

State of New Mexico

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

For the Fiscal Year ended June 30, 2012

Deming Public Schools  
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Deming Public Schools  
**DIRECTORY OF OFFICIALS**  
June 30, 2012

**BOARD OF EDUCATION**

Bayne Anderson	President
Andrew Hernandez	Vice-President
Ruben S. Torres	Secretary
David McSherry	Member
Anne Keeler	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, 2012, 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, 2012, 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, 2012, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Title I 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, 2012, 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 November 10, 2012, 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.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Stone, McGee & Co CPAs

November 10, 2012

Stone, McGee & Co.  
Certified Public Accountants

**DEMING PUBLIC SCHOOLS**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ending June 30, 2012**

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, 2011 and 2012. 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.

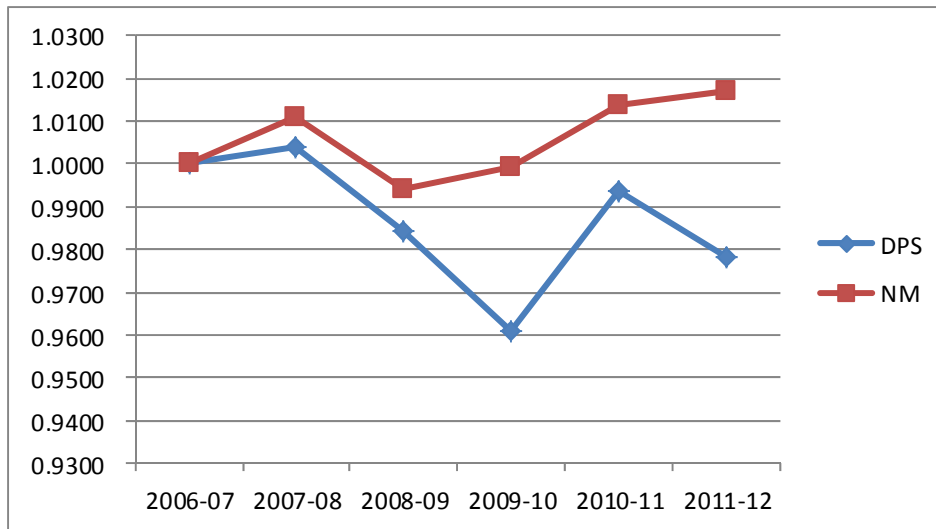
**About the Deming Public Schools**

Deming Public Schools and Luna County share the same geographical area, 2,968 square miles, Deming Public Schools is, geographically, the 6<sup>th</sup> 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, the school district serves the largest migrant student population in the state. Schools are located in Deming and Columbus. The School District consists of 12 schools and has a 2011-2012 student membership of 5,405 students at the preschool through 12<sup>th</sup> grade level. The preschool serves students of ages 3 and 4 years. Five Elementary Schools serve students in kindergarten through 5<sup>th</sup> grade, an additional Elementary School serves students in kindergarten through 6<sup>th</sup> grade. The Intermediate school serves all other students in 6<sup>th</sup> grade, the Middle School is grades 7<sup>th</sup> and 8<sup>th</sup>, with the High School and Charter High School serving students in grades 9<sup>th</sup> through 12<sup>th</sup>.



The District's enrollment decreased 86 students for the 2011-2012 school year. District five year enrollment decreased 2% while the state wide enrollment grew 2%. The following chart presents the five year enrollment history for Deming Public Schools and the State of New Mexico using 2006-07 enrollment as an index.

Student Enrollment for New Mexico (NM) and Deming Public Schools (DPS)  
As a Percent of 2005-2006 Enrollment



Student enrollment for FY-13 is up 1 student since the 2011-2012 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, 2012**

- Cash assets decreased \$1,828,458 to \$15,897,543.
- Accumulated depreciation has increased by \$2,307,251 to \$41,352,911 as of June 30, 2012 from \$39,045,660 for June 30, 2011.
- Total revenues decreased from \$57,583,948 in the year ending June 30, 2011 to \$55,590,775 in the year ending June 30, 2012. This is a decrease of \$1,993,173 or 3%.
- Total expenditures, inclusive of all capital expenditures from general obligation bond proceeds, increased from \$55,282,977 for the year ending June 30 2011 to \$57,295,346 for the year ending June 30 2012. This is an increase in expenditures of \$2,012,369 or 4%. Increase of \$2,773,381 in Capital Outlay for year ended June 30, 2012 compared to June 30, 2011 accounted for the decrease.

## 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 \$92,042,608 and \$92,686,341 as of June 30, 2011 and 2012, respectively. The School District cash assets as of June 30, 2012 decreased by 10% to \$15,897,543 due to capital improvements to school facilities. Accounts payable increased by 59% to \$881,632 as of June 30, 2012 compared to June 30, 2011 accounts payable of \$555,629. Accounts payable for FY 2012 is comprised of employee benefits obligated during June and due within 3 months. Net Assets restricted for various purposes totaling \$11,077,382 and \$12,340,703 as of June 30, 2011 and 2012 respectively, increased by 11%. All categories of restricted net assets increased.

#### District, without Component Unit, Statement of Net Assets

<b>Assets</b>	<b>June 30, 2011</b>	<b>June 30, 2012</b>
Cash Assets	17,726,001	15,897,543
All Other Current Assets	3,950,216	5,999,798
Capital Assets	109,412,051	112,141,911
Depreciation	(39,045,660)	(41,352,911)
<b>Total Assets</b>	<b>92,042,608</b>	<b>92,686,341</b>
<b>Liabilities</b>		
Accounts Payable	555,629	881,632
Other Current Liabilities	4,368,157	6,220,367
Long Term Liabilities	13,882,338	11,456,255
<b>Total Liabilities</b>	<b>18,806,124</b>	<b>18,558,254</b>
<b>Net Assets</b>		
Invested in Capital Assets	57,293,351	57,369,000
Restricted	11,077,382	12,340,703
Unrestricted	4,865,751	4,418,384
<b>Total Net Assets</b>	<b>73,236,484</b>	<b>74,128,087</b>

This statement includes accumulated depreciation of the School District’s capital assets in the amount of \$39,045,660 and \$41,352,911 as of June 30, 2011 and 2012 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 \$1,214,821 total net assets compared to \$658,920 as of June 30, 2011. This is an increase of \$555,901 or 84%. The school charter was renewed for an additional 5 years

Componet Unit Statement of Net Assets		
<b>Assets</b>	<b>June 30, 2011</b>	<b>June 30, 2012</b>
Cash Assets	586,729	986,621
All Other Current Assets	-	41,445
Improvements and Equipment	226,344	320,478
Less Accumulated Depreciation	(45,070)	(64,611)
<b>Total Assets</b>	<b>768,003</b>	<b>1,283,933</b>
<b>Liabilities</b>		
Accounts Payable	5,295	13,347
Deferred Revenue	103,788	55,765
<b>Total Liabilities</b>	<b>109,083</b>	<b>69,112</b>

Componet Unit Statement of Net Assets, continued		
<b>Net Assets</b>	<b>June 30, 2011</b>	<b>June 30, 2011</b>
Invested in Capital Assets	181,274	255,867
Restricted	25,470	25,470
Unrestricted	452,176	933,484
<b>Total Net Assets</b>	<b>658,920</b>	<b>1,214,821</b>

Accounts payable were increased to \$13,347 for June 30, 2012 from \$5,295 as of June 30 2011. Deferred Revenue of \$55,765 and \$103,788 as of June 30, 2012 and 2011, respectively, is 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, 2012. As of June 30, 2012 the School District, exclusive of the component unit, had net assets of \$74,128,087 compared to \$73,256,484 for 2011. Net assets increased \$891,603 and \$1,889,954 for the years ending June 30, 2012 and 2011, respectively.

<b>Assets</b>	<b>June 30, 2011</b>	<b>June 30, 2012</b>
Cash Assets	17,726,001	15,897,543
All Other Current Assets	3,950,216	5,999,798
Capital Assets	109,412,051	112,141,911
Depreciation	(39,045,660)	(41,352,911)
<b>Total Assets</b>	<b>92,042,608</b>	<b>92,686,341</b>
<b>Liabilities</b>		
Accounts Payable	555,629	881,632
Other Current Liabilities	4,368,157	6,220,367
Long Term Liabilities	13,882,338	11,456,255
<b>Total Liabilities</b>	<b>18,806,124</b>	<b>18,558,254</b>
<b>Net Assets</b>		
Invested in Capital Assets	57,293,351	57,369,000
Restricted	11,077,382	12,340,703
Unrestricted	4,865,751	4,418,384
<b>Total Net Assets</b>	<b>73,236,484</b>	<b>74,128,087</b>

The component unit net assets increased by \$307,600 and increased \$555,901 for the years ending June 30, 2011 and 2012, respectively.

<b>Component Unit Activities</b>	<b>June 30, 2011</b>	<b>June 30, 2012</b>
Total Government Activities Expense	1,182,699	1,262,821
<b>Net (Expenses) Revenues and</b>		
<b>Changes in Net Assets</b>	<b>(1,182,699)</b>	<b>(962,638)</b>
<b>General Revenues</b>		
State aid	1,389,201	1,465,215
Miscellaneous	101,098	53,324
<b>Total General Revenues &amp; Special Item</b>	<b>1,490,299</b>	<b>1,518,539</b>
<b>Changes in Net Assets</b>	<b>307,600</b>	<b>555,901</b>
Net Assets beginning	351,320	658,920
<b>Net Assets – ending</b>	<b>658,920</b>	<b>1,214,821</b>

## **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 \$57,583,948, and \$55,590,775 for fiscal years 2011 and 2012 respectively. Total expenditures for the School District were \$55,282,977 and \$57,295,346 for fiscal years 2011 and 2012 respectively. The total ending fund balance was \$18,512,845 and \$16,808,274 for fiscal years 2011 and 2012, respectively, a decrease of \$1,704,571.

### **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 2011 increased revenue without increasing expenses while construction expenses in subsequent years increased expenses.

Year	Total Revenues *	Increase %	Total Expenditures*	Increase %
2006/07 a	\$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%
2010/11	\$57,583,948	-1%	\$55,282,977	-5%
2010/12	\$55,590,775	-3%	\$57,295,346	4%

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

(a). 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 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, for June 2012, the General Fund, Title I, SB-9, and Other Funds. The June 30, 2011 report major funds were General Fund, Entitlement Stimulus, Title I Stimulus, SB-9, 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 the General Fund, Debt Service, and all other major funds.

<b>Total Expenditures Fiscal Years 2010 and 2011</b>						
	<b>FY-11</b>		<b>FY-12</b>		<b>Increase (Decrease)</b>	
<b>General Fund</b>	35,564,686	64%	38,285,682	69%	2,720,996	8%
<b>Debt Service</b>	2,113,414	4%	2,617,468	5%	504,054	24%
<b>All Other</b>	17,604,877	32%	16,392,196	30%	(1,212,681)	-7%
<b>Total</b>	55,282,977	100%	57,295,346	100%	2,012,369	4%

The decrease in All Other funds are due to reduction of Federal Stimulus expenditures for FY-2012 when compared to FY-2011. The General Fund increased 8% from fiscal year 2011 to 2012. 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 increase is reflective of the beginning of the economic recovery and the corresponding increase of State revenues.

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 60% of the School District's revenue for fiscal years 2011 and 2012. 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 2011 and 2012.

<b>Function</b>	<b>FY 2011</b>		<b>FY 2012</b>		<b>Increase (Decrease)</b>	
Instruction	19,054,147	54%	21,440,084	56%	2,385,937	13%
Pupil & Instructional Support	6,455,368	18%	6,530,865	17%	75,497	1%
Maintenance & Operations	5,385,930	15%	5,576,925	15%	190,995	4%
Transportation	2,015,608	6%	2,088,213	5%	72,605	4%
Administration & Business	2,639,292	7%	2,627,593	7%	(11,699)	0%
<b>Total</b>	<b>35,550,345</b>	<b>100%</b>	<b>38,263,680</b>	<b>100%</b>	<b>2,713,335</b>	<b>8%</b>



The increase of General Fund expended for Instruction reflects replacing Federal stabilization funds with State funds. During fiscal year 2011, \$1,321,074 Federal funds were available to maintain teacher salaries.

The percentage of the General Fund spent on the instruction function increased for fiscal year 2012 from 54% to 56%, however, when the Federal Stabilization funds are included, fiscal year 2011 Instruction becomes 55%. Instruction spending after adjusting for the Stabilization funds increased \$1,079,129 or 1% and includes salaries for teachers and assistants, benefits, payroll taxes, school supplies, training, and miscellaneous instructional related contract services. Pupil & Instructional Support increased for fiscal year 2012 \$75,497 for 17% 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 2012 \$190,995 and remained at 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 increased \$72,605 and is 5% of General Fund expenditures. 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 \$11,699 to remain at 7% of the total General Fund for fiscal year 2012.

### **Capital Assets**

In the fiscal year ending June 30, 2012 the Statement of Revenues, Expenditures and Changes in Fund Balances shows the School District expended \$3,685,533 for capital outlay. This is up from \$912,152 for the previous fiscal year and reflects roof repair projects and HVAC replacement

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-11 is for roof repair and a classroom addition.

<b>Capital assets:</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>Changes</b>	
Land and improvements	\$ 8,161,257	\$ 8,552,578	\$ 391,321	5%
Building and improvements	91,448,419	92,365,988	917,569	1%
Furniture and equipment	9,734,945	9,381,337	(353,608)	-4%
Construction in progress	67,430	1,842,008	1,774,578	
Less: Accumulated depreciation	(39,045,660)	(41,352,911)	(2,307,251)	6%
<b>Total capital assets, net of depreciation</b>	<b>\$ 70,366,391</b>	<b>\$ 70,789,000</b>	<b>\$ 422,609</b>	<b>1%</b>

### **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, 2012.

<b>Deming Public Schools General Obligation Bonds</b>			
<b>Projected Principal and Interest Payments</b>			
<b>Fiscal YR</b>	<b>Principal Payment</b>	<b>Interest Payment</b>	<b>Total Payments</b>
2013	2,370,000	432,095	2,802,095
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
2017	1,400,000	222,975	1,622,975

Continued as follows through fiscal year 2021

Continued,			
Deming Public Schools General Obligation Bonds			
Projected Principal and Interest Payments			
Fiscal YR	Principal Payment	Interest Payment	Total Payments
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	\$ 15,540,000	\$ 2,464,705	\$ 18,004,705

### **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. The following table presents the value per funding unit or (unit value).

State Equalization Formula				
Value per Funding Unit				
YEAR	State	Federal	Total	
FY-03	2,889.89	-	2,889.89	
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%
FY-12	3,585.97	-	3,585.97	-3%
FY-13	3,668.18	-	3,668.18	2%

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 expired at June 30, 2012. The State has not maintained the unit value. Since FY-09 the unit value has decreased over 7%. Unit value for FY-13 increased, however, it is still 5% below FY-09.

### **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, 2012

	Governmental Activities	Component Unit
<b>Assets</b>		
Cash and cash equivalents	\$ 15,897,543	\$ 986,621
Interest receivable	104	
Property taxes receivable	428,105	
Due from other governments	5,257,260	41,445
Inventory	272,871	
Notes receivable	5,099	
Bond issue costs	36,359	
Capital assets:		
Land and improvements	8,552,578	
Buildings and improvements	92,365,988	
Equipment	9,381,337	320,478
Construction in progress	1,842,008	
Less accumulated depreciation	(41,352,911)	(64,611)
Total capital assets, net of depreciation	\$ 70,789,000	\$ 255,867
Total assets	\$ 92,686,341	\$ 1,283,933
<b>Liabilities</b>		
Cash overdraft	\$ 3,505,939	\$ -
Accounts payable	881,632	13,347
Deferred revenue	151,129	55,765
Long-term liabilities:		
Portion due or payable within one year:		
Capital lease payable	1,070,000	
Bonds payable	1,300,000	
Accrued interest payable	193,299	
Portion due or payable after one year:		
Capital lease payable	-	
Bonds payable	11,050,000	
Compensated absences	406,255	
Total liabilities	\$ 18,558,254	\$ 69,112
<b>Net Assets</b>		
Invested in capital assets, net of related debt	\$ 57,369,000	\$ 255,867
Restricted for:		
Debt service	3,027,413	
Capital projects	2,162,608	21,199
Other purposes	7,269,367	4,271
Unrestricted	4,299,699	933,484
Total net assets	\$ 74,128,087	\$ 1,214,821

The accompanying notes are an integral part of these financial statements

Deming Public Schools  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Governmental activities:		
Instruction	\$ 30,201,062	\$ 224,346
Support services - Students	4,739,148	
Support services - Instruction	972,043	
General administration	1,919,270	330,935
School administration	3,031,646	
Central services	1,570,652	
Operation of plant	6,458,177	118,144
Food services	2,966,010	30,062
Transportation	2,319,176	
Other support services	22,002	
Interest on long-term debt	476,891	
	<u>\$ 54,676,077</u>	<u>\$ 703,487</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		
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
\$ 7,447,388	\$ 930,105	\$ (21,599,223)	\$ (446,165)
1,289,246		(3,449,902)	(99,010)
101,603		(870,440)	
609,340		(978,995)	(52,645)
311,629		(2,720,017)	(202,405)
14,420		(1,556,232)	(90,512)
95,296		(6,244,737)	(71,901)
3,255,218		319,270	
1,835,831		(483,345)	
		(22,002)	
		(476,891)	
<u>\$ 14,959,971</u>	<u>\$ 930,105</u>	<u>\$ (38,082,514)</u>	<u>\$ (962,638)</u>
		\$ 248,744	\$ -
		2,863,313	
		1,015,399	
		34,728,049	1,465,215
		65,072	50,485
		7,866	
		45,674	2,839
		<u>\$ 38,974,117</u>	<u>\$ 1,518,539</u>
		\$ 891,603	\$ 555,901
		73,236,484	658,920
		<u>\$ 74,128,087</u>	<u>\$ 1,214,821</u>

Deming Public Schools  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2012

	General Fund	Title I	SB-9	Other Funds
<b>Assets</b>				
Cash and investments	\$ 3,873,557	\$ -	\$ 5,091,778	\$ 6,932,208
Interest receivable	103			1
Taxes receivable	16,260		57,361	354,484
Inventory	234,807			38,064
Due from other governments	298,117	2,380,762		2,578,381
Notes receivable	5,099			
Interfund receivable	724,969		39,524	106,641
<b>Total assets</b>	<b>\$ 5,152,912</b>	<b>\$ 2,380,762</b>	<b>\$ 5,188,663</b>	<b>\$ 10,009,779</b>
 <b>Liabilities and Fund Balances</b>				
Cash overdraft	\$ -	\$ 1,655,793	\$ -	\$ 1,850,146
Accounts payable	360,224		277,130	244,278
Interfund payable	4,408	724,969		141,757
Deferred revenue	14,064		27,353	623,720
<b>Total liabilities</b>	<b>\$ 378,696</b>	<b>\$ 2,380,762</b>	<b>\$ 304,483</b>	<b>\$ 2,859,901</b>
 <b>Fund balance:</b>				
<b>Nonspendable:</b>				
Inventory	\$ 234,807	\$ -	\$ -	\$ 38,064
<b>Restricted for:</b>				
Education			4,884,180	383,879
Food service				1,648,881
Social services				84,397
Capital projects				2,162,608
Debt service				2,950,734
Unassigned	4,539,409			(118,685)
<b>Total fund balances</b>	<b>\$ 4,774,216</b>	<b>\$ -</b>	<b>\$ 4,884,180</b>	<b>\$ 7,149,878</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$ 5,152,912</b>	<b>\$ 2,380,762</b>	<b>\$ 5,188,663</b>	<b>\$ 10,009,779</b>

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



Total  
Governmental  
Funds

---

\$ 15,897,543  
104  
428,105  
272,871  
5,257,260  
5,099  
871,134

---

\$ 22,732,116

\$ 3,505,939  
881,632  
871,134  
665,137

---

\$ 5,923,842

\$ 272,871  
5,268,059  
1,648,881  
84,397  
2,162,608  
2,950,734  
4,420,724

---

\$ 16,808,274

\$ 22,732,116

Deming Public Schools  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
 June 30, 2012

Total governmental fund balances	\$	16,808,274
 <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.		70,789,000
Bond issue costs are capitalized and amortized over the life of the bonds		36,359
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		306,296
Miscellaneous receivables subject to the 60 day availability period		5,099
Intergovernmental receivables subject to the 60 day availability period		202,613
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		(1,070,000)
Bonds payable		(12,350,000)
Accrued interest payable		(193,299)
Compensated absences payable		(406,255)
		(14,960,554)
<i>Net Assets of Governmental Activities</i>	\$	74,128,087

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, 2012

	General Fund	Title I	SB-9	Other Funds
Revenues:				
Property taxes	\$ 249,958	\$ -	\$ 1,020,539	\$ 2,876,179
Fees and charges	336,374			65,482
State aid	36,863,025			1,637,273
Federal aid	301,631	5,080,599		6,682,457
Earnings on investments	5,904		29,995	9,775
Miscellaneous	35,121		18,529	377,934
Total revenues	\$ 37,792,013	\$ 5,080,599	\$ 1,069,063	\$ 11,649,100
Expenditures:				
Current:				
Instruction	\$ 21,440,084	\$ 4,076,261	\$ -	\$ 2,978,822
Support service - Students	3,191,510	346,507		940,097
Support services - Instruction	808,727	85,605		12,453
General administration	1,201,878	461,707	10,164	147,633
School administration	2,530,628	92,438		212,805
Central services	1,425,715	14,420		
Operation of plant	5,499,465	1,103	256,024	342,662
Food service				2,802,864
Transportation	2,088,213	2,558		
Other support services	22,002			
Debt service:				
Principal				2,120,000
Interest				497,468
Capital outlay	77,460		507,997	3,100,076
Total expenditures	\$ 38,285,682	\$ 5,080,599	\$ 774,185	\$ 13,154,880
Revenues over (under) expenditures	\$ (493,669)	\$ -	\$ 294,878	\$ (1,505,780)
Other financing sources (uses):				
Debt proceeds				
Transfer out				
Transfer in				
Net change in fund balances	\$ (493,669)	\$ -	\$ 294,878	\$ (1,505,780)
Fund balance, July 1, 2011	5,267,885		4,589,302	8,655,658
Fund balance, June 30, 2012	\$ 4,774,216	\$ -	\$ 4,884,180	\$ 7,149,878

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

Total  
Governmental  
Funds

\$	4,146,676
	401,856
	38,500,298
	12,064,687
	45,674
	431,584
<hr/>	
\$	55,590,775

\$	28,495,167
	4,478,114
	906,785
	1,821,382
	2,835,871
	1,440,135
	6,099,254
	2,802,864
	2,090,771
	22,002
	2,120,000
	497,468
	3,685,533
<hr/>	

\$ 57,295,346

\$ (1,704,571)

-  
-  
-

\$ (1,704,571)

18,512,845

\$ 16,808,274

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, 2012

Net change in fund balances- total governmental funds \$ (1,704,571)

*Amounts reported for governmental activities in the statement of activities are different because:*

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	3,685,532
Depreciation expense	(3,262,923)

Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities

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	(19,220)
Miscellaneous receivables subject to the 60 day availability period	(981)
Intergovernmental grants subject to the 60 day availability period	(2,894)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 2,120,000

Bond issue costs are expenditures in the funds but are capitalized and amortized in the Statement of Activities:

Amortization	(7,586)
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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. 28,163

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. 56,083

<i>Change in Net Assets of Governmental Activities</i>	<b>\$ 891,603</b>
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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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ -	\$ 125,153	\$ 246,238	\$ 121,085
State sources	34,838,055	36,861,023	36,784,410	(76,613)
Local sources	523,412	523,412	620,436	97,024
Earnings on investments	5,600	5,600	5,937	337
<b>Total revenues</b>	<b>\$ 35,367,067</b>	<b>\$ 37,515,188</b>	<b>\$ 37,657,021</b>	<b>\$ 141,833</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 22,491,678	\$ 22,644,303	\$ 21,386,415	\$ 1,257,888
Support services - Students	3,967,951	3,643,051	3,198,010	445,041
Support services - Instruction	719,546	786,346	733,367	52,979
General administration	1,152,076	1,272,576	1,199,143	73,433
School administration	2,252,422	2,559,922	2,531,490	28,432
Central services	1,379,457	1,457,757	1,429,446	28,311
Operation of plant	5,829,197	6,314,497	5,419,332	895,165
Transportation	7,489	2,097,685	2,089,973	7,712
Other support services	72,015	72,015	22,002	50,013
Capital outlay	1,001,071	132,271	77,460	54,811
<b>Total expenditures</b>	<b>\$ 38,872,902</b>	<b>\$ 40,980,423</b>	<b>\$ 38,086,638</b>	<b>\$ 2,893,785</b>
Revenues over (under) expenditures	\$ (3,505,835)	\$ (3,465,235)	\$ (429,617)	\$ 3,035,618
<b>Other financing sources (uses):</b>				
Transfers in			-	-
<b>Net change in fund balance</b>	<b>\$ (3,505,835)</b>	<b>\$ (3,465,235)</b>	<b>\$ (429,617)</b>	<b>\$ 3,035,618</b>
Fund balance, July 1, 2011	3,505,835	3,505,835	5,028,143	1,522,308
Fund balance, June 30, 2012	\$ -	\$ 40,600	\$ 4,598,526	\$ 4,557,926
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis			\$ (493,669)	
Revenue accruals (net)			(134,990)	
Expenditure accruals (net)			199,042	
<b>Net change in fund balance, NON-GAAP budgetary basis</b>			<b>\$ (429,617)</b>	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 4,787,867	\$ 6,158,647	\$ 2,933,231	\$ (3,225,416)
Expenditures:				
Current:				
Instruction	\$ 4,058,321	\$ 5,093,538	\$ 4,083,513	\$ 1,010,025
Support services - Students	183,008	359,108	346,507	12,601
Support services - Instruction	44,002	94,402	85,605	8,797
General administration	490,536	479,599	462,941	16,658
School administration		96,600	92,720	3,880
Central services		16,400	14,420	1,980
Operation of plant	12,000	12,000	1,276	10,724
Transportation		7,000	2,558	4,442
Total expenditures	<u>\$ 4,787,867</u>	<u>\$ 6,158,647</u>	<u>\$ 5,089,540</u>	<u>\$ 1,069,107</u>
Net change in fund balance	\$ -	\$ -	\$ (2,156,309)	\$ (2,156,309)
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(224,453)</u>	<u>(224,453)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,380,762)</u>	<u>\$ (2,380,762)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,147,368)	
Expenditure accruals (net)			<u>(8,941)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (2,156,309)</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 959,265	\$ 959,265	\$ 1,034,903	\$ 75,638
State sources	537,163	537,163		(537,163)
Earnings on investments			29,995	29,995
<b>Total revenues</b>	<b>\$ 1,496,428</b>	<b>\$ 1,496,428</b>	<b>\$ 1,064,898</b>	<b>\$ (431,530)</b>
Expenditures:				
Current:				
General administration	\$ 10,552	\$ 20,552	\$ 10,164	\$ 10,388
Operational plant maintenance	2,461,484	2,461,484	192,843	2,268,641
Capital outlay	3,539,792	3,529,792	307,997	3,221,795
<b>Total expenditures</b>	<b>\$ 6,011,828</b>	<b>\$ 6,011,828</b>	<b>\$ 511,004</b>	<b>\$ 5,500,824</b>
Net change in fund balance	\$ (4,515,400)	\$ (4,515,400)	\$ 553,894	\$ 5,069,294
Fund balance, July 1, 2011	4,515,400	4,515,400	4,537,884	22,484
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,091,778</u>	<u>\$ 5,091,778</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 294,878	
Revenue accruals (net)			(4,165)	
Expenditure accruals (net)			<u>263,181</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 553,894</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, 2012

	<u>Primary Government Agency</u>	<u>Component Unit Agency</u>
<b>Assets</b>		
Cash and investments	<u>\$ 135,163</u>	<u>\$ 2,251</u>
Total assets	<u><u>\$ 135,163</u></u>	<u><u>\$ 2,251</u></u>
 <b>Liabilities</b>		
Deposits held for others	<u>\$ 135,163</u>	<u>\$ 2,251</u>
Total liabilities	<u><u>\$ 135,163</u></u>	<u><u>\$ 2,251</u></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, 2012

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.

**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 High School 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 High School Charter 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 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 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.

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.

## **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, in the fund statements. 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 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 (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.

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*

During the year ended June 30 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by adoption of a resolution or a vote of the Board. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or other purposes).

### **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, 2012 was \$.500 per \$1,000 for non-residential property and \$.478 for residential property. The District's tax rate for debt service was \$4.862 per \$1,000 for both residential and nonresidential property. The District's tax rate for District improvements was \$2.00 per \$1,000 for residential and \$3.50 for nonresidential property. The District's tax rate for education technology debt was .726 for both residential and non-residential.

#### **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, 2012 \$2,070,222 of the government bank balance of \$13,868,254 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 2,070,222</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 \$708,031 on deposit in the pool at June 30, 2012, which is AAAM rated with a weighted average maturity of 60 days.

Note 3 Investments

At June 30, 2012, 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	\$ 283,278	\$ 283,278	N/A
Certificates of Deposit	<u>1,750,000</u>	<u>1,750,000</u>	N/A
Total investments	<u>\$ 2,033,278</u>	<u>\$ 2,033,278</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 in 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, 2012, was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets not being depreciated:				
Land	\$ 2,308,938	\$ -0-	\$ -0-	\$ 2,308,938
Construction in progress	<u>67,430</u>	<u>3,000,363</u>	<u>1,225,785</u>	<u>1,842,008</u>
Total assets not being depreciated	<u>\$ 2,376,368</u>	<u>\$ 3,000,363</u>	<u>\$ 1,225,785</u>	<u>\$ 4,150,946</u>
Other capital assets:				
Buildings/improvements	\$ 91,448,419	\$ 917,569	\$ -0-	\$ 92,365,988
Land improvements	5,852,318	391,321	-0-	6,243,640
Furniture and equipment	<u>9,734,945</u>	<u>602,065</u>	<u>955,673</u>	<u>9,381,337</u>
Total other capital assets at historical cost	<u>\$107,035,682</u>	<u>\$ 1,910,955</u>	<u>\$ 955,673</u>	<u>\$ 107,990,965</u>
Less accumulated depreciation for:				
Buildings/improvements	\$ (28,871,447)	\$ (2,639,131)	\$ -0-	\$ (31,510,577)
Land improvements	(1,456,034)	(247,604)	-0-	(1,703,638)
Furniture and equipment	<u>(8,718,180)</u>	<u>(376,189)</u>	<u>955,673</u>	<u>(8,138,696)</u>
Total accumulated depreciation	<u>\$ (39,045,661)</u>	<u>\$ (3,262,924)</u>	<u>\$ 955,673</u>	<u>\$ (41,352,911)</u>
Other capital assets, net	<u>\$ 67,990,021</u>	<u>\$ (1,351,969)</u>	<u>\$ -0-</u>	<u>\$ 66,638,054</u>
Total capital assets, net	<u>\$ 70,366,389</u>	<u>\$ 1,648,394</u>	<u>\$ 1,225,785</u>	<u>\$ 70,789,000</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 1,761,979
Support Services – Students	261,034
Support Services – Instruction	65,258
General Administration	97,888
School Administration	195,775
Central Services	130,517
Operation of plant	358,922
Food Services	163,146
Transportation	<u>228,405</u>
	<u>\$ 3,262,924</u>

Note 5 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2012:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due In</u> <u>One Year</u>
Capital lease	\$ 1,390,000	\$ -0-	\$ 320,000	\$ 1,070,000	\$ 1,070,000
G.O. Bonds, series 2003	4,150,000	-0-	1,400,000	275,000	700,000
Compensated absences payable	462,338	210,747	266,830	406,255	-0-
G.O. Bonds, series 2006	4,500,000	-0-	300,000	4,200,000	400,000
G.O. Bonds, series 2007	<u>5,500,000</u>	<u>-0-</u>	<u>100,000</u>	<u>5,400,000</u>	<u>200,000</u>
	<u>\$16,002,338</u>	<u>\$ 210,747</u>	<u>\$ 2,386,830</u>	<u>\$ 13,826,255</u>	<u>\$ 2,370,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,370,000	\$ 432,095
2014	1,400,000	376,451
2015	1,450,000	327,387
2016	1,500,000	275,350
2017	1,400,000	222,975
2018-2022	<u>5,300,000</u>	<u>333,000</u>
	<u>\$ 13,420,000</u>	<u>\$ 1,967,258</u>

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

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, 2012.

Due in Year Ending:

June 30, 2013	\$ 1,079,095
Less amounts representing imputed interest	<u>(9,095)</u>
Present value of future lease payments	<u>\$ 1,070,000</u>

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 1<sup>st</sup> of every year, with first principal payment due August 1, 2005. Interest payments are due February 1<sup>st</sup> and August 1<sup>st</sup>. 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 \$700,000 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 1<sup>st</sup> of each year. The interest payments are due on August 1<sup>st</sup> and February 1<sup>st</sup>. 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 \$400,000 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 1<sup>st</sup> of each year. The interest payments are due on August 1<sup>st</sup> and February 1<sup>st</sup>. 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 \$200,000 are due in the next fiscal year.

The bonds and bond interest are paid from property tax levies enacted specifically for the debt retirement. The revenues pledged totaled \$16,466,353 at June 30, 2012, and equal 100% of the tax levies enacted to repay the bonded indebtedness. The bonds were sold to erect and furnish facilities for the District. Interest rates range from 1.63% to 4% for individually scheduled retirements, and maturity dates range from 2012 through 2026. The property tax levies expire when the related bond indebtedness is repaid.

During the year ended June 30, 2012, the District recognized \$2,863,313 in property taxes pledged to retire the bonded indebtedness, and retired \$2,617,448 in bond principal and interest.

#### 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](http://www.nmerb.org).

##### Funding Policy

Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. The Deming Public Schools has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 the Deming Public Schools contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the Deming Public Schools will contribute 10.9% of the gross covered salary of employees earning more than \$20,000 annually. 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, 2012, 2011 and 2010, were \$5,587,272, \$5,523,570, and \$5,547,699, respectively, which equal 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 time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer 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](http://www.nmrhca.state.nm.us).

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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .9173% of their salary. In the fiscal year



ending 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>
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, 2012, 2011 and 2010 were \$507,781 \$454,666, and \$356,644, 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 Deficit Fund Balance

The District had a deficit fund balance in the public schools Capital Outlay Fund of \$118,685 at June 30, 2012. 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 deficits are reduced.

Note 11 Inter-fund Activity

Inter-fund balances at June 30, 2012, consisted of the following:

	<u>Inter-fund Payable</u>			<u>Total</u>
	<u>General</u>	<u>Title I Stimulus</u>	<u>Other Funds</u>	
<u>Inter-fund Receivable</u>				
General	\$	\$ 724,969	\$	\$ 724,969
SB-9			39,524	39,524
Other Funds	<u>4,408</u>	<u>                    </u>	<u>102,233</u>	<u>106,641</u>
	<u>\$ 4,408</u>	<u>\$ 724,969</u>	<u>\$ 141,757</u>	<u>\$ 871,134</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, 2012, there were no transfers.

Note 12 Restricted Net Assets

At June 30, 2012, net assets restricted for other purposes included the following balances in special revenue funds:

SB-9	\$4,884,180
Cafeteria	1,648,881
State Grants	383,042
Medicaid	84,397
Athletics	<u>268,867</u>
	<u>\$7,269,367</u>

The District reports \$12,459,388 in restricted net assets, of which \$12,190,521 is restricted by enabling legislation.

Note 13 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, 2012:

Land	\$ 5,000
Buildings	<u>683,183</u>
	\$ 688,183
Less accumulated depreciation	<u>(648,952)</u>
Net assets	<u>\$ 39,231</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 \$96,324 in rent from its component unit during the year ended June 30, 2012.

## 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 grade, 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 High School 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:

#### **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, and
- b. Other funds the District believes should be presented as Major Funds.

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.

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.

SB-9 – 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, Special Revenue and Capital Projects Funds are 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, 2012.

#### **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*

During the year ended June 30, 2011, the School implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Education established (and modifies or rescinds) fund balance commitments by adoption of a resolution or a vote of the Board. This is typically done

through the adoption and amendment of the budget. Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

**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, 2012 \$0.00 of the School's bank balance of \$1,002,859 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -0-
Total	\$ -0-

	<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	752,859	738,872
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 1,002,859</u>	<u>\$ 988,872</u>

Note C Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Capital assets being depreciated				
Other capital assets:				
Furniture and equipment	\$ 54,269	\$ 94,134	\$ -0-	\$ 148,403
Leasehold improvements	<u>172,075</u>	<u>-0-</u>	<u>-0-</u>	<u>172,075</u>
Total other capital assets at historical cost	<u>\$ 226,344</u>	<u>\$ 94,134</u>	<u>\$ -0-</u>	<u>\$ 320,478</u>
Less accumulated depreciation for:				
Furniture and equipment	\$ (39,329)	\$ (11,663)	\$ -0-	\$ (50,992)
Leasehold improvements	<u>(5,741)</u>	<u>(7,878)</u>	<u>-0-</u>	<u>(13,619)</u>
Total accumulated depreciation	<u>\$ (45,070)</u>	<u>\$ (19,541)</u>	<u>\$ -0-</u>	<u>\$ (64,611)</u>
Total capital assets, net	<u>\$ 181,274</u>	<u>\$ 74,593</u>	<u>\$ -0-</u>	<u>\$ 255,867</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	<u>\$ 19,541</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](http://www.nmerb.org).

#### Funding Policy

Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. The Cesar Chavez High School Charter School has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 the Cesar Chavez High School Charter School contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the Cesar Chavez High School Charter School will contribute 10.9% of the gross covered salary of employees earning more than \$20,000 annually. 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, 2012, 2011 and 2010, were \$105,172, \$138,927, and \$150,942, 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](http://www.nmrhca.state.nm.us).

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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending 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>
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, 2012, 2011 and 2010 were \$15,510, \$12,025 and \$10,521, 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 Restricted Net Assets

At June 30, 2012, assets restricted for other purposes were the following Special Revenue Funds:

Teacher Mentoring	<u>\$ 4,271</u>
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The School reports \$25,470 in restricted assets, of which \$25,470 is restricted by enabling legislation.

Note I 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 school had no deficits at June 30, 2012.

Note J 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 \$96,324 in rent to Deming Public Schools during the year ended June 30, 2012.

Note K Interfund Activity

Interfund balances at June 30, 2012, consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>
	<u>SB-9</u>
General	<u>\$41,445</u>

All amounts are expected to be repaid within one year. The purpose of the loan was to provide temporary funds in anticipation of grant revenues.



## 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).

**Safe and 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).

**Child Nutrition Stimulus** - created by NSLA, designed to initiate and maintain food service programs for children of the District.

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

**Enhancing Education/Enhancing Education through 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).

**Innovative 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 Education** – 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/Title I Migrant Education** – 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.

**State Equalization Stimulus** – to support and restore funding for the District programs and services in states and local education agencies.

**Education Job Fund** – used to account for federal funds given to states to assist local education agencies in saving or creating education jobs (P.L. 111-126).

**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.

**Fresh 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).

**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, 2012

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	Competitive
<b>Assets</b>				
Cash and investments	\$ 1,609,971	\$ 837	\$ -	\$ -
Interest receivable				
Taxes receivable				
Inventory	38,064			
Interfund receivable	8,967			
Due from other governments	155,536		222,040	3,564
<b>Total assets</b>	<b>\$ 1,812,538</b>	<b>\$ 837</b>	<b>\$ 222,040</b>	<b>\$ 3,564</b>
<b>Liabilities and Fund Balances</b>				
Cash overdraft	\$ -	\$ -	\$ 222,040	\$ 3,564
Accounts payable	125,593			
Interfund payable				
Deferred revenue				
<b>Total liabilities</b>	<b>\$ 125,593</b>	<b>\$ -</b>	<b>\$ 222,040</b>	<b>\$ 3,564</b>
<b>Fund balance:</b>				
Nonspendable				
Inventory	\$ 38,064	\$ -	\$ -	\$ -
Restricted for:				
Education		\$ 837		
Food service	1,648,881			
Social services				
Capital projects				
Debt service				
Unassigned				
<b>Total fund balances</b>	<b>\$ 1,686,945</b>	<b>\$ 837</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,812,538</b>	<b>\$ 837</b>	<b>\$ 222,040</b>	<b>\$ 3,564</b>

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

Special Revenue Funds

<u>Entitlement</u>	<u>Emergency Response</u>	<u>ROTC</u>	<u>Preschool</u>	<u>Fresh Fruits</u>	<u>Discretionary</u>
\$ -	\$ -	\$ -	\$ -	\$ 12,106	\$ -
11,537 303,014	19,279	1,957	2,189		16,074
<u>\$ 314,551</u>	<u>\$ 19,279</u>	<u>\$ 1,957</u>	<u>\$ 2,189</u>	<u>\$ 12,106</u>	<u>\$ 16,074</u>
\$ 314,551	\$ 19,279	\$ 1,957	\$ 2,189	\$ -	\$ 16,074
				12,106	
<u>\$ 314,551</u>	<u>\$ 19,279</u>	<u>\$ 1,957</u>	<u>\$ 2,189</u>	<u>\$ 12,106</u>	<u>\$ 16,074</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 314,551</u>	<u>\$ 19,279</u>	<u>\$ 1,957</u>	<u>\$ 2,189</u>	<u>\$ 12,106</u>	<u>\$ 16,074</u>

Deming Public Schools  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
June 30, 2012

	Special Revenue Funds			
	GOALS	Homeless Education	Title II	Emergency Immigrant
<b>Assets</b>				
Cash and investments	\$ 2,843	\$ -	\$ 619	\$ 1,253
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				
Due from other governments		22,924		
<b>Total assets</b>	<b>\$ 2,843</b>	<b>\$ 22,924</b>	<b>\$ 619</b>	<b>\$ 1,253</b>
<b>Liabilities and Fund Balances</b>				
Cash overdraft	\$ -	\$ 22,924	\$ -	\$ -
Accounts payable				
Interfund payable				
Deferred revenue	2,843		619	1,253
<b>Total liabilities</b>	<b>\$ 2,843</b>	<b>\$ 22,924</b>	<b>\$ 619</b>	<b>\$ 1,253</b>
Fund balance:				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service				
Social services				
Capital projects				
Debt service				
Unassigned				
<b>Total fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,843</b>	<b>\$ 22,924</b>	<b>\$ 619</b>	<b>\$ 1,253</b>

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

Special Revenue Funds

<u>Education Technology</u>	<u>Title III Incentive</u>	<u>Homeless Stimulus</u>	<u>Innovative Programs</u>	<u>English Language</u>	<u>Child Nutrition Stimulus</u>
\$ -	\$ -	\$ -	\$ -	\$ 26,027	\$ 26,244
<u>193,358</u>	<u>6,596</u>	<u>4,819</u>	<u>115</u>	<u>41,992</u>	
<u>\$ 193,358</u>	<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 115</u>	<u>\$ 68,019</u>	<u>\$ 26,244</u>
\$ 193,358	\$ 6,596	\$ 4,819	\$ 115	\$ -	\$ -
				68,019	<u>26,244</u>
<u>\$ 193,358</u>	<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 115</u>	<u>\$ 68,019</u>	<u>\$ 26,244</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 193,358</u>	<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 115</u>	<u>\$ 68,019</u>	<u>\$ 26,244</u>



Deming Public Schools  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
June 30, 2012

	Special Revenue Funds			
	Title I 1003g Grant	Comp School Reform	Reading Excellence	Title I Stimulus
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ 2,023	\$ -
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				
Due from other governments	281,956	31,309		1,245
Total assets	\$ 281,956	\$ 31,309	\$ 2,023	\$ 1,245
<b>Liabilities and Fund Balances</b>				
Cash overdraft	\$ 281,956	\$ 23,044	\$ -	\$ 1,245
Accounts payable				
Interfund payable		8,265		
Deferred revenue			2,023	
Total liabilities	\$ 281,956	\$ 31,309	\$ 2,023	\$ 1,245
<b>Fund balance:</b>				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service				
Social services				
Capital projects				
Debt service				
Unassigned				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 281,956	\$ 31,309	\$ 2,023	\$ 1,245

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

Special Revenue Funds					
Carl Perkins	Enhancing Education	Teacher Training	Teacher Quality	Drug Free	Rural Schools
\$ -	\$ 28,806	\$ -	\$ 3	\$ 68,132	\$ -
<u>48,492</u>		64,885 <u>501,879</u>		3,134	<u>32,224</u>
<u>\$ 48,492</u>	<u>\$ 28,806</u>	<u>\$ 566,764</u>	<u>\$ 3</u>	<u>\$ 71,266</u>	<u>\$ 32,224</u>
\$ 48,492	\$ -	\$ 566,764	\$ -	\$ -	\$ 32,224
	<u>28,806</u>		<u>3</u>	<u>71,266</u>	
<u>\$ 48,492</u>	<u>\$ 28,806</u>	<u>\$ 566,764</u>	<u>\$ 3</u>	<u>\$ 71,266</u>	<u>\$ 32,224</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 48,492</u>	<u>\$ 28,806</u>	<u>\$ 566,764</u>	<u>\$ 3</u>	<u>\$ 71,266</u>	<u>\$ 32,224</u>

Deming Public Schools  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
June 30, 2012

	Special Revenue Funds			
	Reading First	School Improvement	Emergency Food	Immigrant Fund
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ 1,250	\$ 4,716
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				
Due from other governments	<u>54,503</u>	<u>34,452</u>		
<b>Total assets</b>	<u><u>\$ 54,503</u></u>	<u><u>\$ 34,452</u></u>	<u><u>\$ 1,250</u></u>	<u><u>\$ 4,716</u></u>
<b>Liabilities and Fund Balances</b>				
Cash overdraft	\$ 54,503	\$ 34,452	\$ -	\$ -
Accounts payable				
Interfund payable				
Deferred revenue			<u>1,250</u>	<u>4,716</u>
<b>Total liabilities</b>	<u><u>\$ 54,503</u></u>	<u><u>\$ 34,452</u></u>	<u><u>\$ 1,250</u></u>	<u><u>\$ 4,716</u></u>
<b>Fund balance:</b>				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service				
Social services				
Capital projects				
Debt service				
Unassigned				
<b>Total fund balances</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Total liabilities and fund balances:</b>	<u><u>\$ 54,503</u></u>	<u><u>\$ 34,452</u></u>	<u><u>\$ 1,250</u></u>	<u><u>\$ 4,716</u></u>

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

Special Revenue Funds			Capital Projects Funds		
Child/Adult Food	Medicaid	State Grants	Bond Building	Public School Capital Outlay	Ed Tech Equipment
\$ 8,967	\$ 41,980	\$ 67,596	\$ 1,680,168 1	\$ -	\$ 482,439
	42,417	1,136 556,447			
<u>\$ 8,967</u>	<u>\$ 84,397</u>	<u>\$ 625,179</u>	<u>\$ 1,680,169</u>	<u>\$ -</u>	<u>\$ 482,439</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,967		39,524 202,613		118,685	
<u>\$ 8,967</u>	<u>\$ -</u>	<u>\$ 242,137</u>	<u>\$ -</u>	<u>\$ 118,685</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	84,397	383,042	1,680,169	(118,685)	482,439
<u>\$ -</u>	<u>\$ 84,397</u>	<u>\$ 383,042</u>	<u>\$ 1,680,169</u>	<u>\$ (118,685)</u>	<u>\$ 482,439</u>
<u>\$ 8,967</u>	<u>\$ 84,397</u>	<u>\$ 625,179</u>	<u>\$ 1,680,169</u>	<u>\$ -</u>	<u>\$ 482,439</u>

Deming Public Schools  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (concluded)**  
June 30, 2012

	Debt Service Funds		Total
	Debt Service	Ed Tech Debt Service	
<b>Assets</b>			
Cash and investments	\$ 1,763,698	\$ 1,102,530	\$ 6,932,208
Interest receivable			1
Taxes receivable	240,695	113,789	354,484
Inventory			38,064
Interfund receivable	16,982		106,641
Due from other governments			2,578,381
	<u>\$ 2,021,375</u>	<u>\$ 1,216,319</u>	<u>\$ 10,009,779</u>
<b>Liabilities and Fund Balances</b>			
Cash overdraft	\$ -	\$ -	\$ 1,850,146
Accounts payable			244,278
Interfund payable		16,982	141,757
Deferred revenue	184,146	85,832	623,720
	<u>\$ 184,146</u>	<u>\$ 102,814</u>	<u>\$ 2,859,901</u>
<b>Fund balance:</b>			
Nonspendable			
Inventory	\$ -	\$ -	\$ 38,064
Restricted for:			
Education			383,879
Food service			1,648,881
Social services			84,397
Capital projects			2,162,608
Debt service	1,837,229	1,113,505	2,950,734
Unassigned			(118,685)
	<u>\$ 1,837,229</u>	<u>\$ 1,113,505</u>	<u>\$ 7,149,878</u>
<b>Total fund balances</b>	<u>\$ 1,837,229</u>	<u>\$ 1,113,505</u>	<u>\$ 7,149,878</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,021,375</u>	<u>\$ 1,216,319</u>	<u>\$ 10,009,779</u>

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

Deming Public Schools  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For The Fiscal Year Ended June 30, 2012

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	Entitlement
Revenues:				
Fees and charges	\$ 30,062	\$ 35,420	\$ -	\$ -
Property taxes				
State aid	2,496			
Federal aid	3,188,438		169,061	1,277,363
Earnings on investments	3,071			
Miscellaneous	79			
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 3,224,146</u>	<u>\$ 35,420</u>	<u>\$ 169,061</u>	<u>\$ 1,277,363</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ 39,609	\$ 71,755	\$ 809,411
Support services - Students			90,043	411,544
Support services - Instruction				
General administration			6,576	50,033
School administration				
Central services				
Operation of plant			687	6,375
Food services	2,753,270			
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay				
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 2,753,270</u>	<u>\$ 39,609</u>	<u>\$ 169,061</u>	<u>\$ 1,277,363</u>
Revenues over (under) expenditures	\$ 470,876	\$ (4,189)	\$ -	\$ -
Other financing sources:				
Debt proceeds				
Operating transfers in (out)				
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	\$ 470,876	\$ (4,189)	\$ -	\$ -
Fund balance, July 1, 2011	<u>1,216,069</u>	<u>5,026</u>		
Fund balance, June 30, 2012	<u>\$ 1,686,945</u>	<u>\$ 837</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Funds

<u>ROTC</u>	<u>Preschool</u>	<u>Discretionary</u>	<u>Homeless Education</u>	<u>Education Technology</u>	<u>Homeless Stimulus</u>	<u>English Language</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55,909	12,230	2,836	49,409	111,459	1,851	130,265
<u>\$ 55,909</u>	<u>\$ 12,230</u>	<u>\$ 2,836</u>	<u>\$ 49,409</u>	<u>\$ 111,459</u>	<u>\$ 1,851</u>	<u>\$ 130,265</u>
\$ 55,909	\$ 3,457 8,296	\$ 2,725	\$ 4,243 41,682	\$ 106,515	\$ 1,781	\$ 126,275 605
	477	111	1,928	485 4,459	70	3,086 299
			1,556			
<u>\$ 55,909</u>	<u>\$ 12,230</u>	<u>\$ 2,836</u>	<u>\$ 49,409</u>	<u>\$ 111,459</u>	<u>\$ 1,851</u>	<u>\$ 130,265</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, 2012

	Special Revenue Funds			
	Title I 1003g Grant	Entitlement Stimulus	Preschool Stimulus	Title I Stimulus
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid	649,769	143,026	26,884	66,473
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 649,769</u>	<u>\$ 143,026</u>	<u>\$ 26,884</u>	<u>\$ 66,473</u>
Expenditures:				
Current:				
Instruction	\$ 404,200	\$ 29,633	\$ 24,768	\$ 63,521
Support services - Students	55,000	100,399	901	
Support services - Instruction				
General administration		7,101	1,215	2,573
School administration	190,569			379
Central services				
Operation of plant				
Food services				
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay		5,893		
Total expenditures	<u>\$ 649,769</u>	<u>\$ 143,026</u>	<u>\$ 26,884</u>	<u>\$ 66,473</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2012	<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					
Carl Perkins	Teacher Training	Education Job Fund	Rural Schools	Emergency Food	Medicaid
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,021	428,372	14,266	116,411	5,660	132,754
<u>\$ 100,021</u>	<u>\$ 428,372</u>	<u>\$ 14,266</u>	<u>\$ 116,411</u>	<u>\$ 5,660</u>	<u>\$ 132,754</u>
\$ 85,407	\$ 302,254 64,247	\$ 14,266	\$ 111,869	\$ 5,660	\$ 790 138,019
3,591	61,871		4,542		
11,023					
<u>\$ 100,021</u>	<u>\$ 428,372</u>	<u>\$ 14,266</u>	<u>\$ 116,411</u>	<u>\$ 5,660</u>	<u>\$ 138,809</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,055)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,055)
-	-	-	-	-	90,452
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,397</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, 2012

	Special Revenue Funds	Capital Projects Funds		
	State Grants	Bond Building	Public School Capital Outlay	Ed Tech Equipment Grant
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid	704,672		930,105	
Federal aid				
Earnings on investments	701	6,003		
Miscellaneous	374,581			
	<u>\$ 1,079,954</u>	<u>\$ 6,003</u>	<u>\$ 930,105</u>	<u>\$ -</u>
Total revenues				
Expenditures:				
Current:				
Instruction	\$ 714,774	\$ -	\$ -	\$ -
Support services - Students	29,361			
Support services - Instruction	11,968			
General administration				
School administration	21,558			
Central services				
Operation of plant	5,370			300,034
Food services	49,594			
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay			2,575,341	507,819
	<u>\$ 832,625</u>	<u>\$ -</u>	<u>\$ 2,575,341</u>	<u>\$ 807,853</u>
Total expenditures				
Revenues over (under) expenditures	\$ 247,329	\$ 6,003	\$ (1,645,236)	\$ (807,853)
Other financing sources (uses):				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balance	\$ 247,329	\$ 6,003	\$ (1,645,236)	\$ (807,853)
Fund balance, July 1, 2011	<u>135,713</u>	<u>1,674,166</u>	<u>1,526,551</u>	<u>1,290,292</u>
Fund balance, June 30, 2012	<u>\$ 383,042</u>	<u>\$ 1,680,169</u>	<u>\$ (118,685)</u>	<u>\$ 482,439</u>

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

Debt Service Funds		
Debt Service	Ed Tech Debt Service	Total
\$ -	\$ -	\$ 65,482
1,794,281	1,081,898	2,876,179
		1,637,273
		6,682,457
		9,775
<u>3,274</u>		<u>377,934</u>
<u>\$ 1,797,555</u>	<u>\$ 1,081,898</u>	<u>\$ 11,649,100</u>
\$ -	\$ -	\$ 2,978,822
		940,097
		12,453
		147,633
		212,805
17,983	10,657	-
		342,662
		2,802,864
		-
1,800,000	320,000	2,120,000
475,225	22,243	497,468
		<u>3,100,076</u>
<u>\$ 2,293,208</u>	<u>\$ 352,900</u>	<u>\$ 13,154,880</u>
\$ (495,653)	\$ 728,998	\$ (1,505,780)
		-
		-
<u>\$ (495,653)</u>	<u>\$ 728,998</u>	<u>\$ (1,505,780)</u>
<u>2,332,882</u>	<u>384,507</u>	<u>8,655,658</u>
<u>\$ 1,837,229</u>	<u>\$ 1,113,505</u>	<u>\$ 7,149,878</u>

Deming Public Schools  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
June 30, 2012

	Operational	Transportation	Instructional Materials
<b>Assets</b>			
Cash and investments	\$ 3,169,243	\$ 7,460	\$ 210,880
Interest receivable	103		
Taxes receivable	16,260		
Inventory	234,807		
Due from other governments	298,117		
Interfund receivable	724,969		
Notes receivable	5,099		
	<u>\$ 4,448,598</u>	<u>\$ 7,460</u>	<u>\$ 210,880</u>
<b>Total assets</b>	<b>\$ 4,448,598</b>	<b>\$ 7,460</b>	<b>\$ 210,880</b>
 <b>Liabilities and Fund Balances</b>			
Accounts payable	\$ 360,224	\$ -	\$ -
Interfund payable	4,408		
Deferred revenue	14,064		
	<u>\$ 378,696</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total liabilities</b>	<b>\$ 378,696</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund balance:</b>			
<b>Nonspendable:</b>			
Inventories	\$ 234,807	\$ -	\$ -
Unassigned	3,835,095	7,460	210,880
	<u>\$ 4,069,902</u>	<u>\$ 7,460</u>	<u>\$ 210,880</u>
<b>Total fund balances</b>	<b>\$ 4,069,902</b>	<b>\$ 7,460</b>	<b>\$ 210,880</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,448,598</b>	<b>\$ 7,460</b>	<b>\$ 210,880</b>

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

<u>Non - Instructional Support</u>	<u>Total</u>
\$ 485,974	\$ 3,873,557 103 16,260 234,807 298,117 724,969 5,099
<u>\$ 485,974</u>	<u>\$ 5,152,912</u>
\$ -	\$ 360,224 4,408 14,064
<u>\$ -</u>	<u>\$ 378,696</u>
\$ - 485,974	\$ 234,807 4,539,409
<u>\$ 485,974</u>	<u>\$ 4,774,216</u>
<u>\$ 485,974</u>	<u>\$ 5,152,912</u>

Deming Public Schools  
**GENERAL FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For The Fiscal Year Ended June 30, 2012

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
<b>Revenues:</b>			
Property taxes	\$ 249,958	\$ -	\$ -
Fees and charges	158,136		
State aid	34,648,948	1,990,989	223,088
Federal aid	301,631		
Earnings on investments	4,551	55	
Miscellaneous	35,121		
	<u>35,398,345</u>	<u>1,991,044</u>	<u>223,088</u>
<b>Total revenues</b>	<b>\$ 35,398,345</b>	<b>\$ 1,991,044</b>	<b>\$ 223,088</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Instruction	\$ 21,027,326	\$ -	\$ 210,806
Support services - Students	3,191,510		
Support services - Instruction	808,727		
General administration	1,201,878		
School administration	2,530,628		
Central services	1,425,715		
Operation of plant	5,499,465		
Transportation	92,717	1,995,496	
Other support services	22,002		
Capital outlay	77,460		
	<u>35,877,428</u>	<u>1,995,496</u>	<u>210,806</u>
<b>Total expenditures</b>	<b>\$ 35,877,428</b>	<b>\$ 1,995,496</b>	<b>\$ 210,806</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (479,083)</b>	<b>\$ (4,452)</b>	<b>\$ 12,282</b>
<b>Other financing sources:</b>			
Loan proceeds			
Operating transfers in (out)			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Net change in fund balances</b>	<b>\$ (479,083)</b>	<b>\$ (4,452)</b>	<b>\$ 12,282</b>
<b>Fund balance, July 1, 2011</b>	<b><u>4,548,985</u></b>	<b><u>11,912</u></b>	<b><u>198,598</u></b>
<b>Fund balance, June 30, 2012</b>	<b><u>\$ 4,069,902</u></b>	<b><u>\$ 7,460</u></b>	<b><u>\$ 210,880</u></b>

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

<u>Non-Instructional Support</u>	<u>Total</u>
\$ -	\$ 249,958
178,238	336,374
	36,863,025
	301,631
1,298	5,904
	<u>35,121</u>
<u>\$ 179,536</u>	<u>\$ 37,792,013</u>
\$ 201,952	\$ 21,440,084
	3,191,510
	808,727
	1,201,878
	2,530,628
	1,425,715
	5,499,465
	2,088,213
	22,002
	<u>77,460</u>
<u>\$ 201,952</u>	<u>\$ 38,285,682</u>
\$ (22,416)	\$ (493,669)
	-
	<u>-</u>
\$ (22,416)	\$ (493,669)
<u>508,390</u>	<u>5,267,885</u>
<u>\$ 485,974</u>	<u>\$ 4,774,216</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ -	\$ 125,153	\$ 246,238	\$ 121,085
State sources	34,642,439	34,642,439	34,570,333	(72,106)
Local sources	349,246	349,246	442,198	92,952
Earnings on investments	3,600	3,600	4,584	984
 Total revenues	 \$ 34,995,285	 \$ 35,120,438	 \$ 35,263,353	 \$ 142,915
 <b>Expenditures:</b>				
Current:				
Instruction	\$ 21,730,760	\$ 21,855,913	\$ 20,973,657	\$ 882,256
Support services - Students	3,967,951	3,643,051	3,198,010	445,041
Support services - Instruction	719,546	786,346	733,367	52,979
General administration	1,152,076	1,272,576	1,199,143	73,433
School administration	2,252,422	2,559,922	2,531,490	28,432
Central services	1,379,457	1,457,757	1,429,446	28,311
Operation of plant	5,829,197	6,314,497	5,419,332	895,165
Transportation	7,489	102,189	94,477	7,712
Other support services	72,015	72,015	22,002	50,013
Capital outlay	1,001,071	172,871	77,460	95,411
 Total expenditures	 \$ 38,111,984	 \$ 38,237,137	 \$ 35,678,384	 \$ 2,558,753
 Revenues over (under) expenditures	 \$ (3,116,699)	 \$ (3,116,699)	 \$ (415,031)	 \$ 2,701,668
 Other financing sources (uses):				
Transfers in	-	-	-	-
 Net change in fund balance	 \$ (3,116,699)	 \$ (3,116,699)	 \$ (415,031)	 \$ 2,701,668
 Fund balance, July 1, 2011	 3,116,699	 3,116,699	 4,309,243	 1,192,544
 Fund balance, June 30, 2012	 \$ -	 \$ -	 \$ 3,894,212	 \$ 3,894,212
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (479,083)	
Revenue accruals (net)			(134,990)	
Expenditure accruals (net)			199,042	
 Net change in fund balance, NON-GAAP budgetary basis			 \$ (415,031)	



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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 1,995,496	\$ 1,990,989	\$ (4,507)
Local sources				-
Earnings on investments			55	55
Total revenues	<u>\$ -</u>	<u>\$ 1,995,496</u>	<u>\$ 1,991,044</u>	<u>\$ (4,452)</u>
Expenditures:				
Current:				
Transportation	\$ -	\$ 1,995,496	\$ 1,995,496	\$ -
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 1,995,496</u>	<u>\$ 1,995,496</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ (4,452)	\$ (4,452)
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>11,912</u>	<u>11,912</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,460</u></u>	<u><u>\$ 7,460</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,452)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (4,452)</u></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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 195,616	\$ 223,088	\$ 223,088	\$ -
Expenditures:				
Current:				
Instruction	\$ 195,616	\$ 223,088	\$ 210,806	\$ 12,282
Support services - Instruction				-
Total expenditures	<u>\$ 195,616</u>	<u>\$ 223,088</u>	<u>\$ 210,806</u>	<u>\$ 12,282</u>
Net change in fund balance	\$ -	\$ -	\$ 12,282	\$ 12,282
Fund balance, July 1, 2011			<u>198,598</u>	<u>198,598</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,880</u>	<u>\$ 210,880</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 12,282	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 12,282</u>	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 174,166	\$ 174,166	\$ 178,238	\$ 4,072
Earnings on investments	2,000	2,000	1,298	(702)
Total revenues	\$ 176,166	\$ 176,166	\$ 179,536	\$ 3,370
Expenditures:				
Current:				
Instruction	\$ 565,302	\$ 565,302	\$ 201,952	\$ 363,350
Net change in fund balance	\$ (389,136)	\$ (389,136)	\$ (22,416)	\$ 366,720
Fund balance, July 1, 2011	389,136	389,136	508,390	119,254
Fund balance, June 30, 2012	\$ -	\$ -	\$ 485,974	\$ 485,974
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (22,416)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (22,416)	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 2,381,242	\$ 2,381,242	\$ 3,276,022	\$ 894,780
State sources			2,496	2,496
Local sources	19,956	19,956	30,141	10,185
Earnings on investments	<u>2,579</u>	<u>2,579</u>	<u>3,071</u>	<u>492</u>
Total revenues	<u>\$ 2,403,777</u>	<u>\$ 2,403,777</u>	<u>\$ 3,311,730</u>	<u>\$ 907,953</u>
Expenditures:				
Current:				
Food services	\$ 2,961,676	\$ 2,955,663	\$ 2,536,236	\$ 419,427
Capital outlay		<u>6,013</u>	<u>6,013</u>	-
Total expenditures	<u>\$ 2,961,676</u>	<u>\$ 2,961,676</u>	<u>\$ 2,542,249</u>	<u>\$ 419,427</u>
Net change in fund balance	\$ (557,899)	\$ (557,899)	\$ 769,481	\$ 1,327,380
Fund balance, July 1, 2011	<u>557,899</u>	<u>557,899</u>	<u>840,490</u>	<u>282,591</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,609,971</u>	<u>\$ 1,609,971</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 470,876	
Revenue accruals (net)			87,584	
Expenditure accruals (net)			<u>211,021</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 769,481</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 30,000	\$ 30,000	\$ 35,420	\$ 5,420
Expenditures:				
Current:				
Instruction	<u>42,161</u>	<u>42,161</u>	<u>41,001</u>	<u>1,160</u>
Net change in fund balance	\$ (12,161)	\$ (12,161)	\$ (5,581)	\$ 6,580
Fund balance, July 1, 2011	<u>12,161</u>	<u>12,161</u>	<u>6,418</u>	<u>(5,743)</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 837</u></u>	<u><u>\$ 837</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,189)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>(1,392)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (5,581)</u></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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 205,000	\$ 242,758	\$ 121,248	\$ (121,510)
Expenditures:				
Current:				
Instruction	\$ 83,708	\$ 109,708	\$ 71,932	\$ 37,776
Support services - Students	112,238	122,519	90,043	32,476
Support services - Instruction				-
General administration	7,054	8,531	6,604	1,927
Operation of plant	2,000	2,000	687	1,313
Transportation				-
Community services				-
Total expenditures	\$ 205,000	\$ 242,758	\$ 169,266	\$ 73,492
Net change in fund balance	\$ -	\$ -	\$ (48,018)	\$ (48,018)
Fund balance, July 1, 2011	-	-	(174,022)	(174,022)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (222,040)	\$ (222,040)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(47,813)	
Expenditure accruals (net)			(205)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (48,018)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 20,436	\$ 29,439	\$ 8,970	\$ (20,469)
Expenditures:				
Current:				
Instruction	\$ 10,751	\$ 19,402	\$ 3,457	\$ 15,945
Support services - Students	8,888	8,888	8,296	592
General administration	797	1,149	477	672
School administration				-
Capital outlay				-
Total expenditures	\$ 20,436	\$ 29,439	\$ 12,230	\$ 17,209
Net change in fund balance	\$ -	\$ -	\$ (3,260)	\$ (3,260)
Fund balance, July 1, 2011	-	-	1,071	1,071
Fund balance, June 30, 2012	\$ -	\$ -	\$ (2,189)	\$ (2,189)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(3,260)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (3,260)	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 49,415	\$ 48,502	\$ (913)
Expenditures:				
Current:				
Instruction	\$ -	\$ 4,243	\$ 4,243	\$ -
Support services - Students		41,688	41,682	6
General administration		1,928	1,928	-
Support services - Schools				-
Operational plant maintenance		1,556	1,556	-
Transportation				-
Community services				-
Total expenditures	<u>\$ -</u>	<u>\$ 49,415</u>	<u>\$ 49,409</u>	<u>\$ 6</u>
Net change in fund balance	\$ -	\$ -	\$ (907)	\$ (907)
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(22,017)</u>	<u>(22,017)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,924)</u>	<u>\$ (22,924)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(907)	
Expenditure accruals (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (907)</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 59,913	\$ 104,665	\$ 54,890	\$ (49,775)
Expenditures:				
Current:				
Instruction	\$ -	\$ 100,636	\$ 99,475	\$ 1,161
General administration		4,029	3,591	438
School administration				-
Total expenditures	\$ -	\$ 104,665	\$ 103,066	\$ 1,599
Net change in fund balance	\$ 59,913	\$ -	\$ (48,176)	\$ (48,176)
Fund balance, July 1, 2011	-	-	(316)	(316)
Fund balance, June 30, 2012	\$ 59,913	\$ -	\$ (48,492)	\$ (48,492)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(45,131)	
Expenditure accruals (net)			(3,045)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (48,176)	

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

Deming Public Schools  
**SPECIAL REVENUE FUND - ENHANCING EDUCATION THROUGH TECHNOLOGY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 134,481	\$ 196,748	\$ 62,267
Expenditures:				
Current:				
Instruction	\$ -	\$ 129,223	\$ 109,353	\$ 19,870
Support services - Students				-
Support services - Instruction		718	485	233
General administration		4,540	4,459	81
Total expenditures	<u>\$ -</u>	<u>\$ 134,481</u>	<u>\$ 114,297</u>	<u>\$ 20,184</u>
Net change in fund balance	\$ -	\$ -	\$ 82,451	\$ 82,451
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(275,809)</u>	<u>(275,809)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (193,358)</u>	<u>\$ (193,358)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			85,289	
Expenditure accruals (net)			<u>(2,838)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 82,451</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, 2012

	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, 2011	-	-	(23,044)	(23,044)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (23,044)	\$ (23,044)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	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, 2011	-	-	(6,596)	(6,596)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (6,596)	\$ (6,596)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	(54,503)	(54,503)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (54,503)	\$ (54,503)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	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, 2011	-	-	(115)	(115)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (115)	\$ (115)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 136,802	\$ 167,517	\$ 118,672	\$ (48,845)
Expenditures:				
Current:				
Instruction	\$ 127,046	\$ 156,560	\$ 153,543	\$ 3,017
Support services - Students		620	605	15
General administration	2,736	3,087	3,086	1
School administration	7,020	7,250	299	6,951
Total expenditures	\$ 136,802	\$ 167,517	\$ 157,533	\$ 9,984
Net change in fund balance	\$ -	\$ -	\$ (38,861)	\$ (38,861)
Fund balance, July 1, 2011	-	-	64,888	64,888
Fund balance, June 30, 2012	\$ -	\$ -	\$ 26,027	\$ 26,027
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(11,593)	
Expenditure accruals (net)			(27,268)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (38,861)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 502,918	\$ 105,502	\$ (397,416)
Expenditures:				
Current:				
Instruction	\$ -	\$ 374,698	\$ 309,655	\$ 65,043
Support services - Students		65,760	64,247	1,513
General administration		62,460	61,871	589
Operation of plant				-
Total expenditures	\$ -	\$ 502,918	\$ 435,773	\$ 67,145
Net change in fund balance	\$ -	\$ -	\$ (330,271)	\$ (330,271)
Fund balance, July 1, 2011	-	-	(236,493)	(236,493)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (566,764)	\$ (566,764)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(322,870)	
Expenditure accruals (net)			(7,401)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (330,271)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 109,174	\$ 120,388	\$ 123,582	\$ 3,194
Expenditures:				
Current:				
Instruction	\$ 105,066	\$ 115,841	\$ 111,869	\$ 3,972
General administration	4,108	4,547	4,542	5
Total expenditures	\$ 109,174	\$ 120,388	\$ 116,411	\$ 3,977
Net change in fund balance	\$ -	\$ -	\$ 7,171	\$ 7,171
Fund balance, July 1, 2011	-	-	(39,395)	(39,395)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (32,224)	\$ (32,224)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			7,171	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 7,171	

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, 2012

	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, 2011	-	-	(3,564)	(3,564)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (3,564)	\$ (3,564)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 156,358	\$ 156,358	\$ 132,378	\$ (23,980)
 Expenditures:				
Current:				
Instruction	\$ 2,500	\$ 2,500	\$ 790	\$ 1,710
Support services - Students	153,858	153,858	138,019	15,839
General administration				-
Operational plant maintenance				-
Total expenditures	\$ 156,358	\$ 156,358	\$ 138,809	\$ 17,549
Net change in fund balance	\$ -	\$ -	\$ (6,431)	\$ (6,431)
Fund balance, July 1, 2011	-	-	48,411	48,411
Fund balance, June 30, 2012	\$ -	\$ -	\$ 41,980	\$ 41,980
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (6,055)	
Revenue accruals (net)			(376)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (6,431)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 56,609	\$ 56,609	\$ 57,156	\$ 547
Expenditures:				
Current:				
Instruction	56,609	56,609	55,909	700
Net change in fund balance	\$ -	\$ -	\$ 1,247	\$ 1,247
Fund balance, July 1, 2011	-	-	(3,204)	(3,204)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (1,957)	\$ (1,957)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,247	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,247	

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, 2012

	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, 2011	-	-	4,716	4,716
Fund balance, June 30, 2012	\$ -	\$ -	\$ 4,716	\$ 4,716
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 5,660	\$ 5,660	\$ -
Expenditures:				
Current:				
Instruction	-	5,660	5,660	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	60	1,250	1,190
Fund balance, June 30, 2012	\$ -	\$ 60	\$ 1,250	\$ 1,190
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	(34,452)	(34,452)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (34,452)	\$ (34,452)
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	8,967	8,967
Fund balance, June 30, 2012	<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, 2012

	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, 2011	-	-	2,843	2,843
Fund balance, June 30, 2012	\$ -	\$ -	\$ 2,843	\$ 2,843
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	619	619
Fund balance, June 30, 2012	<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)			-	
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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>1,253</u>	<u>1,253</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,253</u></u>	<u><u>\$ 1,253</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 - 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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	2,023	2,023
Fund balance, June 30, 2012	\$ -	\$ -	\$ 2,023	\$ 2,023
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	3	3
Fund balance, June 30, 2012	\$ -	\$ -	\$ 3	\$ 3
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 5,000	\$ -	\$ (5,000)
Expenditures:				
Current:				
Instruction	\$ -	\$ 4,804	\$ 2,725	\$ 2,079
Support services - Students				-
General administration		196	111	85
Total expenditures	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 2,836</u>	<u>\$ 2,164</u>
Net change in fund balance	\$ -	\$ -	\$ (2,836)	\$ (2,836)
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(13,238)</u>	<u>(13,238)</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (16,074)</u></u>	<u><u>\$ (16,074)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,836)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (2,836)</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
School administration				-
Operation of plant				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(19,279)</u>	<u>(19,279)</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (19,279)</u></u>	<u><u>\$ (19,279)</u></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>\$ -</u></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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 1,113,311	\$ 1,572,606	\$ 1,148,501	\$ (424,105)
Expenditures:				
Current:				
Instruction	\$ 669,561	\$ 990,808	\$ 809,494	\$ 181,314
Support services - Students	388,850	435,940	414,996	20,944
General administration	43,400	61,358	50,033	11,325
Central services		70,000		70,000
Operational plant maintenance	11,500	14,500	7,575	6,925
Capital outlay				-
Total expenditures	\$ 1,113,311	\$ 1,572,606	\$ 1,282,098	\$ 290,508
Net change in fund balance	\$ -	\$ -	\$ (133,597)	\$ (133,597)
Fund balance, July 1, 2011	-	-	(180,954)	(180,954)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (314,551)	\$ (314,551)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(128,862)	
Expenditure accruals (net)			(4,735)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (133,597)	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Food services	\$ -	\$ -	\$ -	\$ -
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>12,106</u>	<u>12,106</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,106</u></u>	<u><u>\$ 12,106</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 - 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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 68,414	\$ 590,627	\$ 522,213
Expenditures:				
Current:				
Instruction	\$ -	\$ 65,462	\$ 65,462	\$ -
Support services - Students				-
Support services - Instruction				-
General administration		2,573	2,573	-
School administration		379	379	-
Central services				-
Operation of plant				-
Total expenditures	<u>\$ -</u>	<u>\$ 68,414</u>	<u>\$ 68,414</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 522,213	\$ 522,213
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(523,458)</u>	<u>(523,458)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,245)</u>	<u>\$ (1,245)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			524,154	
Expenditure accruals (net)			<u>(1,941)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 522,213</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 32,735	\$ 40,462	\$ 7,727
Expenditures:				
Current:				
Instruction	\$ -	\$ 30,602	\$ 30,169	\$ 433
Support services - Students		913	901	12
Support services - Instruction				-
General administration		1,220	1,215	5
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 32,735</u>	<u>\$ 32,285</u>	<u>\$ 450</u>
Net change in fund balance	\$ -	\$ -	\$ 8,177	\$ 8,177
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(8,177)</u>	<u>(8,177)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			13,578	
Expenditure accruals (net)			<u>(5,401)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 8,177</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 4,299	\$ 4,944	\$ 645
Expenditures:				
Current:				
Instruction	\$ -	\$ 4,083	\$ 1,781	\$ 2,302
Support services - Students				-
Support services - Instruction				-
General administration		216	70	146
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 4,299</u>	<u>\$ 1,851</u>	<u>\$ 2,448</u>
Net change in fund balance	\$ -	\$ -	\$ 3,093	\$ 3,093
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(7,912)</u>	<u>(7,912)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,819)</u>	<u>\$ (4,819)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			3,093	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 3,093</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Food services	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	26,244	26,244
Fund balance, June 30, 2012	\$ -	\$ -	\$ 26,244	\$ 26,244
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 209,537	\$ 504,362	\$ 294,825
Expenditures:				
Current:				
Instruction	\$ -	\$ 96,242	\$ 96,242	\$ -
Support services - Students		106,194	106,194	-
Support services - Instruction				-
General administration		7,101	7,101	-
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 209,537</u>	<u>\$ 209,537</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 294,825	\$ 294,825
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(294,825)</u>	<u>(294,825)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			361,336	
Expenditure accruals (net)			<u>(66,511)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 294,825</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Central services				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	68,132	68,132
Fund balance, June 30, 2012	\$ -	\$ -	\$ 68,132	\$ 68,132
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Deming Public Schools  
**SPECIAL REVENUE FUND - ENHANCING EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	28,806	28,806
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,806</u>	<u>\$ 28,806</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 - EDUCATION JOB FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 14,267	\$ 14,266	\$ (1)
Expenditures:				
Current:				
Instruction	-	14,267	14,266	1
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	-	-
Fund balance, June 30, 2012	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 417,419	\$ 1,045,203	\$ 439,826	\$ (605,377)
Local sources	234,951	388,986	375,282	(13,704)
Earnings on investments			-	-
<b>Total revenues</b>	<b>\$ 652,370</b>	<b>\$ 1,434,189</b>	<b>\$ 815,108</b>	<b>\$ (619,081)</b>
Expenditures:				
Current:				
Instruction	\$ 499,656	\$ 886,705	\$ 715,467	\$ 171,238
Support services - Students	100,131	417,324	42,132	375,192
Support services - Instruction		17,416	15,457	1,959
School administration	22,400	22,400	21,558	842
Operational plant maintenance	5,551	5,551	5,370	181
Food service		60,161	49,594	10,567
Capital outlay	24,632	24,632		24,632
<b>Total expenditures</b>	<b>\$ 652,370</b>	<b>\$ 1,434,189</b>	<b>\$ 849,578</b>	<b>\$ 584,611</b>
Net change in fund balance	\$ -	\$ -	\$ (34,470)	\$ (34,470)
Fund balance, July 1, 2011	-	-	102,066	102,066
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,596</u>	<u>\$ 67,596</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 247,329	
Revenue accruals (net)			(264,846)	
Expenditure accruals (net)			<u>(16,953)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (34,470)</u>	

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

Deming Public Schools  
**SPECIAL REVENUE FUND - TITLE I 1003G GRANT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 649,794	\$ 367,813	\$ (281,981)
Expenditures:				
Current:				
Instruction	\$ -	\$ 404,200	\$ 404,200	\$ -
Support services - Students		55,000	55,000	-
Support services - Instruction				-
General administration				-
School administration		190,594	190,569	25
Capital outlay				-
Total expenditures	\$ -	\$ 649,794	\$ 649,769	\$ 25
Net change in fund balance	\$ -	\$ -	\$ (281,956)	\$ (281,956)
Fund balance, July 1, 2011	-	-	-	-
Fund balance, June 30, 2012	\$ -	\$ -	\$ (281,956)	\$ (281,956)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(281,956)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (281,956)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 2,275,225	\$ 2,275,225	\$ 1,798,235	\$ (476,990)
Earnings on investments	3,978	3,978	3,274	(704)
Total revenues	\$ 2,279,203	\$ 2,279,203	\$ 1,801,509	\$ (477,694)
Expenditures:				
Current:				
Administration	\$ 22,752	\$ 32,752	\$ 17,983	\$ 14,769
Principal	1,800,000	1,800,000	1,800,000	-
Interest	475,225	475,225	475,225	-
Special revenue bonds reserve	1,992,622	1,982,622		1,982,622
Total expenditures	\$ 4,290,599	\$ 4,290,599	\$ 2,293,208	\$ 1,997,391
Net change in fund balance	\$ (2,011,396)	\$ (2,011,396)	\$ (491,699)	\$ 1,519,697
Fund balance, July 1, 2011	2,011,396	2,011,396	2,255,397	244,001
Fund balance, June 30, 2012	\$ -	\$ -	\$ 1,763,698	\$ 1,763,698
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ (495,653)	
Revenue accruals (net)			3,954	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (491,699)	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 342,223	\$ 342,223	\$ 1,065,666	\$ 723,443
Earnings on investments				-
 Total revenues	 <u>\$ 342,223</u>	 <u>\$ 342,223</u>	 <u>\$ 1,065,666</u>	 <u>\$ 723,443</u>
Expenditures:				
Current:				
Administration	\$ 5,230	\$ 15,230	\$ 10,657	\$ 4,573
Principal	320,000	320,000	320,000	-
Interest	22,243	22,243	22,243	-
Special revenue bonds reserve	539,741	529,741		529,741
 Total expenditures	 <u>\$ 887,214</u>	 <u>\$ 887,214</u>	 <u>\$ 352,900</u>	 <u>\$ 534,314</u>
Net change in fund balance	\$ (544,991)	\$ (544,991)	\$ 712,766	\$ 1,257,757
Fund balance, July 1, 2011	<u>544,991</u>	<u>544,991</u>	<u>389,764</u>	<u>(155,227)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,102,530</u>	<u>\$ 1,102,530</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ 728,998	
Revenue accruals (net)			(16,232)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 712,766</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources			\$ -	\$ -
Earnings on investments			6,004	6,004
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,004</u>	<u>\$ 6,004</u>
Expenditures:				
Current:				
Operation of plant	\$ -	\$ -	\$ -	\$ -
Bond issue costs				-
Capital outlay	<u>1,670,567</u>	<u>1,670,567</u>		<u>1,670,567</u>
Total expenditures	<u>\$ 1,670,567</u>	<u>\$ 1,670,567</u>	<u>\$ -</u>	<u>\$ 1,670,567</u>
Revenues over (under) expenditures	\$ (1,670,567)	\$ (1,670,567)	\$ 6,004	\$ 1,676,571
Other financing sources (uses):				
Bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ (1,670,567)	\$ (1,670,567)	\$ 6,004	\$ 1,676,571
Fund balance, July 1, 2011	<u>1,670,567</u>	<u>1,670,567</u>	<u>1,674,164</u>	<u>3,597</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680,168</u>	<u>\$ 1,680,168</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 6,003	
Revenue accruals (net)			1	
Expenditure accruals (net)				
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 6,004</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 3,690,595	\$ 3,690,595	\$ -	\$ (3,690,595)
Expenditures:				
Capital outlay	<u>5,284,576</u>	<u>5,284,576</u>	<u>1,593,981</u>	<u>3,690,595</u>
Net change in fund balance	\$ (1,593,981)	\$ (1,593,981)	\$ (1,593,981)	\$ -
Fund balance, July 1, 2011	<u>1,593,981</u>	<u>1,593,981</u>	<u>1,593,981</u>	<u>-</u>
Fund balance, June 30, 2012	<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			\$ (1,645,236)	
Revenue accruals (net)			(930,105)	
Expenditure accruals (net)			<u>981,360</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1,593,981)</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Earnings on investments				-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Operation of plant	\$ 105,940	\$ 105,940	\$ 47,688	\$ 58,252
Bond issue costs				-
Capital outlay	<u>1,191,753</u>	<u>1,191,753</u>	<u>767,566</u>	<u>424,187</u>
Total expenditures	<u>\$ 1,297,693</u>	<u>\$ 1,297,693</u>	<u>\$ 815,254</u>	<u>\$ 482,439</u>
Revenues over (under) expenditures	\$ (1,297,693)	\$ (1,297,693)	\$ (815,254)	\$ 482,439
Other financing sources (uses):				
Bond proceeds				-
Net change in fund balance	\$ (1,297,693)	\$ (1,297,693)	\$ (815,254)	\$ 482,439
Fund balance, July 1, 2011	<u>1,297,693</u>	<u>1,297,693</u>	<u>1,297,693</u>	<u>-</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 482,439</u></u>	<u><u>\$ 482,439</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (807,853)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>(7,401)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (815,254)</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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Assets</b>				
Cash and investments:				
Deming High School	\$ 65,656	\$ 313,053	\$ 310,314	\$ 68,395
Hofacket Mid High School	17,484	42,734	43,542	16,676
Red Mountain Middle School	45,039	128,607	128,582	45,064
Deming Middle School	<u>4,814</u>	<u>26,696</u>	<u>26,482</u>	<u>5,028</u>
Total assets	<u>\$ 132,993</u>	<u>\$ 511,090</u>	<u>\$ 508,920</u>	<u>\$ 135,163</u>
<b>Liabilities</b>				
Deposits held for others:				
Deming High School	\$ 65,656	\$ 313,053	\$ 310,314	\$ 68,395
Hofacket Mid High School	17,484	42,734	43,542	16,676
Red Mountain Middle School	45,039	128,607	128,582	45,064
Deming Middle School	<u>4,814</u>	<u>26,696</u>	<u>26,482</u>	<u>5,028</u>
Total liabilities	<u>\$ 132,993</u>	<u>\$ 511,090</u>	<u>\$ 508,920</u>	<u>\$ 135,163</u>

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

Deming Public Schools  
**SCHEDULE OF DEPOSITORY COLLATERAL**  
June 30, 2012

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
Checking and CD's	\$ 1,882,143	\$ 970,322	\$ 11,015,789	\$ 2,033,278
Total on deposit	\$ 1,882,143	\$ 970,322	\$ 11,015,789	\$ 2,033,278
Less: FDIC insurance	<u>(250,000)</u>	<u>(970,322)</u>	<u>(250,000)</u>	
Total uninsured public funds	<u>\$ 1,632,143</u>	<u>\$ -</u>	<u>\$ 10,765,789</u>	<u>\$ 2,033,278</u>
102% collateralization requirement	\$ -	\$ -	\$ -	\$ -
50% collateralization requirement (Section 6-10-17 NMSA)	<u>816,072</u>	<u>-</u>	<u>5,382,895</u>	<u>-</u>
Total collateralization requirement	<u>\$ 816,072</u>	<u>\$ -</u>	<u>\$ 5,382,895</u>	<u>\$ -</u>

Pledged Securities:

FHLB 3133XES91 3-8-13	\$ -	\$ -	\$ 1,003,968	\$ -
Carrizozo NM 144627CX2 8-1-13			100,000	
FHLMC 3128X23A1 4-2-14			2,145,602	
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	
Dulce 264430GT0 6-1-17			400,000	
Hobbs 433866CN8 7-15-17			500,000	
FFCB 31331SNQ1 2-6-17			2,390,997	

	<u>Total</u>
\$	<u>15,901,532</u>
\$	15,901,532
	<u>(1,470,322)</u>
\$	<u>14,431,210</u>
\$	-
	<u>6,198,966</u>
\$	<u>6,198,966</u>

\$	1,003,968
	100,000
	2,145,602
	400,000
	300,000
	550,000
	400,000
	505,000
	400,000
	500,000
	2,390,997

Deming Public Schools  
**SCHEDULE OF DEPOSITORY COLLATERAL (Concluded)**  
June 30, 2012

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
USBK 790739SJ6 12-1-14	139,630			
USBK 504516BE4 12-15-15	496,878			
USBK 669738DU7 2-1-16	734,414			
USBK 660113BG5 5-1-16	683,108			
MBS FNMA 314D4NHR0 7-1-19	408,735			
FNMA 3136FPKH9 12-30-15	208,896			
GNR 38376YEL1 3-16-38	1,304,945			
GNR 38374VPS2 6-20-39	37,563			
FNR 31398SN66 4-25-40	218,189			
MBS FHLMC 31282CBA4 4-1-20	302,449			
FHLMC 38377UMA3 12/20/40	507,062			
MBS FNMA 31403CXG1 12-1-20	616,769			
	<hr/>	<hr/>	<hr/>	<hr/>
Total pledged securities	<u>\$ 5,658,638</u>	<u>\$ -</u>	<u>\$ 8,695,567</u>	<u>\$ -</u>
Pledged securities over (under) requirement	<u>\$ 4,842,567</u>	<u>\$ -</u>	<u>\$ 3,312,673</u>	<u>\$ -</u>
Uninsured and Uncollateralized	<u>\$ (4,026,495)</u>	<u>\$ -</u>	<u>\$ 2,070,222</u>	<u>\$ -</u>

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, and governmental securities not subject to collateralization.

Total

139,630

496,878

734,414

683,108

408,735

208,896

1,304,945

37,563

218,189

302,449

507,062

616,769

\$ 14,354,205

\$ 8,155,239

Deming Public Schools  
**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS**  
June 30, 2012

	Type of Account	Bank Balance	Reconciled Balance
<u>First Savings Bank</u>			
Operational	Checking	\$ 1,882,143	\$ 2,906,793
Total First Savings Bank		\$ 1,882,143	\$ 2,906,793
<u>Wells Fargo</u>			
Payroll	Checking	\$ 850,726	\$ -
Building fund	Checking	119,596	119,596
Total Wells Fargo		\$ 970,322	\$ 119,596
<u>First NM Bank</u>			
Debt service	Checking	\$ 2,866,228	\$ 2,866,228
SB-9 savings	Savings	2,184,171	2,184,171
SB-9	Checking	2,922,514	2,907,607
Transportation	Checking	238,093	7,460
Special grants	Checking	394,263	67,596
Cafeteria	Checking	1,619,018	1,609,971
Gate receipts	Checking	495,069	486,812
General activity	Checking	148,807	135,163
Federal projects	Checking	147,626	(3,505,939)
Total First NM Bank		\$ 11,015,789	\$ 6,759,069
<u>NM Local Government Investment Pool</u>			
Operational	Investment	\$ 342	\$ 342
Operational	Investment	697,956	697,956
Bond building	Investment	9,728	9,728
Bond building	Investment	5	5
Total NM Local Government Investment Pool		\$ 708,031	\$ 708,031

Deming Public Schools  
**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS**  
 June 30, 2012

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Wells Fargo Brokerage Services</u>			
Bond building	Money Mkt	\$ 283,278	\$ 283,278
Bond building	CD's	<u>1,750,000</u>	<u>1,750,000</u>
Total Wells Fargo Brokerage Services		<u>\$ 2,033,278</u>	<u>\$ 2,033,278</u>
Total cash and investments		<u><u>\$ 16,609,563</u></u>	<u><u>\$ 12,526,767</u></u>

Deming Public Schools  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2012

	<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, 2011	\$ 4,309,243	\$ 11,912	\$ 198,598	\$ 840,490	\$ 6,418
Add: Current year receipts	35,263,353	1,993,297	223,088	3,311,730	35,420
Chargebacks					
Voided warrants					
Less: Current year expenditures	(35,678,384)	(1,995,495)	(210,806)	(2,542,245)	(41,001)
Outstanding loans	(500,000)				
Abatements					
Overdrafts				(4)	
Transfers		(2,254)			
	<u>\$ 3,394,212</u>	<u>\$ 7,460</u>	<u>\$ 210,880</u>	<u>\$ 1,609,971</u>	<u>\$ 837</u>
Total cash and investments as of June 30, 2012	<u>\$ 3,394,212</u>	<u>\$ 7,460</u>	<u>\$ 210,880</u>	<u>\$ 1,609,971</u>	<u>\$ 837</u>



Deming Public Schools  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2012

	Non Instructional Support	Federal Flowthrough	Federal Direct	Local Grants	State Flowthrough
Total cash and investments as of July 1, 2011	\$ 508,390	\$ (1,910,643)	\$ 36,148	\$ 294	\$ 6,636
Add: Current year receipts	179,536	6,375,154	209,459		243,196
Chargbacks					
Voided warrants					
Less: Current year expenditures	(201,485)	(8,501,363)	(214,643)		(515,016)
Outstanding loans		500,000			
Abatements					
Overdrafts	(466)				
Transfers					
Total cash and investments as of June 30, 2012	<u>\$ 485,975</u>	<u>\$ (3,536,852)</u>	<u>\$ 30,964</u>	<u>\$ 294</u>	<u>\$ (265,184)</u>

Deming Public Schools  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2012

	<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, 2011	\$ (91,364)	\$ 186,500	\$ 1,674,164	\$ 1,593,981	\$ 389,764
Add: Current year receipts	196,630	375,282	5,951		1,065,666
Chargebacks					
Voided warrants					
Less: Current year expenditures	(157,260)	(177,302)		(1,593,981)	(352,900)
Outstanding loans					
Abatements					
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2012	<u>\$ (51,994)</u>	<u>\$ 384,480</u>	<u>\$ 1,680,115</u>	<u>\$ -</u>	<u>\$ 1,102,530</u>

Deming Public Schools  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2012

	<u>Capital Improvements SB-9</u>	<u>Ed Tech Equip Act</u>	<u>PSCOC</u>	<u>Debt Service</u>	<u>Agency</u>
Total cash and investments as of July 1, 2011	4,537,883	1,297,693	-	2,255,397	\$ 132,993
Add: Current year receipts	1,064,898			1,801,509	511,090
Chargebacks					
Voided warrants					
Less: Current year expenditures	(511,003)	(815,254)		(2,293,207)	(508,920)
Outstanding loans					
Abatements					
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2012	<u>\$ 5,091,778</u>	<u>\$ 482,439</u>	<u>\$ -</u>	<u>\$ 1,763,699</u>	<u>\$ 135,163</u>

Deming Public Schools  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2012

	Total
Total cash and investments as of July 1, 2011	\$ 15,984,497
Add: Current year receipts	52,855,259
Chargebacks	-
Voided warrants	-
Less: Current year expenditures	(56,310,265)
Outstanding loans	-
Abatements	-
Overdrafts	(470)
Transfers	(2,254)
	(2,254)
Total cash and investments as of June 30, 2012	\$ 12,526,767



Deming Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For The Fiscal Year Ended June 30, 2012

<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>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	5,730,368
Migrant Education-Basic State Grant Program	84.011	24.103	169,061
Special Education-Grants to States	84.027	24.106	1,280,199
ARRA - Special Education-Grants to States	84.391	24.206	143,026
Special Education-Preschool Grants	84.173	24.109	12,230
ARRA - Special Education-Preschool Grants	84.392	24.209	26,884
Vocational Education	84.048	24.174	100,021
Technology Literacy Challenge Funds	84.318	24.149	111,459
Education of the Homeless	84.196	24.113	49,409
ARRA - Education of Homeless, Recovery Act	84.387	24.213	1,851
English Language Acquisition grants	84.365	24.153	130,265
Teacher Quality State Grants	84.367	24.154	428,372
Education Job Fund	84.410	25.255	14,266
Rural Education	84.358	24.160	116,411
ARRA - Title I Grants to Lea's	84.389	24.201	<u>66,473</u>
 Total U.S. Department of Education			 <u>\$ 8,380,295</u>

Deming Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)**  
For The Fiscal Year Ended June 30, 2012

<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>
 <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	\$ 2,068,070
School Breakfast Program	10.553	N/A	918,462
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>201,906</u>
 Total U.S. Department of Agriculture			 <u>\$ 3,188,438</u>
 <b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Passed through N.M. Dept. of Human Services:			
Medical Assistance Program	93.778	24.253	<u>\$ 132,754</u>
 <b><u>U.S. DEPARTMENT OF DEFENSE</u></b>			
Direct Programs:			
ROTC	12.100	25.200	<u>\$ 55,909</u>
 <b><u>U.S. DEPT. OF HOMELAND SECURITY</u></b>			
Direct Programs:			
Emergency Food and Shelter National Board	97.024	25.246	<u>\$ 5,660</u>
 Total expenditures of federal awards			 <u><u>\$ 11,763,056</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, 2012

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 \$201,906 in food commodities during the 2011-2012 fiscal year.

Note 3    The District had the following insurance coverage during the year ended June 30, 2012:

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, 2012

**Findings – Financial Statement Audit**

Current Status

None

**Findings and Questioned Costs – Major Federal Award programs**

None

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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**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, 2012, which collectively comprise Deming Public School's basic financial statements and have issued our report thereon dated November 10, 2012. 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, 2012 and have issued our report thereon dated November 10, 2012. 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

Management of Deming Public Schools is responsible for establishing and maintaining effective 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.

#### 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 other 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 finding 2012-1.

Deming Public School's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Deming Public School's response and, accordingly, we express no opinion on it.

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

November 10, 2012

MIKE STONE, C.P.A.  
LINDA STONE MCGEE, 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, 2012. 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, 2012.

## 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

November 10, 2012

Deming Public Schools  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Fiscal Year Ended June 30, 2012

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Deming Public Schools.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Report on internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
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; and Teacher Quality State Grants, CFDA No. 84.367.
8. The threshold for distinguishing types A and B programs was \$352,892.
9. Deming Public Schools was determined to be a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

2012-1 Receipting of Activity Funds (Other)

Condition – In a test of 50 receipts, we noted that three receipts at Chaparral School were dated subsequent to the deposit date; one receipt at Memorial School was dated subsequent to the deposit date; one My Little School receipts was dated subsequent to the deposit date; and three instances where receipts at Deming Middle School did not agree to deposits made for that time period.

Criteria – Sound internal controls require that receipts be written upon the receipt of funds, and that daily receipts be balanced to the daily deposit. The Public Education Department’s Manual of Procedures requires the deposit of funds within twenty four hours of receipt, or one banking day.

Effect – There is an increased likelihood of conversion of funds without the necessity of collusion, since tracking of receipts to a specific deposit is problematical due to the timing of the receipt writing and the making of deposits. In addition, state mandated procedures have not been followed.

Cause – District personnel did not follow the District’s mandated handling of receipts and deposits, and oversight personnel at the various locations did not discover the errors.

Recommendation – We recommend that the District again instruct individual school personnel in the use of receipts and deposits, and the necessity of comparison between the two documents. We further recommend that supervisory personnel at the various locations be charged with the task of over sighting the receipt and deposit processes.

Agency Response – The District holds training sessions at the beginning of each school year with individual school personnel, in an attempt to alleviate this problem. In addition, random checks are made at the individual schools by central office personnel to insure that receipting and depositing is being accomplished in an effective manner. However, as soon as this problem was brought to our attention, we reviewed the entire year’s receipts to determine if any funds were missing. We were able to reconcile receipts, on an annual basis, to bank deposits, so we believe these errors to be documentation only, with no loss of funds involved. We will charge the supervisory personnel at each school with the task of reviewing receipts and deposits to determine compliance with the District’s policy.

## **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 31, 2012. Present at these exit conferences were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
<u>Deming Public Schools</u>		
Andy Hernandez	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
Ted Burr	Ass. Supt. of Finance	Deming Public Schools
Dianna Petersen	Director of Accounting	Deming Public Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA’s

Cesar Chavez Charter School

Eugene Sierra

Paul Reeves

Stephen Duran

Harvielee Moore

Ted Burr

Mike Stone

Council Member

Director

Accountant

Superintendent

Assoc. Supt. of Finance

Shareholder

Cesar Chavez High School

Cesar Chavez High School

Cesar Chavez High School

Deming Public Schools

Deming Public Schools

Stone, McGee & Co., CPA's