009	<u>249,515</u>	<u>249,515</u>	<u>261,282</u>	<u>11,767</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 428,018</u></u>	<u><u>\$ 428,018</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 166,736	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 166,736</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - CAFETERIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 2,574,000	\$ 2,574,000	\$ 2,781,761	\$ 207,761
Local sources	40,000	40,000	26,465	(13,535)
Earnings on investments	2,000	2,000	2,953	953
Total revenues	<u>\$ 2,616,000</u>	<u>\$ 2,616,000</u>	<u>\$ 2,811,179</u>	<u>\$ 195,179</u>
Expenditures:				
Current:				
Food services	\$ 3,173,034	\$ 3,173,034	\$ 2,360,722	\$ 812,312
Capital outlay				-
Total expenditures	<u>\$ 3,173,034</u>	<u>\$ 3,173,034</u>	<u>\$ 2,360,722</u>	<u>\$ 812,312</u>
Net change in fund balance	\$ (557,034)	\$ (557,034)	\$ 450,457	\$ 1,007,491
Fund balance, July 1, 2009	<u>557,034</u>	<u>557,034</u>	<u>406,469</u>	<u>(150,565)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 856,926</u></u>	<u><u>\$ 856,926</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 406,867	
Revenue accruals (net)			(141,966)	
Expenditure accruals (net)			<u>185,556</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 450,457</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ATHLETICS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 85,214	\$ 85,214	\$ 36,657	\$ (48,557)
Expenditures:				
Current:				
Instruction	94,482	94,482	21,004	73,478
Net change in fund balance	\$ (9,268)	\$ (9,268)	\$ 15,653	\$ 24,921
Fund balance, July 1, 2009	9,268	9,268	1,100	(8,168)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,753</u>	<u>\$ 16,753</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 14,604	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>1,049</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 15,653</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TITLE I MIGRANT EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 300,000	\$ 403,051	\$ 378,123	\$ (24,928)
Expenditures:				
Current:				
Instruction	\$ 70,107	\$ 70,107	\$ 60,192	\$ 9,915
Support services - Students	93,973	179,734	145,687	34,047
Support services - Instruction	120,325	133,761	133,347	414
General administration	12,795	16,649	12,720	3,929
Operation of plant	2,800	2,800	877	1,923
Transportation				-
Community services				-
Total expenditures	\$ 300,000	\$ 403,051	\$ 352,823	\$ 50,228
Net change in fund balance	\$ -	\$ -	\$ 25,300	\$ 25,300
Fund balance, July 1, 2009	-	-	(220,028)	(220,028)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (194,728)	\$ (194,728)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			25,182	
Expenditure accruals (net)			118	
Net change in fund balance, NON-GAAP budgetary basis			\$ 25,300	

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

Deming Public Schools
SPECIAL REVENUE FUND - PRESCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 21,503	\$ 21,851	\$ 17,917	\$ (3,934)
Expenditures:				
Current:				
Instruction	\$ 10,253	\$ 10,601	\$ 7,290	\$ 3,311
Support services - Students	10,250	10,250	8,333	1,917
General administration	1,000	1,000	583	417
School administration				-
Capital outlay				-
Total expenditures	\$ 21,503	\$ 21,851	\$ 16,206	\$ 5,645
Net change in fund balance	\$ -	\$ -	\$ 1,711	\$ 1,711
Fund balance, July 1, 2009	-	-		-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,711</u>	<u>\$ 1,711</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,711	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 1,711</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - EDUCATION OF THE HOMELESS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 46,000	\$ 58,034	\$ 12,034
Expenditures:				
Current:				
Instruction	\$ -	\$ 1,381	\$ -	\$ 1,381
Support services - Students		41,873	37,800	4,073
General administration		1,496	1,434	62
Support services - Schools				-
Operational plant maintenance		1,250	1,156	94
Transportation				-
Community services				-
Total expenditures	\$ -	\$ 46,000	\$ 40,390	\$ 5,610
Net change in fund balance	\$ -	\$ -	\$ 17,644	\$ 17,644
Fund balance, July 1, 2009	-	-	(23,034)	(23,034)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,390)</u>	<u>\$ (5,390)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			17,667	
Expenditure accruals (net)			<u>(23)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 17,644</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - CARL PERKINS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	<u>\$ 88,948</u>	<u>\$ 133,028</u>	<u>\$ 50,638</u>	<u>\$ (82,390)</u>
Expenditures:				
Current:				
Instruction	\$ 85,003	\$ 119,816	\$ 101,439	\$ 18,377
General administration	3,945	5,112	4,095	1,017
School administration	<u>8,100</u>	<u>8,100</u>	<u>8,100</u>	<u>-</u>
Total expenditures	<u>\$ 88,948</u>	<u>\$ 133,028</u>	<u>\$ 113,634</u>	<u>\$ 19,394</u>
Net change in fund balance	\$ -	\$ -	\$ (62,996)	\$ (62,996)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(27,446)</u>	<u>(27,446)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (90,442)</u></u>	<u><u>\$ (90,442)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(44,404)	
Expenditure accruals (net)			<u>(18,592)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (62,996)</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ENHANCING EDUCATION THROUGH EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 324,635	\$ 249,630	\$ (75,005)
Expenditures:				
Current:				
Instruction	\$ -	\$ 240,987	\$ 239,015	\$ 1,972
Support services - Instruction		71,843	47,316	24,527
General administration		11,805	10,706	1,099
Total expenditures	\$ -	\$ 324,635	\$ 297,037	\$ 27,598
Net change in fund balance	\$ -	\$ -	\$ (47,407)	\$ (47,407)
Fund balance, July 1, 2009	-	-	(187,088)	(187,088)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (234,495)</u>	<u>\$ (234,495)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(57,328)	
Expenditure accruals (net)			<u>9,921</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (47,407)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - COMPREHENSIVE SCHOOL REFORM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
School administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	(23,044)	(23,044)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,044)</u>	<u>\$ (23,044)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TITLE III
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 3,000	\$ 2,735	\$ (265)
Expenditures:				
Current:				
Instruction	\$ -	\$ 2,800	\$ 2,736	\$ 64
General administration		180	102	78
Total expenditures	\$ -	\$ 2,980	\$ 2,838	\$ 142
Net change in fund balance	\$ -	\$ 20	\$ (103)	\$ (123)
Fund balance, July 1, 2009	-	-	(6,596)	(6,596)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ (6,699)</u>	<u>\$ (6,719)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(103)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (103)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - READING FIRST
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 86,568	\$ 43,284	\$ 31,705	\$ (11,579)
Expenditures:				
Current:				
Instruction	86,568	43,284	43,284	-
Net change in fund balance	\$ -	\$ -	\$ (11,579)	\$ (11,579)
Fund balance, July 1, 2009	-	-	(54,503)	(54,503)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (66,082)</u>	<u>\$ (66,082)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(9,890)	
Expenditure accruals (net)			<u>(1,689)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (11,579)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - INNOVATIVE PROGRAMS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 5,218	\$ 5,210	\$ (8)
Expenditures:				
Current:				
Instruction	\$ -	\$ 5,022	\$ 5,022	\$ -
General administration		196	188	8
Total expenditures	\$ -	\$ 5,218	\$ 5,210	\$ 8
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	(115)	(115)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (115)</u>	<u>\$ (115)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ENGLISH LANGUAGE ACQUISITION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 381,218	\$ 124,870	\$ (256,348)
Expenditures:				
Current:				
Instruction	\$ -	\$ 358,223	\$ 274,750	\$ 83,473
Support services - Students		9,650	1,217	8,433
General administration		13,345	5,864	7,481
School administration				-
Total expenditures	\$ -	\$ 381,218	\$ 281,831	\$ 99,387
Net change in fund balance	\$ -	\$ -	\$ (156,961)	\$ (156,961)
Fund balance, July 1, 2009	-	-	52,270	52,270
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (104,691)</u>	<u>\$ (104,691)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(156,940)	
Expenditure accruals (net)			<u>(21)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (156,961)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TEACHER TRAINING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 496,352	\$ 545,671	\$ 517,866	\$ (27,805)
Expenditures:				
Current:				
Instruction	\$ 391,809	\$ 439,284	\$ 368,829	\$ 70,455
Support services - Students		30	7	23
General administration	104,543	106,357	71,102	35,255
Central services				-
Total expenditures	\$ 496,352	\$ 545,671	\$ 439,938	\$ 105,733
Net change in fund balance	\$ -	\$ -	\$ 77,928	\$ 77,928
Fund balance, July 1, 2009	-	-		-
Fund balance, June 30, 2010	\$ -	\$ -	\$ 77,928	\$ 77,928
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			123,055	
Expenditure accruals (net)			(45,127)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 77,928	

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

Deming Public Schools
SPECIAL REVENUE FUND - RURAL EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 137,578	\$ 128,843	\$ (8,735)
Expenditures:				
Current:				
Instruction	\$ -	\$ 132,432	\$ 131,736	\$ 696
General administration		5,146	4,953	193
Total expenditures	\$ -	\$ 137,578	\$ 136,689	\$ 889
Net change in fund balance	\$ -	\$ -	\$ (7,846)	\$ (7,846)
Fund balance, July 1, 2009	-	-	(45,054)	(45,054)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,900)</u>	<u>\$ (52,900)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(7,846)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (7,846)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - IDEA B COMPETITIVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	(3,564)	(3,564)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,564)</u>	<u>\$ (3,564)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - MEDICAID
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	<u>\$ 209,273</u>	<u>\$ 209,273</u>	<u>\$ 147,447</u>	<u>\$ (61,826)</u>
Expenditures:				
Current:				
Instruction	\$ 209,273	\$ 24,213	\$ 20,333	\$ 3,880
Support services - Students		182,510	152,113	30,397
General administration				-
Operational plant maintenance		<u>2,550</u>	<u>1,102</u>	<u>1,448</u>
Total expenditures	<u>\$ 209,273</u>	<u>\$ 209,273</u>	<u>\$ 173,548</u>	<u>\$ 35,725</u>
Net change in fund balance	\$ -	\$ -	\$ (26,101)	\$ (26,101)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>139,964</u>	<u>139,964</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 113,863</u></u>	<u><u>\$ 113,863</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (58,964)	
Revenue accruals (net)			34,665	
Expenditure accruals (net)			<u>(1,802)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (26,101)</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ROTC
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 49,008	\$ 49,008	\$ -
Expenditures:				
Current:				
Instruction	-	49,008	49,008	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	(691)	(691)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (691)</u>	<u>\$ (691)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - IMMIGRANT FUNDING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	4,716	4,716
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,716</u>	<u>\$ 4,716</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - EMERGENCY FOOD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 2,437	\$ 9,892	\$ 7,455	\$ (2,437)
Expenditures:				
Current:				
Instruction	<u>2,437</u>	<u>9,892</u>	<u>7,798</u>	<u>2,094</u>
Net change in fund balance	\$ -	\$ -	\$ (343)	\$ (343)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>2,749</u>	<u>2,749</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,406</u></u>	<u><u>\$ 2,406</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(343)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (343)</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TITLE I FEDERAL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 2,345,444	\$ 4,581,490	\$ 1,575,018	\$ (3,006,472)
Expenditures:				
Current:				
Instruction	\$ 2,195,121	\$ 4,035,539	\$ 1,383,212	\$ 2,652,327
Support services - Students	31,320	84,420	46,374	38,046
Support services - Instruction		24,700	22,495	2,205
General administration	104,003	342,831	145,756	197,075
School administration		10,000	2,254	7,746
Central services		50,000	24,975	25,025
Transportation	15,000	34,000	33,000	1,000
Total expenditures	\$ 2,345,444	\$ 4,581,490	\$ 1,658,066	\$ 2,923,424
Net change in fund balance	\$ -	\$ -	\$ (83,048)	\$ (83,048)
Fund balance, July 1, 2009	-	-	(86,164)	(86,164)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (169,212)</u>	<u>\$ (169,212)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(84,247)	
Expenditure accruals (net)			<u>1,199</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (83,048)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - SCHOOL IMPROVEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 105,310	\$ 48,726	\$ (56,584)
Expenditures:				
Current:				
Instruction	\$ -	\$ 105,310	\$ 105,309	\$ 1
Support services - Students				-
General administration				-
Total expenditures	\$ -	\$ 105,310	\$ 105,309	\$ 1
Net change in fund balance	\$ -	\$ -	\$ (56,583)	\$ (56,583)
Fund balance, July 1, 2009	-	-	(105,819)	(105,819)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (162,402)</u>	<u>\$ (162,402)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ -	
Revenue accruals (net)			(50,217)	
Expenditure accruals (net)			<u>(6,366)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (56,583)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - CHILD AND ADULT FOOD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	8,967	8,967
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,967</u>	<u>\$ 8,967</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - GOALS 2000
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
School administration				-
Capital outlay				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	(25,409)	(25,409)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,409)</u>	<u>\$ (25,409)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TITLE II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	619	619
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619</u>	<u>\$ 619</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - EMERGENCY IMMIGRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	1,253	1,253
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,253</u>	<u>\$ 1,253</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - READING EXCELLENCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-			-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	2,023	2,023
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,023</u>	<u>\$ 2,023</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TEACHER QUALITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	3	3
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - DISCRETIONARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	(325)	(325)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (325)</u>	<u>\$ (325)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - EMERGENCY RESPONSE PLAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 99,440	\$ -	\$ (99,440)
Expenditures:				
Current:				
Instruction	\$ -	\$ 84,964	\$ 4,252	\$ 80,712
School administration		12,369	7,960	4,409
Operation of plant		2,107	2,106	1
Total expenditures	\$ -	\$ 99,440	\$ 14,318	\$ 85,122
Net change in fund balance	\$ -	\$ -	\$ (14,318)	\$ (14,318)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,318)</u>	<u>\$ (14,318)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(14,980)	
Expenditure accruals (net)			<u>662</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (14,318)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ENTITLEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	<u>\$ 1,173,925</u>	<u>\$ 1,183,636</u>	<u>\$ 1,364,935</u>	<u>\$ 181,299</u>
Expenditures:				
Current:				
Instruction	\$ 666,535	\$ 676,246	\$ 548,120	\$ 128,126
Support services - Students	447,390	447,390	423,374	24,016
General administration	50,500	50,500	36,543	13,957
School administration				-
Operational plant maintenance	9,500	9,500	5,507	3,993
Capital outlay				-
Total expenditures	<u>\$ 1,173,925</u>	<u>\$ 1,183,636</u>	<u>\$ 1,013,544</u>	<u>\$ 170,092</u>
Net change in fund balance	\$ -	\$ -	\$ 351,391	\$ 351,391
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(551,056)</u>	<u>(551,056)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (199,665)</u></u>	<u><u>\$ (199,665)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			350,937	
Expenditure accruals (net)			<u>454</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 351,391</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - FRESH FRUITS AND VEGETABLES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 58,500	\$ 52,000	\$ (6,500)
Expenditures:				
Current:				
Food services	\$ -	\$ 58,500	\$ 58,500	\$ -
Capital outlay				-
Total expenditures	\$ -	\$ 58,500	\$ 58,500	\$ -
Net change in fund balance	\$ -	\$ -	\$ (6,500)	\$ (6,500)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,500)</u>	<u>\$ (6,500)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(6,500)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (6,500)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ENTITLEMENT STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 1,570,671	\$ 253,860	\$ (1,316,811)
Expenditures:				
Current:				
Instruction	\$ -	\$ 1,276,148	\$ 180,527	\$ 1,095,621
Support services - Students		236,955	97,903	139,052
Support services - Instruction				-
General administration		57,568	10,414	47,154
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	\$ -	\$ 1,570,671	\$ 288,844	\$ 1,281,827
Net change in fund balance	\$ -	\$ -	\$ (34,984)	\$ (34,984)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,984)</u>	<u>\$ (34,984)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(34,984)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (34,984)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - PRESCHOOL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 59,087	\$ 6,606	\$ (52,481)
Expenditures:				
Current:				
Instruction	\$ -	\$ 55,598	\$ 6,364	\$ 49,234
Support services - Students		1,250	151	1,099
Support services - Instruction				-
General administration		2,239	244	1,995
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	\$ -	\$ 59,087	\$ 6,759	\$ 52,328
Net change in fund balance	\$ -	\$ -	\$ (153)	\$ (153)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (153)</u>	<u>\$ (153)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(153)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (153)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - EDUCATION OF HOMELESS STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 48,500	\$ 23,878	\$ (24,622)
Expenditures:				
Current:				
Instruction	\$ -	\$ 46,686	\$ 25,634	\$ 21,052
Support services - Students				-
Support services - Instruction				-
General administration		1,814	959	855
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	\$ -	\$ 48,500	\$ 26,593	\$ 21,907
Net change in fund balance	\$ -	\$ -	\$ (2,715)	\$ (2,715)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,715)</u>	<u>\$ (2,715)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,715)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (2,715)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - CHILD NUTRITION STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 2,140	\$ 2,140	\$ -
Expenditures:				
Current:				
Food services	\$ -	\$ 2,140	\$ 2,140	\$ -
Capital outlay				-
Total expenditures	\$ -	\$ 2,140	\$ 2,140	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - STATE EQUALIZATION STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 2,417,165	\$ 3,135,069	\$ 3,135,069	\$ -
Expenditures:				
Current:				
Instruction	<u>2,417,165</u>	<u>3,135,069</u>	<u>3,135,069</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - SAFE AND DRUG FREE SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 49,066	\$ 99,753	\$ 55,772	\$ (43,981)
Expenditures:				
Current:				
Instruction	\$ 28,416	\$ 28,416	\$ 24,932	\$ 3,484
Support services - Students	17,028	45,797	22,088	23,709
General administration	3,622	5,540	3,049	2,491
Operation of plant		20,000		20,000
Total expenditures	\$ 49,066	\$ 99,753	\$ 50,069	\$ 49,684
Net change in fund balance	\$ -	\$ -	\$ 5,703	\$ 5,703
Fund balance, July 1, 2009	-	-	(15,771)	(15,771)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,068)</u>	<u>\$ (10,068)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,223	
Expenditure accruals (net)			<u>4,480</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 5,703</u>	

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

Deming Public Schools
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 2,082,725	\$ 2,082,725	\$ 2,529,205	\$ 446,480
Earnings on investments			6,136	6,136
Total revenues	<u>\$ 2,082,725</u>	<u>\$ 2,082,725</u>	<u>\$ 2,535,341</u>	<u>\$ 452,616</u>
Expenditures:				
Current:				
Administration	\$ 20,827	\$ 25,827	\$ 25,293	\$ 534
Principal	1,475,000	1,475,000	1,475,000	-
Interest	607,725	607,725	607,725	-
Special revenue bonds reserve	1,416,125	1,411,125		1,411,125
Total expenditures	<u>\$ 3,519,677</u>	<u>\$ 3,519,677</u>	<u>\$ 2,108,018</u>	<u>\$ 1,411,659</u>
Net change in fund balance	\$ (1,436,952)	\$ (1,436,952)	\$ 427,323	\$ 1,864,275
Fund balance, July 1, 2009	<u>1,436,952</u>	<u>1,436,952</u>	<u>1,601,206</u>	<u>164,254</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,028,529</u>	<u>\$ 2,028,529</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ (25,573)	
Revenue accruals (net)			452,896	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 427,323</u>	

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

Deming Public Schools
EQUIPMENT GRANT DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 633,177	\$ 633,177	\$ 555,778	\$ (77,399)
Earnings on investments				-
Total revenues	<u>\$ 633,177</u>	<u>\$ 633,177</u>	<u>\$ 555,778</u>	<u>\$ (77,399)</u>
Expenditures:				
Current:				
Administration	\$ 6,332	\$ 6,332	\$ 5,558	\$ 774
Principal	615,000	615,000	615,000	-
Interest	18,177	18,177	18,177	-
Special revenue bonds reserve	<u>617,672</u>	<u>617,672</u>		<u>617,672</u>
Total expenditures	<u>\$ 1,257,181</u>	<u>\$ 1,257,181</u>	<u>\$ 638,735</u>	<u>\$ 618,446</u>
Net change in fund balance	\$ (624,004)	\$ (624,004)	\$ (82,957)	\$ 541,047
Fund balance, July 1, 2009	<u>624,004</u>	<u>624,004</u>	<u>633,177</u>	<u>9,173</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 550,220</u></u>	<u><u>\$ 550,220</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ (75,193)	
Revenue accruals (net)			(7,764)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (82,957)</u></u>	

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

Deming Public Schools
CAPITAL PROJECTS FUND - BOND BUILDING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Earnings on investments	70,000	70,000	14,641	(55,359)
Total revenues	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 14,641</u>	<u>\$ (55,359)</u>
Expenditures:				
Current:				
Operation of plant	\$ 70,000	\$ 70,000	\$ -	\$ 70,000
Bond issue costs				-
Capital outlay	3,138,214	3,138,214	1,462,233	1,675,981
Total expenditures	<u>\$ 3,208,214</u>	<u>\$ 3,208,214</u>	<u>\$ 1,462,233</u>	<u>\$ 1,745,981</u>
Revenues over (under) expenditures	\$ (3,138,214)	\$ (3,138,214)	\$ (1,447,592)	\$ 1,690,622
Other financing sources (uses):				
Bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ (3,138,214)	\$ (3,138,214)	\$ (1,447,592)	\$ 1,690,622
Fund balance, July 1, 2009	<u>3,138,214</u>	<u>3,138,214</u>	<u>3,239,207</u>	<u>100,993</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,791,615</u>	<u>\$ 1,791,615</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1,547,941)	
Revenue accruals (net)			1	
Expenditure accruals (net)			100,348	
Other financing uses (net)			<u></u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (1,447,592)</u>	

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

Deming Public Schools
CAPITAL PROJECT FUND - PUBLIC SCHOOL CAPITAL OUTLAY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>2,128,739</u>	<u>2,128,739</u>	<u>173,953</u>	<u>1,954,786</u>
Net change in fund balance	\$ (2,128,739)	\$ (2,128,739)	\$ (173,953)	\$ 1,954,786
Fund balance, July 1, 2009	<u>2,128,739</u>	<u>2,128,739</u>	<u>2,128,739</u>	<u>-</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,954,786</u></u>	<u><u>\$ 1,954,786</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (274,816)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>100,863</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (173,953)</u></u>	

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

Deming Public Schools
CAPITAL PROJECTS FUND - EDUCATION TECH EQUIPMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Earnings on investments				-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Operation of plant	\$ -	\$ 758,039	\$ 352,994	\$ 405,045
Bond issue costs				-
Capital outlay	<u>519,206</u>	<u>18,000</u>	<u>17,957</u>	<u>43</u>
Total expenditures	<u>\$ 519,206</u>	<u>\$ 776,039</u>	<u>\$ 370,951</u>	<u>\$ 405,088</u>
Revenues over (under) expenditures	\$ (519,206)	\$ (776,039)	\$ (370,951)	\$ 405,088
Other financing sources (uses):				
Bond proceeds	<u>-</u>	<u>515,000</u>	<u>515,000</u>	<u>-</u>
Net change in fund balance	\$ (519,206)	\$ (261,039)	\$ 144,049	\$ 405,088
Fund balance, July 1, 2009	<u>519,206</u>	<u>519,206</u>	<u>261,039</u>	<u>(258,167)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ 258,167</u></u>	<u><u>\$ 405,088</u></u>	<u><u>\$ 146,921</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 72,483	
Revenue accruals (net)				
Expenditure accruals (net)			<u>71,566</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 144,049</u></u>	

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

Deming Public Schools
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Receipts	Disburse- ments	Balance June 30, 2010
Assets				
Cash and investments:				
Deming High School	\$ 67,183	\$ 293,134	\$ 289,482	\$ 70,835
Hofacket Mid High School	21,711	56,175	51,370	26,516
Red Mountain Middle School	24,316	70,368	59,229	35,455
Deming Middle School	7,895	24,214	22,246	9,863
	<u>7,895</u>	<u>24,214</u>	<u>22,246</u>	<u>9,863</u>
Total assets	<u>\$ 121,105</u>	<u>\$ 443,891</u>	<u>\$ 422,327</u>	<u>\$ 142,669</u>
Liabilities				
Deposits held for others:				
Deming High School	\$ 67,183	\$ 293,134	\$ 289,482	\$ 70,835
Hofacket Mid High School	21,711	56,175	51,370	26,516
Red Mountain Middle School	24,316	70,368	59,229	35,455
Deming Middle School	7,895	24,214	22,246	9,863
	<u>7,895</u>	<u>24,214</u>	<u>22,246</u>	<u>9,863</u>
Total liabilities	<u>\$ 121,105</u>	<u>\$ 443,891</u>	<u>\$ 422,327</u>	<u>\$ 142,669</u>

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

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2010

	1st Savings Bank	Wells Fargo	1st NM Bank	Wells Fargo Brokerage
Checking and CD's	\$ 2,487,377	\$ 2,605,000	\$ 12,972,511	\$ 2,050,000
Total on deposit	\$ 2,487,377	\$ 2,605,000	\$ 12,972,511	\$ 2,050,000
Less: FDIC insurance	(250,000)	(250,000)	(250,000)	(2,050,000)
Total uninsured public funds	<u>\$ 2,237,377</u>	<u>\$ 2,355,000</u>	<u>\$ 12,722,511</u>	<u>\$ -</u>
102% collateralization requirement	\$ -	\$ -	\$ -	\$ -
50% collateralization requirement (Section 6-10-17 NMSA)	<u>1,118,689</u>	<u>1,177,500</u>	<u>6,361,256</u>	<u>-</u>
Total collateralization requirement	<u>\$ 1,118,689</u>	<u>\$ 1,177,500</u>	<u>\$ 6,361,256</u>	<u>\$ -</u>

Pledged Securities:

FHLB 3133XENX3 3-11-11	\$ -	\$ -	\$ 2,000,000
FHLB 3133XES91 3-8-13			1,000,000
Carrizozo NM 144627CX2 8-1-13			100,000
Jemez Vally 475868CL7 8-1-11			100,000
FHLMC 3134A4FM1 6-15-11			1,000,000
Torrance 891400LW1 7-15-15			400,000
Dulce 264430GS2 6-1-16			300,000
Gallup 364010PJ1 8-1-22			550,000
Roswell 778550FS7 8-1-18			400,000
Eastern NM 276785UF7 4-1-19			505,000
Los Lunas NM 545562KZ2 7-15-15			350,000
Dulce 264430GT0 6-1-17			400,000
Hobbs 433866CN8 7-15-17			500,000
FFCB 31331SNQ1 2-6-17			2,000,000
FNMA 256178 3-1-36		1,762,141	
FNMA 889606 12-1-35		97,258	

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL (Concluded)
June 30, 2010

	1st Savings Bank	Wells Fargo	1st NM Bank	Wells Fargo Brokerage
USBK 790739SJ6 12-1-14	140,019			
USBK 504516BE4 12-15-15	483,506			
USBK 669738DU7 2-1-16	752,155			
USBK 660113BG5 5-1-16	669,468			
MBS FNMA 314D4NHR0 7-1-19	672,389			
MBS FHLMC 31282CBA4 4-1-20	708,755			
MBS FNMA 31403CXG1 12-1-20	1,160,095			
	<hr/>	<hr/>	<hr/>	<hr/>
Total pledged securities	\$ 4,586,387	\$ 1,859,399	\$ 9,605,000	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
Pledged securities over (under) requirement	\$ 3,467,699	\$ 681,899	\$ 3,243,745	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
Uninsured and Uncollateralized	\$ (2,349,010)	\$ 495,601	\$ 3,117,511	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>

Securities pledged for Wells Fargo are held by the Wells Fargo trust department in Minneapolis, Minnesota for First Savings Bank by the Federal Home Loan Bank in Dallas, Texas, and for First NM by the Independent Bankers Bank in Dallas, Texas. Safekeeping receipts are held by the District.

Wells Fargo Brokerage has CD's invested in different banks across the country, all FDIC insured.

	<u>Total</u>
\$	<u>20,114,888</u>
\$	20,114,888
	<u>(2,800,000)</u>
\$	<u>17,314,888</u>
\$	-
	<u>8,657,444</u>
\$	<u>8,657,444</u>

\$	2,000,000
	1,000,000
	100,000
	100,000
	1,000,000
	400,000
	300,000
	550,000
	400,000
	505,000
	350,000
	400,000
	500,000
	2,000,000
	1,762,141
	97,258

Total	
	140,019
	483,506
	752,155
	669,468
	672,389
	708,755
	<u>1,160,095</u>
\$	<u>16,050,786</u>
\$	<u><u>7,393,342</u></u>

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
June 30, 2010

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>First Savings Bank</u>			
Operational	Checking	\$ 2,487,377	\$ 679,975
Total First Savings Bank		<u>\$ 2,487,377</u>	<u>\$ 679,975</u>
<u>Wells Fargo</u>			
Payroll	Checking	\$ 2,535,606	\$ 1,905,396
Building fund	Checking	69,394	(51,714)
Total Wells Fargo		<u>\$ 2,605,000</u>	<u>\$ 1,853,682</u>
<u>First NM Bank</u>			
Debt service	Checking	\$ 2,578,729	\$ 2,578,749
SB-9 savings	Savings	2,122,935	2,122,935
SB-9	Checking	2,416,424	3,392,430
Transportation	Checking	606,901	7,004
Special grants	Checking	185,443	(122,099)
Cafeteria	Checking	893,204	856,926
Gate receipts	Checking	452,902	444,771
General activity	Checking	146,022	142,669
Federal projects	Checking	3,569,951	(1,686,673)
Total First NM Bank		<u>\$ 12,972,511</u>	<u>\$ 7,736,712</u>
<u>NM Local Government Investment Pool</u>			
Operational	Investment	\$ 700,000	\$ 700,000
Bond building	Investment	9,712	9,712
Total NM Local Government Investment Pool		<u>\$ 709,712</u>	<u>\$ 709,712</u>

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
June 30, 2010

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Wells Fargo Brokerage Services</u>			
	Gov Sec		
Bond building	Money Mkt	\$ 188,705	\$ 188,705
Bond building	CD's	<u>2,050,000</u>	<u>2,050,000</u>
Total Wells Fargo Brokerage Services		<u>\$ 2,238,705</u>	<u>\$ 2,238,705</u>
Total cash and investments		<u><u>\$ 21,013,305</u></u>	<u><u>\$ 13,218,786</u></u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2010

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics</u>
Total cash and investments as of July 1, 2009	\$ 2,871,880	\$ 9,661	\$ 371,877	\$ 406,469	\$ 1,100
Add: Current year receipts	33,046,337	2,894,864	205,090	2,811,179	36,657
Chargebacks	1,597				
Voided warrants					
Less: Current year expenditures	(32,950,816)	(2,897,521)	(260,595)	(2,360,548)	(21,004)
Outstanding loans					
Abatements					
Overdrafts				(175)	
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ 2,968,998</u>	<u>\$ 7,004</u>	<u>\$ 316,372</u>	<u>\$ 856,925</u>	<u>\$ 16,753</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2010

	<u>State Direct</u>	<u>Local/State Fund</u>	<u>Bond Building Fund</u>	<u>Public School Capital Outlay</u>	<u>Ed Tech Debt Service</u>
Total cash and investments as of July 1, 2009	\$ (50,131)	\$ 169,882	\$ 3,194,747	\$ 2,128,739	\$ 633,177
Add: Current year receipts	68,192	161,450	59,101		555,778
Chargebacks					
Voided warrants					
Less: Current year expenditures	(107,098)	(235,384)	(1,462,233)	(173,953)	(638,734)
Outstanding loans					
Abatements					
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ (89,037)</u>	<u>\$ 95,948</u>	<u>\$ 1,791,615</u>	<u>\$ 1,954,786</u>	<u>\$ 550,221</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2010

	<u>Total</u>
Total cash and investments as of July 1, 2009	\$ 12,116,755
Add: Current year receipts	59,116,766
Chargebacks	1,597
Voided warrants	-
Less: Current year expenditures	(58,015,417)
Outstanding loans	-
Abatements	-
Overdrafts	(915)
Transfers	<u>-</u>
Total cash and investments as of June 30, 2010	<u><u>\$ 13,218,786</u></u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2010

	Non Instructional Support	Federal Flowthrough	Federal Direct	Local Grants	State Flowthrough
Total cash and investments as of July 1, 2009	\$ 261,281	\$ (1,883,513)	\$ 150,992	\$ 4,898	\$ (212,975)
Add: Current year receipts	367,591	9,103,058	3,338,980		580,402
Chargbacks					
Voided warrants					
Less: Current year expenditures	(200,115)	(9,016,450)	(3,379,740)	(4,604)	(496,731)
Outstanding loans					
Abatements					
Overdrafts	(740)				
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ 428,017</u>	<u>\$ (1,796,905)</u>	<u>\$ 110,232</u>	<u>\$ 294</u>	<u>\$ (129,304)</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2010

	Capital Improvements SB-9	Ed Tech Equip Act	PSCOC	Debt Service	Agency
Total cash and investments as of July 1, 2009	2,037,600	261,039	37,721	1,601,206	\$ 121,105
Add: Current year receipts	2,393,855	515,000		2,535,341	443,891
Chargebacks					
Voided warrants					
Less: Current year expenditures	(870,875)	(370,951)	(37,721)	(2,108,017)	(422,327)
Outstanding loans					
Abatements					
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ 3,560,580</u>	<u>\$ 405,088</u>	<u>\$ -</u>	<u>\$ 2,028,530</u>	<u>\$ 142,669</u>

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct:			
Emergency Response Plan	84.184	N/A	14,980
Passed through Socorro Schools:			
High School Graduation Initiative	84.360	N/A	7,500
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	4,194,755
Migrant Education-Basic State Grant Program	84.011	24.103	352,941
Special Education-Grants to States	84.027	24.106	1,013,998
AARA - Special Education-Grants to States	84.391	24.206	288,844
Special Education-Preschool Grants	84.173	24.109	16,206
AARA - Special Education-Preschool Grants	84.392	24.209	6,759
Vocational Education	84.048	24.174	95,042
Technology Literacy Challenge Funds	84.318	24.149	306,958
Education of the Homeless	84.196	24.113	40,367
ARRA - Education of Homeless, Recovery Act	84.387	24.213	26,593
English Language Acquisition grants	84.365	24.153	281,810
Teacher Quality State Grants	84.367	24.154	394,811
ARRA - State Fiscal Stabilization Fund	84.394	25.250	3,135,069
Reading First	84.357	24.167	41,595
Teacher Incentive Fund	84.374	24.143	2,838
Safe and Drug-Free Schools and Communities	84.186	24.157	54,549
Rural Education	84.358	24.160	136,689
AARA - Title I Grants to Lea's	84.389	24.201	1,659,265
Title I School Improvement	84.256	24.162	98,943
School Leadership	84.363	24.150	5,210
			<hr/>
Total U.S. Department of Education			<u>\$ 12,175,722</u>

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
For The Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	\$ 1,931,833
School Breakfast Program	10.553	N/A	684,831
Fresh Fruits and Vegetables Program	10.582	24.118	58,500
AARA - Fresh Fruits and Vegetables Program	10.582	24.218	2,140
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>186,658</u>
Total U.S. Department of Agriculture			<u>\$ 2,863,962</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through N.M. Dept. of Human Services:			
Medical Assistance Program	93.778	24.253	<u>\$ 112,782</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through N.M. Dept of Transportation			
AARA - Safe Routes to Schools	20.205	N/A	<u>\$ 4,953</u>
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Direct Programs:			
ROTC	12.100	25.200	<u>\$ 49,008</u>
<u>U.S. DEPT. OF HOMELAND SECURITY</u>			
Direct Programs:			
Emergency Food and Shelter National Board	97.024	25.246	<u>\$ 7,798</u>
Total expenditures of federal awards			<u><u>\$ 15,214,225</u></u>

See the accompanying notes to Schedule of Expenditures of Federal Awards.

Deming Public Schools
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Deming Public Schools and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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 basic financial statements.

Note 2 Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The District received \$186,658 in food commodities during the 2009-2010 fiscal year.

Note 3 The District had the following insurance coverages during the year ended June 30, 2010:

Workers compensation	\$ 1,050,000
Property	500,000,000
Liability	1,000,000
Auto	10,000,000

Deming Public Schools
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2010

Findings – Financial Statement Audit

Current Status

FINDINGS RELATED TO THE COMPONENT UNIT

09-1	The School had not managed its payroll reporting system	Resolved
08-3	Teacher employee files were incomplete	Repeated
08-4	Goods and services purchased without appropriate approval.	Resolved
08-5	Expenditures incurred in excess of budgetary authority.	Repeated

Findings and Questioned Costs – Major Federal Award programs

None

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

Hector H. Balderas, State Auditor
and
Board of Education
Deming Public Schools
Deming, New Mexico

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Deming Public Schools as of and for the year ended June 30, 2010, which collectively comprise Deming Public School's basic financial statements and have issued our report thereon dated October 29, 2010. We have also audited the financial statements of each of the District's non-major governmental funds and related budgetary comparisons presented as other supplementary information as of and for the year ended June 30, 2010 and have issued our report thereon dated October 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Deming Public School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Deming Public School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Deming Public School's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, listed as component unit finding 2010-1. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Deming Public School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no 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 pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-2 for the primary government, and as items 08-3 and 09-2 for the component unit.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

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

Stone, McGee & Co CPAs

October 29, 2010

Stone, McGee & Co.
Certified Public Accountants

MIKE STONE, C.P.A.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector H. Balderas, State Auditor
and
Board of Education
Deming Public Schools
Deming, New Mexico

Compliance

We have audited Deming Public School's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Deming Public School's major federal programs for the year ended June 30, 2010. Deming Public School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Deming Public School's management. Our responsibility is to express an opinion on Deming Public School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Deming Public School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Deming Public School's compliance with those requirements.

In our opinion, Deming Public Schools complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

Management of Deming Public Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Deming Public School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Deming Public School'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.

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

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

Stone, McGee & Co CPAs

October 29, 2010

Deming Public Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Deming Public Schools.
2. One significant deficiency relating to the audit of the financial statements is reported in the "Findings – Financial Statement Audit" section of this report. The deficiency is not considered a material weakness.
3. No instances of noncompliance material to the financial statements of Deming Public Schools, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Deming Public Schools expresses an unqualified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: The Title I cluster, consisting of Title I Grants to LEAs, CFDA No. 84.010 and ARRA Title I Grants to LEAs, CFDA No. 84.389; the special education cluster, consisting of Special Education-Grants to States, CFDA No. 84.027, ARRA Special Education-Grants to States, CFDA No. 84.391, Special Education-Preschool Grants, CFDA No. 84.173 and ARRA Special Education-Preschool Grants, CFDA No. 84.392; the nutrition cluster, consisting of National School Lunch Program, CFDA No. 10.555, the School Breakfast Program, CFDA No. 10.553 and Emergency Food Assistance Program, CFDA No. 10.569; and the ARRA State Fiscal Stabilization Fund, CFDA No. 84.394.
8. The threshold for distinguishing types A and B programs was \$456,428.
9. Deming Public Schools was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

OTHER INSTANCES OF NONCOMPLIANCE

2010-1 Purchasing Procedures

Condition – In a test of 174 purchase vouchers, we noted 31 instances where the purchase order was either not present, not approved, or dated subsequent to the invoice date, and 18 instances where the invoice either was not approved for payment or was missing.

Criteria – Sound budgetary control and Sections 13-1-1 through 13-1-199, NMSA 1978 require that purchases be authorized by the appropriate personnel prior to purchase, and that invoices be approved for payment prior to disbursement of funds.

Effect – The controls required for budgetary management and managerial authorization have been compromised, and there is an increased likelihood of non-priority purchases.

Cause – During the year, the purchasing agent for the District was quite ill, and the District attempted to cover her position with available employees. The personnel performing the duties were unable to maintain the requisite control due to lack of time.

Recommendation – We recommend that the District replace the purchasing agent, and reestablish the controls over purchasing which were followed in the past.

Agency Response – The District is in the process of reviewing candidates for the position of purchasing agent, and the controls will be reestablished.

2010-2 Agency Receipts

Condition – In a test of 50 receipts, we noted that personnel at Red Mountain School and Deming High School are not maintaining the numerical sequence of receipts, that two receipt books are being used simultaneously, and that deposits are not being made timely.

Criteria – Sound internal controls requires the maintenance of the numerical sequence of receipts, in order to track the receipting process. The PED Manual of Procedures requires deposit of funds received within 24 hours of receipt, or one banking day.

Effect – There is an increased likelihood of conversion of funds without the necessity of collusion, and PED regulations have been violated.

Cause – Although the District has held training sessions at the schools in question, school personnel have not followed the District's receipting procedures.

Recommendation – We recommend that the District instruct not only the personnel receipting the funds, but also the principals at the various schools, in the correct receipting process. We further recommend that the principals at the schools provide a periodic supervisory review of the receipting process, to insure adherence to District policy.

Agency Response – In addition additional training sessions, we will discuss receipting procedures with supervisory personnel at each school.

FINDINGS RELATED TO THE COMPONENT UNIT

SIGNIFICANT DEFICIENCIES

2010-1 Cash Reporting

Condition – The School has not reconciled cash in the bank to general ledger balances. As a result, the School was required to make a cash adjustment of \$190,156 at June 30, 2010.

Criteria – Sound internal control and the PED Manual of Procedures requires that bank accounts be reconciled monthly, and that those reconciled balances be compared to general ledger amounts to insure that the general ledger reflects the actual cash balances.

Effect – The School has overstated its cash in the cash report to PED by \$190,156, and has violated PED regulations.

Cause – The Schools accounting software recognized expenditures encumbered in the 2008-2009 fiscal year but paid in the 2009-2010 fiscal year as prior year expenditures, rather than expenditures in the current year. The School's accountant was unable to identify the problem prior to issuance of the year-end cash report.

Recommendation – We recommend that the School compare cash in the bank to general ledger balances monthly, and that any discrepancies be investigated and corrected on a timely basis.

Agency Response – The School has corrected the software problem, and will compare and agree cash in the bank to general ledger balances monthly.

OTHER INSTANCES OF NONCOMPLIANCE

08-3 Employee Files

Condition – In a test of 25 employee files, we noted 1 instance of no W-4 on file and 7 instances of no I-9 on file.

Criteria – Internal Revenue Service regulations require that W-4s and I-9s be maintained for all employees, and available for inspection.

Effect – The School is at risk of substantial fines for failure to maintain W-4s and I-9s.

Cause – School personnel have filed documents in various locations, and were unable to produce the requested documents.

Recommendation – We recommend that all employee records be maintained in one file, for ease of inspection and production, and that these files be inspected by appropriate supervisory personnel to insure that all documents are in the file. A checklist in each employee file would be beneficial.

Agency Response – The recommendation will be adopted.

09-2 Budgetary Controls

Condition – The School incurred expenditures in excess of budgetary authority in the following funds and functions:

General Fund:	
Support Services – Students	\$ 28,282
Operation of Plant	18,524
Title I:	
Instruction	180
State Equalization Stimulus:	
School Administration	139

Criteria – Sections 6-3-1 through 6-3-25 NMSA 1978 require, in part, that expenditures not exceed budgetary authority. The function is the legal level of budgetary control.

Effect – The internal controls established by adherence to budgets has been compromised, and excess spending could result. In addition, New Mexico statutes have been violated.

Cause – The School did not request the budget adjustments at year end to alleviate these budget overruns.

Recommendation – We recommend that the District adhere to their policy of reviewing year end expenditures and requesting budget adjustments where necessary.

Agency Response – The policy is currently in place, but adjustments were not requested in all funds and functions during the 2009-2010 fiscal year. The School intends to comply with the policy in future years.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s.

EXIT CONFERENCE

The contents of this report were discussed October 21, 2010 and November 5, 2010. Present at these exit conferences were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
<u>October 25, 2010</u>		
Anne Keeler	Board President	Deming Public Schools
Bayne Anderson	Board Vice President	Deming Public Schools
Lloyd Valentine	Audit Committee Member	Deming Public Schools
Teresa Hutts	Audit Committee Member	Deming Public Schools
Harvielee Moore	Superintendent	Deming Public Schools
Diana Petersen	Director of Accounting	Deming Public Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA's
<u>November 5, 2010</u>		
Gloria Lopez	Council President	Cesar Chavez High School
Antoinette Zunich	Council Member	Cesar Chavez High School
Arlene Trujillo	Director	Cesar Chavez High School
Chris Masters	Accountant	Cesar Chavez High School
Steve Duran	Accountant	Cesar Chavez High School
Harvielee Moore	Superintendent	Deming Public Schools
Ted Burr	Assoc. Supt. of Finance	Deming Public Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA's