

State of New Mexico

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

For the Fiscal Year ended June 30, 2013

Deming Public Schools
TABLE OF CONTENTS
 June 30, 2013

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Directory of officials	1
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	2-4
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	5-17
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	18
Statement of Activities	19-20
<i>Fund Financial Statements:</i>	
Balance Sheet--Governmental Funds	21-22
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	23
Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statements of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis):	
General Fund	27
Title I	28
SB-9	29
Cafeteria	30
Various State Grants	31
Statement of Fiduciary Position and Liabilities-Agency Funds	32
Notes to Basic Financial Statements	33-63

OTHER SUPPLEMENTARY INFORMATION:

Fund Descriptions	64-67
Combining Balance Sheet--Nonmajor Governmental Funds	68-76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--Nonmajor Governmental Funds	77-81
Combining Balance Sheet--General Fund	82-83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--General Fund	84-85
Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis):	
General Fund:	
Operational	86
Transportation	87
Instructional Materials	88
Non-instructional Support	89
Special Revenue Funds:	
IDEA B Risk Pool	90
Athletics	91
Title I Migrant Education	92
Preschool	93
Education of the Homeless	94
Carl Perkins	95
Enhancing Education Through Technology	96
Comprehensive School Reform	97
Title III	98
Reading First	99
Innovative Programs	100
English Language Acquisition	101
Teacher Training	102
Rural Education	103
IDEA B Competitive	104
Medicaid	105
ROTC	106
Immigrant Funding	107
Emergency Food	108
School Improvement	109
Child and Adult Food	110
Goals 2000	111
Title II	112
Emergency Immigrant	113
Reading Excellence	114
Teacher Quality	115
Discretionary	116
Emergency Response Plan	117

Entitlement	118
Fresh Fruits & Vegetables	119
Title I Stimulus	120
Gear Up	121
Education of Homeless Stimulus	122
Child Nutrition Stimulus	123
Safe & Drug Free Schools	124
Enhancing Education	125
Title I 1003G Grant	126

Debt Service fund	127
Equipment Grant Debt Service	128

Capital Projects Funds:

Bond Building	129
Public School Capital Outlay	130
Education Tech Equipment Grant	131

OTHER SUPPLEMENTAL DATA:

Schedule of Changes in Assets and Liabilities--Agency Funds	132
Schedule of Depository Collateral	133-136
Schedule of Individual Deposit Accounts and Investments	137-138
Schedule of Cash Receipts and Disbursements--All Funds by School District Classification	139-143
Schedule of Expenditures of Federal Awards	144-145
Notes to Schedule of Expenditures of Federal Awards	146

ADDITIONAL REPORTING REQUIREMENTS:

Summary Schedule of Prior Audit Findings	147
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	148-149
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	150-151
Schedule of Findings and Questioned Costs	152-157

Deming Public Schools
DIRECTORY OF OFFICIALS
June 30, 2013

BOARD OF EDUCATION

Bayne Anderson	President
Andrew Hernandez	Vice-President
Ruben S. Torres	Secretary
Ronald Wolfe	Member
John Sweetser	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.

RYAN MONTOYA, C.P.A.

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-9795
FAX (575) 388-5040
E-MAIL: stonemcgee@qwestoffice.net

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

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 major special revenue funds of the Deming Public Schools, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Deming Public Schools' basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Deming Public Schools' nonmajor governmental funds, and the budgetary comparisons for the components of the general fund, the nonmajor special revenue funds, the debt service funds, and the capital projects funds presented as other supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud

or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Deming Public Schools as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Deming Public Schools as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the components of the general fund, the nonmajor 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-17 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 consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the Deming Public Schools' financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by the Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules presented as

other supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2013, on our consideration of the Deming Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Deming Public Schools' internal control over financial reporting and compliance.

Stone, McGee & Co CPAs

Silver City, New Mexico
November 4, 2013

DEMING PUBLIC SCHOOLS
Management Discussion and Analysis
For the Fiscal Year Ending June 30, 2013

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 Position 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, 2012 and 2013. 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 6th largest school district in the state. The Southern border of the District is the county line which shares a 53 mile border with Mexico. Some U.S. citizens reside in Mexico and attend Deming Schools as out-of-district students. In addition, 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 2012-2013 student membership of 5,405 students at the preschool through 12th grade level. The preschool serves students of ages 3 and 4 years. Five Elementary Schools serve students in kindergarten through 5th grade, an additional Elementary School serves students in kindergarten through 6th grade. The Intermediate school serves all other students in 6th grade, the Middle School is grades 7th

and 8th, with the High School and Charter High School serving students in grades 9th through 12th.

The District's enrollment remained constant for the 2012-2013 school year. District five year enrollment decreased 2.5% while the state wide enrollment grew 0.4%.

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 state funding of Senate Bill # 9. 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, 2013

- Cash assets increased \$2,462,510 to \$18,360,053.
- Accumulated depreciation has increased by \$1,965,668 to \$43,318,579 as of June 30, 2013 from \$41,352,911 for June 30, 2012.
- Total revenues decreased from \$55,590,775 in the year ending June 30, 2012 to \$55,025,779 in the year ending June 30, 2013. This is a decrease of \$564,996 or 1%.
- Total expenditures, inclusive of all capital expenditures from general obligation bond proceeds, decreased from \$57,295,346 for the year ending June 30 2012 to \$55,368,884 for the year ending June 30 2013. This is a decrease in expenditures of \$1,926,462 or 3%. Decrease of \$2,489,893 in Capital Outlay for year ended June 30, 2013 compared to June 30, 2012 accounted for the decrease.

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Position

Statement of Net Position, is prepared using the accrual method of accounting. This statement shows that the School District has total assets of \$92,686,341 and \$90,907,643 as of June 30, 2012 and 2013, respectively. The School District cash assets as of June 30, 2013 increased by 15% to \$18,360,053 due to a reduction of amounts due from other governments. Accounts payable decreased by 47% to \$468,785 as of June 30, 2013 compared to June 30, 2012 accounts payable of \$881,832. Accounts payable for FY 2013 is comprised of employee benefits obligated during June and due within 3 months. Net Position restricted for various purposes totaling \$12,340,703 and \$12,954,951 as of June 30, 2012 and 2013 respectively, increased by 5%. All categories of restricted net position increased.

District, without Component Unit, Statement of Net Position

Assets	June 30, 2012	June 30, 2013
Cash Assets	15,897,543	18,360,053
All Other Current Assets	5,999,798	3,560,921
Capital Assets	112,141,911	112,305,248
Depreciation	(41,352,911)	(43,318,579)
Total Assets	92,686,341	90,907,643
Liabilities		
Accounts Payable	881,632	468,785
Other Current Liabilities	6,220,367	4,559,210
Long Term Liabilities	11,456,255	11,335,101
Total Liabilities	18,558,254	16,363,096
Net Position		
Invested in Capital Assets	57,369,000	57,665,921
Restricted	12,340,703	12,954,951
Unrestricted	4,418,384	3,923,675
Total Net Position	74,128,087	74,544,547

This statement includes accumulated depreciation of the School District’s capital assets in the amount of \$41,352,911 and \$43,318,579 as of June 30, 2012 and 2013 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 \$1,391,631 total net position compared to \$1,214,821 as of June 30, 2012. This is an increase of \$176,810 or 15%. The school charter was renewed for an additional 5 years during FY-12.

Component Unit Statement of Net Position		
	June 30, 2012	June 30, 2013
Assets		
Cash Assets	986,621	1,087,643
All Other Current Assets	41,445	120,398
Improvements and Equipment	320,478	320,478
Less Accumulated Depreciation	(64,611)	(83,432)
Total Assets	1,283,933	1,445,087
Liabilities		
Accounts Payable	13,347	20,046
Deferred Revenue	55,765	33,410
Total Liabilities	69,112	53,456
Net Position		
Invested in Capital Assets	255,867	237,046
Restricted	25,470	25,569
Unrestricted	933,484	1,129,016
Total Net Position	1,214,821	1,391,631

Accounts payable were increased to \$20,046 for June 30, 2013 from \$13,347 as of June 30, 2012. Deferred Revenue of \$33,410 and \$55,765 as of June 30, 2013 and 2012, respectively, is advanced payments for Federal programs.

Statement of Activities

The Statement of Activities is prepared using the accrual method of accounting. This report compliments the Statement of Net Position by showing the overall change in the School District's net position for the fiscal year ending June 30, 2013. As of June 30, 2013 the School District, exclusive of the component unit, had total net position of \$74,544,547 compared to \$74,128,087 for 2012. Net position increased \$891,603 and \$416,460 for the years ending June 30, 2012 and 2013, respectively.

Governmental Activities	June 30, 2012	June 30, 2013
Total Government Activities Expense	\$ 54,676,077	\$ 54,771,711
Charges For Services Revenue	703,487	790,499
Operating Grants and Contributions Revenue	14,959,971	15,758,056
Grants and Contributions Revenue	930,105	289,289
Net (Expenses) Revenues and Changes in Net Position	\$ (38,082,514)	\$ (37,933,867)
General Revenues		
Taxes –general, debt service	\$ 4,127,456	\$ 4,089,501
State aid	34,728,049	34,069,124
Investment earnings	45,674	48,157
Recoveries and refunds	734,399	143,545
Gain on disposition of assets	7,866	-
Total General Revenues & Special Item	\$ 38,215,767	\$ 38,350,327
Changes in Net Position	\$ 891,603	\$ 416,460
Net Position beginning	<u>73,236,484</u>	<u>74,128,087</u>
Net Position – ending	<u>\$ 74,128,087</u>	<u>\$ 74,544,547</u>

The component unit net position increased by \$555,901 and \$176,810 for the years ending June 30, 2012 and 2013, respectively.

Component Unit Activities	June 30, 2012	June 30, 2013
Total Government Activities Expense	962,638	1,275,917
Net (Expenses) Revenues and Changes in Net Position	(962,638)	(1,275,917)
General Revenues		
State aid	1,465,215	1,421,418
Miscellaneous	53,324	31,309
Total General Revenues & Special Item	1,518,539	1,452,727
Changes in Net Position	555,901	176,810
Net Position beginning	<u>658,920</u>	<u>1,214,821</u>
Net Position – ending	<u>1,214,821</u>	<u>1,391,631</u>

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 \$55,590,775, and \$55,025,779 for fiscal years 2012 and 2013 respectively. Total expenditures for the School District were \$57,295,346 and \$55,368,884 for fiscal years 2012 and 2013 respectively. The total ending fund balance was \$16,808,274 and \$18,810,169 for fiscal years 2012 and 2013, respectively, an increase of \$2,001,895.

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 2012 increased revenue without increasing expenses while construction expenses in subsequent years increased expenses.

Year	Total Revenues *	Increase %	Total Expenditures*	Increase %
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%
2011/12	\$55,590,775	-3%	\$57,295,346	4%
2012/13	\$55,025,779	-1%	\$55,368,884	-3%

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

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 2013, the General Fund, Cafeteria, Title I, SB-9, State Grants, Education Technology, and Other Funds. The June 30, 2012 report major funds were General Fund, Title I, SB-9, 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.

Total Expenditures Fiscal Years 2012 and 2013						
	FY-12		FY-13		Increase (Decrease)	
General Fund	38,285,682	69%	38,685,522	70%	399,840	1%
Debt Service	2,617,468	5%	2,860,116	5%	242,648	9%
All Other	16,392,196	30%	13,823,246	25%	(2,568,950)	-16%
Total	57,295,346	100%	55,368,884	100%	(1,926,462)	-3%

The decrease in All Other funds are due to reduction of Federal Stimulus expenditures for FY-2013 when compared to FY-2012. The General Fund increased 1% from fiscal year 2012 to 2013. 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 2012 and 2013. 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 2012 and 2013.

General Fund Expenditures by Functions						
Function	FY 2012		FY 2013		Increase (Decrease)	
Instruction	21,440,084	56%	22,072,728	57%	632,644	3%
Pupil & Instructional Support	6,552,867	17%	6,219,260	16%	(333,607)	-5%
Maintenance & Operations	5,576,925	15%	5,579,780	14%	2,855	0%
Transportation	2,088,213	5%	2,176,328	6%	88,115	4%
Administration & Business	2,627,593	7%	2,637,426	7%	9,833	0%
Total	38,285,682	100%	38,685,522	100%	399,840	1%

The increase of General Fund expended for Instruction reflects District commitment to classroom instruction.

The percentage of the General Fund spent on the instruction function increased for fiscal year 2013 from 56% to 57%. Pupil & Instructional Support decreased for fiscal year 2013 \$333,607 for 16% 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 2013 \$2,855 at 14% 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 \$88,115 and is 6% 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 increased \$9,833 to remain at 7% of the total General Fund for fiscal year 2013.

Capital Assets

In the fiscal year ending June 30, 2013 the Statement of Revenues, Expenditures and Changes in Fund Balances shows the School District expended \$1,195,640 for capital outlay. This is down from \$3,685,533 for the previous fiscal year and reflects roof repair projects.

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-12 is for roof repair and a classroom addition.

Capital assets:	FY 2012	FY 2013	Changes	
Land and improvements	\$ 8,552,578	\$ 8,699,344	\$ 146,766	2%
Building and improvements	92,365,988	95,048,111	2,682,123	3%
Furniture and equipment	9,381,337	8,490,488	(890,849)	-9%
Construction in progress	1,842,008	67,305	(1,774,703)	
Less: Accumulated depreciation	(41,352,911)	(43,318,579)	(1,965,668)	5%
Total capital assets, net of depreciation	\$ 70,789,000	\$ 68,986,669	\$ (1,802,331)	-3%

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, 2013.

Deming Public Schools General Obligation Bonds			
Projected Principal and Interest Payments			
Fiscal YR	Principal Payment	Interest Payment	Total Payments
2014	2,480,000	395,210	2,875,210
2015	2,715,000	346,363	3,061,363
2016	1,500,000	275,350	1,775,350
2017	1,400,000	222,975	1,622,975
2018	1,600,000	168,100	1,768,100
2019	1,700,000	107,275	1,807,275
2020	1,500,000	47,750	1,547,750
2021	500,000	9,875	509,875
Total	\$ 13,395,000	\$ 1,572,898	\$ 14,967,898

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, 2013. 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

The District's component unit, Cesar Chavez High School Charter School, separately issues its own financial statements. Those statements can be obtained by writing Paul Reeves, Principal at PO Box 1658, Deming, NM 88031.

Deming Public Schools
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities	Component Unit
Assets		
Cash and cash equivalents	\$ 18,360,053	\$ 1,087,643
Interest receivable	63	
Property taxes receivable	375,411	
Due from other governments	2,792,222	120,398
Inventory	323,078	
Notes receivable	4,057	
Bond issue costs	66,090	
Capital assets:		
Land and improvements	8,699,344	
Buildings and improvements	95,048,111	
Equipment	8,490,488	320,478
Construction in progress	67,305	
Less accumulated depreciation	(43,318,579)	(83,432)
Total capital assets, net of depreciation	\$ 68,986,669	\$ 237,046
Total assets	\$ 90,907,643	\$ 1,445,087
Liabilities		
Cash overdraft	\$ 1,760,507	\$ -
Accounts payable	468,785	20,046
Deferred revenue	139,023	33,410
Long-term liabilities:		
Portion due or payable within one year:		
Bonds payable	2,480,000	
Accrued interest payable	179,680	
Portion due or payable after one year:		
Bonds payable	10,915,000	
Compensated absences	420,101	
Total liabilities	\$ 16,363,096	\$ 53,456
Net Position		
Net investment in capital assets	\$ 57,665,921	\$ 237,046
Restricted for:		
Debt service	3,038,328	
Capital projects	2,185,164	21,298
Other purposes	7,731,459	4,271
Unrestricted	3,923,675	1,129,016
Total net position	\$ 74,544,547	\$ 1,391,631

The accompanying notes are an integral part of these financial statements

Deming Public Schools
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

<u>Functions/Programs</u>	Expenses	Charges for Services
Governmental activities:		
Instruction	\$ 30,542,655	\$ 404,450
Support services - Students	4,538,748	
Support services - Instruction	705,840	
General administration	1,723,596	258,398
School administration	2,829,085	
Central services	1,532,751	
Operation of plant	6,750,258	109,782
Food services	3,258,231	17,869
Transportation	2,389,467	
Other support services	75,186	
Interest on long-term debt	425,894	
	\$ 54,771,711	\$ 790,499
 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		
Unrestricted investment earnings		
 Total general revenues and special items		
 Change in net position		
Net position, beginning of year		
Net position - end of year		

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit
\$ 7,973,885	\$ 289,289	\$ (21,875,031)	\$ (556,753)
1,088,159		(3,450,589)	(118,918)
153,375		(552,465)	
315,411		(1,149,787)	(74,406)
186,627		(2,642,458)	(264,759)
54,759		(1,477,992)	(101,214)
218,599		(6,421,877)	(159,867)
3,641,651		401,289	
2,125,590		(263,877)	
		(75,186)	
		(425,894)	
<u>\$ 15,758,056</u>	<u>\$ 289,289</u>	<u>\$ (37,933,867)</u>	<u>\$ (1,275,917)</u>
		\$ 249,796	
		2,826,055	
		1,013,650	
		34,069,124	1,421,418
		143,545	27,517
		48,157	3,792
		<u>\$ 38,350,327</u>	<u>\$ 1,452,727</u>
		\$ 416,460	\$ 176,810
		74,128,087	1,214,821
		<u>\$ 74,544,547</u>	<u>\$ 1,391,631</u>

Deming Public Schools
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2013

	General Fund	Cafeteria	Title I	SB-9
Assets				
Cash and investments	\$ 4,155,090	\$ 2,054,610	\$ -	\$ 4,547,061
Interest receivable	62			
Taxes receivable	13,227			44,743
Inventory	216,903	106,175		
Due from other governments	58,204	161,568	679,592	
Notes receivable	4,057			
Interfund receivable	173,747	8,967	780	39,524
Total assets	\$ 4,621,290	\$ 2,331,320	\$ 680,372	\$ 4,631,328
 Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ -	\$ 506,625	\$ -
Accounts payable	338,040	100,883		29,862
Interfund payable	5,564	13,662	173,747	
Deferred revenue	10,462			16,943
Total liabilities	\$ 354,066	\$ 114,545	\$ 680,372	\$ 46,805
 Fund balance:				
Nonspendable:				
Inventory	\$ 216,903	\$ 106,175	\$ -	\$ -
Restricted for:				
Education				4,584,523
Food service		2,110,600		
Social services				
Capital projects				
Debt service				
Unassigned	4,050,321			
Total fund balances	\$ 4,267,224	\$ 2,216,775	\$ -	\$ 4,584,523
Total liabilities & fund balances	\$ 4,621,290	\$ 2,331,320	\$ 680,372	\$ 4,631,328

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

State Grants	Education Technology	Other Funds	Total Governmental Funds
\$ 188,108	\$ 2,560,026	\$ 4,855,158	\$ 18,360,053
		1	63
		317,441	375,411
686,636		1,206,222	323,078
1,136		110,576	2,792,222
			4,057
<u>875,880</u>	<u>2,560,026</u>	<u>6,489,398</u>	<u>22,189,614</u>
\$ -	\$ -	\$ 1,253,882	\$ 1,760,507
39,524		102,233	468,785
409,267		378,751	334,730
<u>448,791</u>	<u>-</u>	<u>1,734,866</u>	<u>815,423</u>
\$ -	\$ -	\$ -	\$ 323,078
427,089		11,712	5,023,324
		4,816	2,115,416
		60,334	60,334
	2,560,026	1,699,390	4,259,416
		2,978,280	2,978,280
			4,050,321
<u>427,089</u>	<u>2,560,026</u>	<u>4,754,532</u>	<u>18,810,169</u>
<u>875,880</u>	<u>2,560,026</u>	<u>6,489,398</u>	<u>22,189,614</u>

Deming Public Schools
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**
 June 30, 2013

Total governmental fund balances	\$	18,810,169
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		68,986,669
Bond issue costs are capitalized and amortized over the life of the bonds		66,090
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		263,076
Miscellaneous receivables subject to the 60 day availability period		4,057
Intergovernmental receivables subject to the 60 day availability period		409,267
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:		
Bonds payable		(13,395,000)
Accrued interest payable		(179,680)
Compensated absences payable		(420,101)
		(13,994,781)
<i>Net Position of Governmental Activities</i>	\$	74,544,547

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, 2013

	General Fund	Cafeteria	Title I	SB-9
Revenues:				
Property taxes	\$ 252,356	\$ -	\$ -	\$ 1,024,060
Fees and charges	485,828	17,869		
State aid	37,093,732			
Federal aid	230,000	3,463,764	4,054,055	
Earnings on investments	4,470	3,254		21,539
Miscellaneous	112,144			14,344
	\$ 38,178,530	\$ 3,484,887	\$ 4,054,055	\$ 1,059,943
Expenditures:				
Current:				
Instruction	\$ 22,072,728	\$ -	\$ 3,234,351	\$ -
Support service - Students	3,188,988		328,483	
Support services - Instruction	492,506		129,861	
General administration	1,279,353		222,141	10,263
School administration	2,462,580		81,188	
Central services	1,358,073		54,759	
Operation of plant	5,538,012			432,810
Food service		2,935,261		
Transportation	2,176,328		3,272	
Other support services	75,186			
Debt service:				
Principal				
Interest				
Bond issue costs				
Capital outlay	41,768	19,796		797,842
	\$ 38,685,522	\$ 2,955,057	\$ 4,054,055	\$ 1,240,915
Revenues over (under) expenditures	\$ (506,992)	\$ 529,830	\$ -	\$ (180,972)
Other financing sources (uses):				
Debt proceeds				
Transfer out				(118,685)
Transfer in				
Net change in fund balances	\$ (506,992)	\$ 529,830	\$ -	\$ (299,657)
Fund balance, July 1, 2012	4,774,216	1,686,945		4,884,180
Fund balance, June 30, 2013	\$ 4,267,224	\$ 2,216,775	\$ -	\$ 4,584,523

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

State Grants	Education Technology	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,856,305	\$ 4,132,721
		56,802	560,499
866,786		289,289	38,249,807
		3,457,908	11,205,727
493	3,335	15,066	48,157
684,281		18,099	828,868
<u>\$ 1,551,560</u>	<u>\$ 3,335</u>	<u>\$ 6,693,469</u>	<u>\$ 55,025,779</u>
\$ 1,167,450	\$ -	\$ 2,435,376	\$ 28,909,905
32,819		748,620	4,298,910
2,608		20,906	645,881
		121,900	1,633,657
54,986		50,453	2,649,207
			1,412,832
205,660	230,023	13,976	6,420,481
43,990		129,081	3,108,332
		9	2,179,609
			75,186
		2,370,000	2,370,000
		432,737	432,737
	36,507		36,507
	4,218	332,016	1,195,640
<u>\$ 1,507,513</u>	<u>\$ 270,748</u>	<u>\$ 6,655,074</u>	<u>\$ 55,368,884</u>
\$ 44,047	\$ (267,413)	\$ 38,395	\$ (343,105)
	2,345,000		2,345,000
			(118,685)
		118,685	118,685
\$ 44,047	\$ 2,077,587	\$ 157,080	\$ 2,001,895
383,042	482,439	4,597,452	16,808,274
<u>\$ 427,089</u>	<u>\$ 2,560,026</u>	<u>\$ 4,754,532</u>	<u>\$ 18,810,169</u>

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, 2013

Net change in fund balances- total governmental funds	\$ 2,001,895
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	1,195,640
Depreciation expense	(2,997,971)
Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities	(2,345,000)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:	
Property taxes subject to the 60 day availability period	(43,220)
Miscellaneous receivables subject to the 60 day availability period	(1,042)
Intergovernmental grants subject to the 60 day availability period	206,654
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	2,370,000
Bond issue costs are expenditures in the funds but are capitalized and amortized in the Statement of Activities:	
Bond issue costs	36,507
Amortization	(6,776)
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.	13,619
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.	(13,846)
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 416,460</u></u>

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

Deming Public Schools
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 250,000	\$ 250,000	\$ 471,069	\$ 221,069
State sources	36,359,083	36,547,799	36,820,510	272,711
Local sources	506,303	556,281	850,802	294,521
Earnings on investments	4,300	4,300	4,511	211
Total revenues	\$ 37,119,686	\$ 37,358,380	\$ 38,146,892	\$ 788,512
Expenditures:				
Current:				
Instruction	\$ 22,438,839	\$ 22,403,839	\$ 21,999,345	\$ 404,494
Support services - Students	3,609,151	3,659,129	3,178,522	480,607
Support services - Instruction	743,275	743,275	492,506	250,769
General administration	1,282,287	1,282,287	1,277,169	5,118
School administration	2,705,655	2,705,655	2,457,039	248,616
Central services	1,505,240	1,505,240	1,368,712	136,528
Operation of plant	6,156,323	6,156,323	5,355,926	800,397
Transportation	1,949,295	2,138,011	2,177,574	(39,563)
Other support services	64,012	64,012	75,186	(11,174)
Capital outlay		35,000	34,602	398
Total expenditures	\$ 40,454,077	\$ 40,692,771	\$ 38,416,581	\$ 2,276,190
Revenues over (under) expenditures	\$ (3,334,391)	\$ (3,334,391)	\$ (269,689)	\$ 3,064,702
Other financing sources (uses):				
Transfers in				-
Net change in fund balance	\$ (3,334,391)	\$ (3,334,391)	\$ (269,689)	\$ 3,064,702
Fund balance, July 1, 2012	3,334,391	3,334,391	4,598,526	1,264,135
Fund balance, June 30, 2013	\$ -	\$ -	\$ 4,328,837	\$ 4,328,837
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (506,992)	
Revenue accruals (net)			(31,639)	
Expenditure accruals (net)			268,942	
Net change in fund balance, NON-GAAP budgetary basis			\$ (269,689)	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 4,263,818	\$ 5,684,179	\$ 5,755,225	\$ 71,046
Expenditures:				
Current:				
Instruction	\$ 3,345,824	\$ 4,710,791	\$ 3,234,351	\$ 1,476,440
Support services - Students	338,954	338,954	328,483	10,471
Support services - Instruction	129,315	129,315	129,861	(546)
General administration	362,017	417,411	222,921	194,490
School administration	87,708	87,708	81,188	6,520
Central services			54,759	(54,759)
Transportation			3,272	(3,272)
Capital outlay				-
Total expenditures	<u>\$ 4,263,818</u>	<u>\$ 5,684,179</u>	<u>\$ 4,054,835</u>	<u>\$ 1,629,344</u>
Net change in fund balance	\$ -	\$ -	\$ 1,700,390	\$ 1,700,390
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(2,380,762)</u>	<u>(2,380,762)</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (680,372)</u>	<u>\$ (680,372)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,701,170	
Expenditure accruals (net)			<u>(780)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 1,700,390</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 1,013,752	\$ 1,470,720	\$ 1,040,612	\$ (430,108)
State sources	987,632	987,632		(987,632)
Earnings on investments	30,193	30,193	21,539	(8,654)
Total revenues	\$ 2,031,577	\$ 2,488,545	\$ 1,062,151	\$ (1,426,394)
Expenditures:				
Current:				
General administration	\$ 20,137	\$ 20,137	\$ 10,263	\$ 9,874
Operational plant maintenance	2,671,089	2,828,057	408,803	2,419,254
Capital outlay	4,234,635	4,534,635	1,187,802	3,346,833
Total expenditures	\$ 6,925,861	\$ 7,382,829	\$ 1,606,868	\$ 5,775,961
Net change in fund balance	\$ (4,894,284)	\$ (4,894,284)	\$ (544,717)	\$ 4,349,567
Fund balance, July 1, 2012	4,894,284	4,894,284	5,091,778	197,494
Fund balance, June 30, 2013	\$ -	\$ -	\$ 4,547,061	\$ 4,547,061
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (299,657)	
Revenue accruals (net)			2,208	
Expenditure accruals (net)			(365,953)	
Other financing uses (net)			118,685	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (544,717)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - CAFETERIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 2,649,397	\$ 2,649,397	\$ 2,921,908	\$ 272,511
State sources				-
Local sources	20,000	20,000	365,101	345,101
Earnings on investments	3,000	3,000	3,254	254
Total revenues	\$ 2,672,397	\$ 2,672,397	\$ 3,290,263	\$ 617,866
Expenditures:				
Current:				
Food services	\$ 3,336,481	\$ 3,316,481	\$ 2,825,828	\$ 490,653
Capital outlay		20,000	19,796	204
Total expenditures	\$ 3,336,481	\$ 3,336,481	\$ 2,845,624	\$ 490,857
Net change in fund balance	\$ (664,084)	\$ (664,084)	\$ 444,639	\$ 1,108,723
Fund balance, July 1, 2012	664,084	664,084	1,609,971	945,887
Fund balance, June 30, 2013	\$ -	\$ -	\$ 2,054,610	\$ 2,054,610
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 529,830	
Revenue accruals (net)			(194,620)	
Expenditure accruals (net)			109,433	
Net change in fund balance, NON-GAAP budgetary basis			\$ 444,643	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 1,187,090	\$ 1,563,649	\$ 943,251	\$ (620,398)
Local sources	272,350	272,350	684,281	411,931
Earnings on investments			493	493
	<u>\$ 1,459,440</u>	<u>\$ 1,835,999</u>	<u>\$ 1,628,025</u>	<u>\$ (207,974)</u>
Total revenues				
Expenditures:				
Current:				
Instruction	\$ 1,141,542	\$ 1,410,612	\$ 1,167,450	\$ 243,162
Support services - Students	20,916	26,958	32,819	(5,861)
Support services - Instruction	24,632	24,632	2,608	22,024
School administration		42,682	54,986	(12,304)
Operational plant maintenance	272,350	275,626	205,660	69,966
Food service		55,489	43,990	11,499
Capital outlay				-
	<u>\$ 1,459,440</u>	<u>\$ 1,835,999</u>	<u>\$ 1,507,513</u>	<u>\$ 328,486</u>
Total expenditures				
Net change in fund balance	\$ -	\$ -	\$ 120,512	\$ 120,512
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>67,596</u>	<u>67,596</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,108</u>	<u>\$ 188,108</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 44,047	
Revenue accruals (net)			76,465	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 120,512</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, 2013

	Primary Government Agency	Component Unit Agency
Assets		
Cash and investments	\$ 133,724	\$ 3,237
Total assets	\$ 133,724	\$ 3,237
 Liabilities		
Deposits held for others	\$ 133,724	\$ 3,237
Total liabilities	\$ 133,724	\$ 3,237

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, 2013

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). 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 Generally Accepted Accounting Principles, 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 Generally Accepted Accounting Principles, 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 Position 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 position and changes in net position 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. Typically these funds are owned by clubs, athletic teams, and/or 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 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.

Cafeteria – 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 N.M. Department of Education Manual of Procedures for New Mexico Schools to be accounted for in a separate Special Revenue Fund (PSAB Supplement 17).

State Grants – to account for various grants received to provide educational opportunities to the students of the District, and is a Special Revenue Fund.

Education Technology – to account for the debt proceeds received to purchase educational technology equipment. The debt is to be retired through property tax levies. This is a Capital Project Fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Positions 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 position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized when the earnings process is complete.

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. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 Position, 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 position is reported in three parts-net investment in capital assets, net of related debt; restricted net positions; and unrestricted net position. The District first utilized restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net positions are available.

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

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

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position 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. Included in the General Fund are activity funds which, although not budgeted by the District are considered District funds. Therefore, these non-budgeted activity accounts are excluded from the budgetary comparison statement.

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 position and displayed in three components:

- a. Net investment 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 position – consists of net positions 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 position – all other net position 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, 2013 was \$.500 per \$1,000 for non-residential property and \$.489 for residential property. The District's tax rate for debt service was \$3.356 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 \$2.00 for nonresidential property. The District's tax rate for education technology debt was \$2.22 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, 2013 \$3,722,189 of the government bank balance of \$24,450,028 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 3,722,189</u>
--------------------------------	---------------------

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 \$708,047 on deposit in the pool at June 30, 2013, which is AAAM rated with a weighted average maturity of 59 days.

Note 3 Investments

At June 30, 2013, 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	\$ 545,586	\$ 545,586	N/A
Certificates of Deposit	<u>1,500,134</u>	<u>1,500,134</u>	N/A
Total investments	<u>\$ 2,045,720</u>	<u>\$ 2,045,720</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 26% invested in U.S. Government securities, and 74% in certificates of deposit.

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, 2013, was as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 2,308,938	\$ 48,450	\$ -0-	\$ 2,357,388
Construction in progress	<u>1,842,008</u>	<u>289,289</u>	<u>2,063,992</u>	<u>67,305</u>
Total assets not being depreciated	<u>\$ 4,150,946</u>	<u>\$ 337,739</u>	<u>\$ 2,063,992</u>	<u>\$ 2,424,693</u>
Other capital assets:				
Buildings/improvements	\$ 92,365,988	\$ 2,682,123	\$ -0-	\$ 95,048,111
Land improvements	6,243,640	98,316	-0-	6,341,956
Furniture and equipment	<u>9,381,337</u>	<u>141,454</u>	<u>1,032,303</u>	<u>8,490,488</u>
Total other capital assets at historical cost	<u>\$107,990,965</u>	<u>\$ 2,921,893</u>	<u>\$ 1,032,303</u>	<u>\$ 109,880,555</u>
Less accumulated depreciation for:				
Buildings/improvements	\$ (31,510,577)	\$ (2,377,395)	\$ -0-	\$ (33,887,972)
Land improvements	(1,703,638)	(264,580)	-0-	(1,968,218)
Furniture and equipment	<u>(8,138,696)</u>	<u>(355,996)</u>	<u>1,032,303</u>	<u>(7,462,389)</u>
Total accumulated depreciation	<u>\$ (41,352,911)</u>	<u>\$ (2,997,971)</u>	<u>\$ 1,032,303</u>	<u>\$ (43,318,579)</u>
Other capital assets, net	<u>\$ 66,638,054</u>	<u>\$ (76,078)</u>	<u>\$ -0-</u>	<u>\$ 66,561,976</u>
Total capital assets, net	<u>\$ 70,789,000</u>	<u>\$ 261,661</u>	<u>\$ 2,063,992</u>	<u>\$ 68,986,669</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 1,618,904
Support Services – Students	239,838
Support Services – Instruction	59,959
General Administration	89,939
School Administration	179,878
Central Services	119,919
Operation of plant	329,777
Food Services	149,899
Transportation	<u>209,858</u>
	<u>\$ 2,997,971</u>

Note 5 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2013:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due In</u> <u>One Year</u>
Capital lease	\$ 1,070,000	\$ -0-	\$ 1,070,000	\$ -0-	\$ -0-
G.O. Bonds, series 2003	2,750,000	-0-	700,000	2,050,000	750,000
Compensated absences payable	406,255	212,762	198,916	420,101	-0-
G.O. Bonds, series 2006	4,200,000	-0-	400,000	3,800,000	400,000
G.O. Bonds, series 2007	5,400,000	-0-	200,000	5,200,000	250,000
Ed Tech Certificate	<u>-0-</u>	<u>2,345,000</u>	<u>-0-</u>	<u>2,345,000</u>	<u>1,080,000</u>
	<u>\$13,826,255</u>	<u>\$2,557,762</u>	<u>\$ 2,568,916</u>	<u>\$ 13,815,101</u>	<u>\$ 2,480,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
2014	\$ 2,480,000	\$ 404,699
2015	2,715,000	336,874
2016	1,500,000	275,350
2017	1,400,000	222,975
2018	1,600,000	168,100
2019-2023	<u>3,700,000</u>	<u>164,900</u>
	<u>\$ 13,395,000</u>	<u>\$ 1,572,898</u>

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

The District executed an Ed Tech Certificate, which allows the District to incur \$2,345,000 in debt to acquire education technology equipment. This debt is repaid over a two year period, including interest at 1.5%, from property taxes levied specifically to retire the debt. The revenues pledged totaled \$2,382,735 at June 30, 2013, and equal 100% of the tax levies enacted to repay the debt. Maturity dates are in fiscal years ending June 30, 2014, and 2015. The property tax levies expire when the related debt is repaid.

During the year ended June 30, 2013, the District recognized \$41,975 in property taxes pledged to retire the debt, and retired \$-0- in debt principal and interest.

April 15, 2003, the District issued \$5,700,000 in general obligation bonds with the interest rates at 2.5% and 3.45% for the purpose of building a new elementary school. Principal payments are due on August 1st of every year, with first principal payment due August 1, 2005. Interest payments are due February 1st and August 1st. The bonds mature August 1, 2015. The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levied. Bonds totaling \$750,000 are due in the next fiscal year.

On May 15, 2006, the District issued \$5,000,000 in general obligation bonds with interest rates 3.5% to 3.95% for the purpose of erecting, remodeling, making additions to and furnishing school building, or purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools classrooms or any combination of these purposes. Principal payments are due August 1st of each year. The interest payments are due on August 1st and February 1st. The bonds mature August 1, 2021. The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levies. Bonds totaling \$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 1st of each year. The interest payments are due on August 1st and February 1st. The bonds mature August 1, 2019. The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levies. Bonds totaling \$250,000 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 \$12,585,163 at June 30, 2013, 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, 2013, the District recognized \$1,735,019 in property taxes pledged to retire the bonded indebtedness, and retired \$1,723,642 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.

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2013, the Deming Public Schools were required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, Deming Public Schools will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

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, 2013, 2012, and 2011, were \$5,471,646, \$5,587,272, and \$5,523,570, 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.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans, 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the Legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee

contributions to the Authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Deming Public Schools contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$549,154, \$507,781, and \$454,666, 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. No losses exceeded insurance in the past three years.

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 no deficit fund balances at June 30, 2013. 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, 2013, consisted of the following:

	<u>Inter-fund Payable</u>					
	<u>Cafeteria</u>	<u>State Grants</u>	<u>General</u>	<u>Title I</u>	<u>Other Funds</u>	<u>Total</u>
<u>Inter-fund Receivable</u>						
Title I	\$	\$	\$	\$	\$ 780	\$ 780
Cafeteria					8,967	8,967
General				173,747		173,747
SB-9		39,524				39,524
State Grants					1,136	1,136
Other Funds	<u>13,662</u>		<u>5,564</u>		<u>91,350</u>	<u>110,576</u>
	<u>\$ 13,662</u>	<u>\$ 39,524</u>	<u>\$ 5,564</u>	<u>\$ 173,747</u>	<u>\$ 102,233</u>	<u>\$ 334,730</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, 2013, there were \$118,685 in transfers, from the SB-9 Fund to Other Funds to complete Capital Projects.

Note 12 Restricted Net Position

At June 30, 2013, net position restricted for other purposes included the following balances in special revenue funds:

SB-9	\$4,601,466
Cafeteria	2,216,775
State Grants	836,356
Medicaid	60,334
Athletics	11,712
Fresh Fruits	<u>4,816</u>
	<u>\$7,731,459</u>

The District reports \$12,954,951 in restricted net position, of which \$12,943,239 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, 2013:

Land	\$ 5,000
Buildings	<u>683,183</u>
	\$ 688,183
Less accumulated depreciation	<u>(662,616)</u>
Net position	<u>\$ 25,567</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 \$109,782 in rent from its component unit during the year ended June 30, 2013.

Note 14 Evaluation of Subsequent Events

The District has evaluated subsequent events through November 4, 2013, the date which the financial statements were available to be issued.

Note 15 Expenditures in Excess of Budgetary Authority

The District incurred expenditures in excess of budgetary authority in the following funds and functions:

General Fund: Other support services	\$ 11,174
Title 1: Support services-instruction	546
Central services	54,759
Transportation	3,272
Various State Grants: Support services-students	5,861
School administration	12,304
Title 1 Migrant: Community services	9
Education of the Homeless: Support services-students	45
Discretionary: Support services-students	481
GEAR UP: General Administration	906
Debt Service: Administration	188
Interest	642
Equipment Grant Debt Service: Administration	418

The District intends to review its year-end procedures related to budget adjustments, to alleviate these excess expenditures.

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). 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 Generally Accepted Accounting Principles, 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 Generally Accepted Accounting Principles the School had no component units.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Position 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 School 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 School 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

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 position and changes in net position 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/School Improvement – 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.

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 Position 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 position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflows of revenues, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized when the earnings process is completed.

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

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 Position, 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 position are reported in three parts – net investment in capital assets, net of related debt; restricted net position; and unrestricted net position. The School first utilized restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net position are 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 position 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, 2013.

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. At June 30, 2013 the School had no significant compensated absence liability.

H. EQUITY CLASSIFICATIONS

Government-wide Statements

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

- a. Net investment 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 position – consists of net position 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 position – all other net position that do not meet the definition of “restricted” or “net investment 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, 2013 \$0.00 of the School’s bank balance of \$1,136,538 was exposed to custodial credit risk as follows:

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 250,000	\$ 250,000
Collateral held by the pledging bank’s agent in the District’s names	886,538	840,880
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 1,136,538</u>	<u>\$ 1,090,880</u>

Note C Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital assets being depreciated				
Other capital assets:				
Furniture and equipment	\$ 148,403	\$ -0-	\$ -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>\$ 320,478</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 320,478</u>
Less accumulated depreciation for:				
Furniture and equipment	\$ (50,992)	\$ (6,505)	\$ -0-	\$ (57,497)
Leasehold improvements	<u>(13,619)</u>	<u>(12,316)</u>	<u>-0-</u>	<u>(25,935)</u>
Total accumulated depreciation	<u>\$ (64,611)</u>	<u>\$ (18,821)</u>	<u>\$ -0-</u>	<u>\$ (83,432)</u>
Total capital assets, net	<u>\$ 255,867</u>	<u>\$ (18,821)</u>	<u>\$ -0-</u>	<u>\$ 237,046</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	<u>\$ 18,821</u>
-------------	------------------

Note D Retirement Plan

Plan Description

Substantially all of the Cesar Chavez High School Charter School full-time employees participate in a public employee retirement system authorized under the Educational

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

Funding Policy

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2013, the Cesar Chavez High School Charter School was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future Cesar Chavez High School Charter School will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

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, 2013, 2012, and 2011, were \$141,456, \$105,172, and \$138,927, 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.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board. The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans, 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the Authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Cesar Chavez High School Charter School contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$14,533, \$15,510 and \$12,025, 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 School pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred. No losses exceeded insurance in the past three years.

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 Position

At June 30, 2013, assets restricted for other purposes were the following Special Revenue Funds:

Teacher Mentoring	<u>\$ 4,271</u>
-------------------	-----------------

The School reports \$25,569 in restricted assets, of which \$25,569 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, 2013.

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 \$109,782 in rent to Deming Public Schools during the year ended June 30, 2013.

Note K Inter-fund Activity

Inter-fund balances at June 30, 2013, consisted of the following:

<u>Inter-fund Receivable</u>	<u>Inter-Fund Payable</u>			
	<u>Other Funds</u>	<u>Title I</u>	<u>School Improvement</u>	<u>Total</u>
General	\$ <u>1,030</u>	\$ <u>55,417</u>	\$ <u>53,001</u>	\$ <u>109,448</u>

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

Note L Evaluation of Subsequent Events

The School has evaluated subsequent events through November 4, 2013, the date which the financial statements were available to be issued.

Note M Budgetary Authority

The School expended funds in excess of budgetary authority in the following funds and functions:

Title I – Instruction	\$ 77,772
Title I School Improvement – Instruction	53,001
Title I Stimulus – Instruction	1,030
Public School Capital Outlay – Operations	96,383

The School intends to revise its budget policies to prevent such occurrences in the future.

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/IDEA-B – 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 improve students achievement for the development of educational programs based on reliable research and effective practices. (P.L. 105-78).

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

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

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

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

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.

Education Technology – to account for the state resources to be used to improve students use of current technology. Authorization is the “PED Manual of Procedures”.

GEAR UP – to account for the federal resources to be used to provide support, and maintain a commitment, to eligible low-in students, including students with disabilities, to help the students obtain a secondary school diploma. Authorization is the Higher Education Act of 1965, as amended, Title IV, Part A, Subpart 2, Chapter 2.

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, 2013

	Special Revenue Funds			
	Athletics	Migrant Education	Competitive	Entitlement
Assets				
Cash and investments	\$ 11,712	\$ -	\$ -	\$ -
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable		31		11,767
Due from other governments		135,763	3,564	72,131
Total assets	\$ 11,712	\$ 135,794	\$ 3,564	\$ 83,898
Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ 135,794	\$ 3,564	\$ 83,898
Accounts payable				
Interfund payable				
Deferred revenue				
Total liabilities	\$ -	\$ 135,794	\$ 3,564	\$ 83,898
Fund balance:				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education	11,712			
Food service				
Social services				
Capital projects				
Debt service				
Unassigned				
Total fund balances	\$ 11,712	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 11,712	\$ 135,794	\$ 3,564	\$ 83,898

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

Special Revenue Funds

Emergency Response	ROTC	Preschool	Fresh Fuits	Discretionary	GOALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843
<u>19,279</u>	<u>1,747</u>	<u>5</u> <u>574</u>	<u>13,662</u>	<u>14,546</u>	
<u>\$ 19,279</u>	<u>\$ 1,747</u>	<u>\$ 579</u>	<u>\$ 13,662</u>	<u>\$ 14,546</u>	<u>\$ 2,843</u>
\$ 19,279	\$ 1,747	\$ 579	\$ 8,846	\$ 14,546	\$ -
					<u>2,843</u>
<u>\$ 19,279</u>	<u>\$ 1,747</u>	<u>\$ 579</u>	<u>\$ 8,846</u>	<u>\$ 14,546</u>	<u>\$ 2,843</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			4,816		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,816</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 19,279</u>	<u>\$ 1,747</u>	<u>\$ 579</u>	<u>\$ 13,662</u>	<u>\$ 14,546</u>	<u>\$ 2,843</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2013

	Special Revenue Funds			
	Homeless Education	Title II	Emergency Immigrant	Education Technology
Assets				
Cash and investments	\$ -	\$ 619	\$ 1,253	\$ -
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable	7			
Due from other governments	8,846			79,062
Total assets	\$ 8,853	\$ 619	\$ 1,253	\$ 79,062
Liabilities and Fund Balances				
Cash overdraft	\$ 8,853	\$ -	\$ -	\$ 79,062
Accounts payable				
Interfund payable				
Deferred revenue		619	1,253	
Total liabilities	\$ 8,853	\$ 619	\$ 1,253	\$ 79,062
Fund balance:				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service				
Social services				
Capital projects				
Debt service				
Unassigned				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 8,853	\$ 619	\$ 1,253	\$ 79,062

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

Special Revenue Funds

Title III Incentives	Homeless Stimulus	Innovative Programs	English Language	Child Nutrition Stimulus	Title I 1003g Grant
\$ -	\$ -	\$ -	\$ 38,300	\$ 26,244	\$ -
<u>6,596</u>	<u>4,819</u>	<u>115</u>	<u>29,719</u>		<u>154,435</u>
<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 115</u>	<u>\$ 68,019</u>	<u>\$ 26,244</u>	<u>\$ 154,435</u>
\$ 6,596	\$ 4,819	\$ 115	\$ -	\$ -	\$ 154,435
			68,019	26,244	
<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 115</u>	<u>\$ 68,019</u>	<u>\$ 26,244</u>	<u>\$ 154,435</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 115</u>	<u>\$ 68,019</u>	<u>\$ 26,244</u>	<u>\$ 154,435</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2013

	Special Revenue Funds			
	Comp School Reform	Reading Excellence	Title I Stimulus	Carl Perkins
Assets				
Cash and investments	\$ -	\$ 2,023	\$ -	\$ -
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				12
Due from other governments	31,309		1,245	45,608
Total assets	\$ 31,309	\$ 2,023	\$ 1,245	\$ 45,620
Liabilities and Fund Balances				
Cash overdraft	\$ 23,044	\$ -	\$ 1,245	\$ 45,620
Accounts payable				
Interfund payable	8,265			
Deferred revenue		2,023		
Total liabilities	\$ 31,309	\$ 2,023	\$ 1,245	\$ 45,620
Fund balance:				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service				
Social services				
Capital projects				
Debt service				
Unassigned				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 31,309	\$ 2,023	\$ 1,245	\$ 45,620

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

Special Revenue Funds

Enhancing Education	Teacher Training	Teacher Quality	Idea B Risk Pool	Drug Free	Rural Schools
\$ 28,806	\$ -	\$ 3	\$ -	\$ 68,132	\$ -
	64,952		3	3,134	21
	191,063		12,746		35,569
<u>\$ 28,806</u>	<u>\$ 256,015</u>	<u>\$ 3</u>	<u>\$ 12,749</u>	<u>\$ 71,266</u>	<u>\$ 35,590</u>
\$ -	\$ 256,015	\$ -	\$ 12,749	\$ -	\$ 35,590
<u>28,806</u>		<u>3</u>		<u>71,266</u>	
<u>\$ 28,806</u>	<u>\$ 256,015</u>	<u>\$ 3</u>	<u>\$ 12,749</u>	<u>\$ 71,266</u>	<u>\$ 35,590</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 28,806</u>	<u>\$ 256,015</u>	<u>\$ 3</u>	<u>\$ 12,749</u>	<u>\$ 71,266</u>	<u>\$ 35,590</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2013

	Special Revenue Funds			
	Reading First	Gear Up	School Improvement	Emergency Food
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 1,250
Interest receivable				
Taxes receivable				
Inventory				
Interfund receivable				
Due from other governments	<u>54,503</u>	<u>96,853</u>	<u>206,130</u>	
Total assets	<u>\$ 54,503</u>	<u>\$ 96,853</u>	<u>\$ 206,130</u>	<u>\$ 1,250</u>
Liabilities and Fund Balances				
Cash overdraft	\$ 54,503	\$ 96,853	\$ 206,130	\$ -
Accounts payable				
Interfund payable				
Deferred revenue				<u>1,250</u>
Total liabilities	<u>\$ 54,503</u>	<u>\$ 96,853</u>	<u>\$ 206,130</u>	<u>\$ 1,250</u>
Fund balance:				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Food service				
Social services				
Capital projects				
Debt service				
Unassigned				
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances:	<u>\$ 54,503</u>	<u>\$ 96,853</u>	<u>\$ 206,130</u>	<u>\$ 1,250</u>

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

Special Revenue Funds			Capital Projects Funds	Debt Service Funds	
Immigrant	Child and Adult Food	Medicaid	Bond Building	Debt Service	Ed Tech Debt Service
\$ 4,716	\$ 8,967	\$ 60,334	\$ 1,699,389 1	\$ 1,767,272	\$ 1,133,295
				199,571	117,870
				16,982	
<u>\$ 4,716</u>	<u>\$ 8,967</u>	<u>\$ 60,334</u>	<u>\$ 1,699,390</u>	<u>\$ 1,983,825</u>	<u>\$ 1,251,165</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	8,967				16,982
<u>4,716</u>				<u>150,031</u>	<u>89,697</u>
<u>\$ 4,716</u>	<u>\$ 8,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,031</u>	<u>\$ 106,679</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		60,334			
			1,699,390		
				1,833,794	1,144,486
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,334</u>	<u>\$ 1,699,390</u>	<u>\$ 1,833,794</u>	<u>\$ 1,144,486</u>
<u>\$ 4,716</u>	<u>\$ 8,967</u>	<u>\$ 60,334</u>	<u>\$ 1,699,390</u>	<u>\$ 1,983,825</u>	<u>\$ 1,251,165</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (concluded)
June 30, 2013

	Total
Assets	
Cash and investments	\$ 4,855,158
Interest receivable	1
Taxes receivable	317,441
Inventory	-
Interfund receivable	110,576
Due from other governments	1,206,222
 Total assets	 \$ 6,489,398
 Liabilities and Fund Balances	
Cash overdraft	\$ 1,253,882
Accounts payable	-
Interfund payable	102,233
Deferred revenue	378,751
 Total liabilities	 \$ 1,734,866
 Fund balance:	
Nonspendable	
Inventory	\$ -
Restricted for:	
Education	11,712
Food service	4,816
Social services	60,334
Capital projects	1,699,390
Debt service	2,978,280
Unassigned	-
 Total fund balances	 \$ 4,754,532
 Total liabilities and fund balances	 \$ 6,489,398

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, 2013

	Special Revenue Funds			
	Athletics	Migrant Education	Entitlement	ROTC
Revenues:				
Fees and charges	\$ 56,802	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid		158,882	1,227,705	58,553
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 56,802</u>	<u>\$ 158,882</u>	<u>\$ 1,227,705</u>	<u>\$ 58,553</u>
Expenditures:				
Current:				
Instruction	\$ 45,927	\$ 70,013	\$ 701,839	\$ 58,553
Support services - Students		82,485	438,450	
Support services - Instruction				
General administration		5,934	44,694	
School administration				
Central services				
Operation of plant		441	11,331	
Food services				
Transportation		9		
Debt service:				
Principle				
Interest				
Capital outlay			31,391	
Total expenditures	<u>\$ 45,927</u>	<u>\$ 158,882</u>	<u>\$ 1,227,705</u>	<u>\$ 58,553</u>
Revenues over (under) expenditures	\$ 10,875	\$ -	\$ -	\$ -
Other financing sources:				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balances	\$ 10,875	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>837</u>			
Fund balance, June 30, 2013	<u><u>\$ 11,712</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

<u>Preschool</u>	<u>Fresh Fruits</u>	<u>Discretionary</u>	<u>Homeless Education</u>	<u>English Language</u>	<u>Title I 1003g Grant</u>	<u>Carl Perkins</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22,740	133,897	3,494	40,382	103,875	571,476	71,664
<u>\$ 22,740</u>	<u>\$ 133,897</u>	<u>\$ 3,494</u>	<u>\$ 40,382</u>	<u>\$ 103,875</u>	<u>\$ 571,476</u>	<u>\$ 71,664</u>
\$ 13,269 8,622	\$ -	\$ 2,882 481	\$ 9,633 28,073	\$ 101,278	\$ 481,033 39,990	\$ 68,985
849		131	1,509	2,597	50,453	2,679
	129,081		1,167			
<u>\$ 22,740</u>	<u>\$ 129,081</u>	<u>\$ 3,494</u>	<u>\$ 40,382</u>	<u>\$ 103,875</u>	<u>\$ 571,476</u>	<u>\$ 71,664</u>
\$ -	\$ 4,816	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 4,816	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ 4,816</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, 2013

	Special Revenue Funds			
	Teacher Training	Idea B Risk Pool	Rural Schools	Gear Up
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid	351,204	12,746	107,465	182,682
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 351,204</u>	<u>\$ 12,746</u>	<u>\$ 107,465</u>	<u>\$ 182,682</u>
Expenditures:				
Current:				
Instruction	\$ 320,817	\$ 12,270	\$ 103,451	\$ 161,776
Support services - Students				
Support services - Instruction				20,906
General administration	30,387	476	4,014	
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay				
Total expenditures	<u>\$ 351,204</u>	<u>\$ 12,746</u>	<u>\$ 107,465</u>	<u>\$ 182,682</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Special Revenue Funds		Capital Projects Funds		Debt Service Funds	
School Improvement	Medicaid	Bond Building	Public School Capital Outlay	Debt Service	Ed Tech Debt Service
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			289,289	1,735,019	1,121,286
282,387	128,756	12,458		2,608	
		18,099			
<u>\$ 282,387</u>	<u>\$ 128,756</u>	<u>\$ 30,557</u>	<u>\$ 289,289</u>	<u>\$ 1,737,627</u>	<u>\$ 1,121,286</u>
\$ 282,387	\$ 1,263	\$ -	\$ -	\$ -	\$ -
	150,519				
				17,420	11,210
	1,037				
				1,300,000	1,070,000
				423,642	9,095
		11,336	289,289		
<u>\$ 282,387</u>	<u>\$ 152,819</u>	<u>\$ 11,336</u>	<u>\$ 289,289</u>	<u>\$ 1,741,062</u>	<u>\$ 1,090,305</u>
\$ -	\$ (24,063)	\$ 19,221	\$ -	\$ (3,435)	\$ 30,981
			\$ 118,685		
\$ -	\$ (24,063)	\$ 19,221	\$ 118,685	\$ (3,435)	\$ 30,981
-	84,397	1,680,169	(118,685)	1,837,229	1,113,505
<u>\$ -</u>	<u>\$ 60,334</u>	<u>\$ 1,699,390</u>	<u>\$ -</u>	<u>\$ 1,833,794</u>	<u>\$ 1,144,486</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, 2013

		Total
Revenues:		
Fees and charges	\$	56,802
Property taxes		2,856,305
State aid		289,289
Federal aid		3,457,908
Earnings on investments		15,066
Miscellaneous		18,099
		Total revenues
	\$	6,693,469
Expenditures:		
Current:		
Instruction	\$	2,435,376
Support services - Students		748,620
Support services - Instruction		20,906
General administration		121,900
School administration		50,453
Central services		-
Operation of plant		13,976
Food services		129,081
Transportation		9
Debt service:		
Principle		2,370,000
Interest		432,737
Capital outlay		332,016
		Total expenditures
	\$	6,655,074
Revenues over (under) expenditures	\$	38,395
Other financing sources (uses):		
Debt proceeds		-
Operating transfers in (out)		118,685
		Net change in fund balance
	\$	157,080
Fund balance, July 1, 2012		4,597,452
Fund balance, June 30, 2013	\$	4,754,532

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

Deming Public Schools
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2013

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 3,452,881	\$ 8,186	\$ 215,497
Interest receivable	62		
Taxes receivable	13,227		
Inventory	216,903		
Due from other governments	58,204		
Interfund receivable	173,747		
Notes receivable	4,057		
	<u>\$ 3,919,081</u>	<u>\$ 8,186</u>	<u>\$ 215,497</u>
Total assets	\$ 3,919,081	\$ 8,186	\$ 215,497
 Liabilities and Fund Balances			
Accounts payable	\$ 338,040	\$ -	\$ -
Interfund payable	5,564		
Deferred revenue	10,462		
	<u>\$ 354,066</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	\$ 354,066	\$ -	\$ -
Fund balance:			
Nonspendable:			
Inventories	\$ 216,903	\$ -	\$ -
Unassigned	3,348,112	8,186	215,497
	<u>\$ 3,565,015</u>	<u>\$ 8,186</u>	<u>\$ 215,497</u>
Total fund balances	\$ 3,565,015	\$ 8,186	\$ 215,497
Total liabilities and fund balances	\$ 3,919,081	\$ 8,186	\$ 215,497

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

<u>Non - Instructional Support</u>	<u>Total</u>
\$ 478,526	\$ 4,155,090 62 13,227 216,903 58,204 173,747 4,057
<u>\$ 478,526</u>	<u>\$ 4,621,290</u>
\$ -	\$ 338,040 5,564 10,462
<u>\$ -</u>	<u>\$ 354,066</u>
\$ - 478,526	\$ 216,903 4,050,321
<u>\$ 478,526</u>	<u>\$ 4,267,224</u>
<u>\$ 478,526</u>	<u>\$ 4,621,290</u>

Deming Public Schools
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2013

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	\$ 252,356	\$ -	\$ -
Fees and charges	317,981		
State aid	34,628,249	2,122,309	343,174
Federal aid	230,000		
Earnings on investments	2,723	726	
Miscellaneous	112,144		
	<u>\$ 35,543,453</u>	<u>\$ 2,123,035</u>	<u>\$ 343,174</u>
Expenditures:			
Current:			
Instruction	\$ 21,557,855	\$ -	\$ 338,557
Support services - Students	3,188,988		
Support services - Instruction	492,506		
General administration	1,279,353		
School administration	2,462,580		
Central services	1,358,073		
Operation of plant	5,538,012		
Transportation	54,019	2,122,309	
Other support services	75,186		
Capital outlay	41,768		
	<u>\$ 36,048,340</u>	<u>\$ 2,122,309</u>	<u>\$ 338,557</u>
Revenues over (under) expenditures	\$ (504,887)	\$ 726	\$ 4,617
Other financing sources:			
Loan proceeds			
Operating transfers in (out)			
	<u></u>	<u></u>	<u></u>
Net change in fund balances	\$ (504,887)	\$ 726	\$ 4,617
Fund balance, July 1, 2012	<u>4,069,902</u>	<u>7,460</u>	<u>210,880</u>
Fund balance, June 30, 2013	<u>\$ 3,565,015</u>	<u>\$ 8,186</u>	<u>\$ 215,497</u>

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

<u>Non-Instructional Support</u>	<u>Total</u>
\$ -	\$ 252,356
167,847	485,828
	37,093,732
	230,000
1,021	4,470
	<u>112,144</u>
<u>\$ 168,868</u>	<u>\$ 38,178,530</u>
\$ 176,316	\$ 22,072,728
	3,188,988
	492,506
	1,279,353
	2,462,580
	1,358,073
	5,538,012
	2,176,328
	75,186
	<u>41,768</u>
<u>\$ 176,316</u>	<u>\$ 38,685,522</u>
\$ (7,448)	\$ (506,992)
	-
	<u>-</u>
\$ (7,448)	\$ (506,992)
<u>485,974</u>	<u>4,774,216</u>
<u>\$ 478,526</u>	<u>\$ 4,267,224</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 250,000	\$ 250,000	\$ 471,069	\$ 221,069
State sources	34,082,316	34,082,316	34,355,027	272,711
Local sources	336,303	386,281	682,955	296,674
Earnings on investments	3,000	3,000	2,764	(236)
 Total revenues	 \$ 34,671,619	 \$ 34,721,597	 \$ 35,511,815	 \$ 790,218
 Expenditures:				
Current:				
Instruction	\$ 21,924,365	\$ 21,889,365	\$ 21,484,472	\$ 404,893
Support services - Students	3,609,151	3,659,129	3,178,522	480,607
Support services - Instruction	743,275	743,275	492,506	250,769
General administration	1,282,287	1,282,287	1,277,169	5,118
School administration	2,705,655	2,705,655	2,457,039	248,616
Central services	1,505,240	1,505,240	1,368,712	136,528
Operation of plant	6,156,323	6,156,323	5,355,926	800,397
Transportation	15,702	15,702	55,265	(39,563)
Other support services	64,012	64,012	75,186	(11,174)
Capital outlay	35,000	35,000	34,602	398
 Total expenditures	 \$ 38,006,010	 \$ 38,055,988	 \$ 35,779,399	 \$ 2,276,589
 Revenues over (under) expenditures	 \$ (3,334,391)	 \$ (3,334,391)	 \$ (267,584)	 \$ 3,066,807
 Other financing sources (uses):				
Transfers in	-	-	-	-
 Net change in fund balance	 \$ (3,334,391)	 \$ (3,334,391)	 \$ (267,584)	 \$ 3,066,807
 Fund balance, July 1, 2012	 3,334,391	 3,334,391	 3,894,212	 559,821
 Fund balance, June 30, 2013	 \$ -	 \$ -	 \$ 3,626,628	 \$ 3,626,628
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (504,887)	
Revenue accruals (net)			(31,639)	
Expenditure accruals (net)			268,942	
 Net change in fund balance, NON-GAAP budgetary basis			 \$ (267,584)	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 1,933,593	\$ 2,122,309	\$ 2,122,309	\$ -
Local sources				-
Earnings on investments			726	726
Total revenues	<u>\$ 1,933,593</u>	<u>\$ 2,122,309</u>	<u>\$ 2,123,035</u>	<u>\$ 726</u>
Expenditures:				
Current:				
Transportation	\$ 1,933,593	\$ 2,122,309	\$ 2,122,309	\$ -
Capital outlay				-
Total expenditures	<u>\$ 1,933,593</u>	<u>\$ 2,122,309</u>	<u>\$ 2,122,309</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 726	\$ 726
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>7,460</u>	<u>7,460</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,186</u>	<u>\$ 8,186</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 726	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 726</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 343,174	\$ 343,174	\$ 343,174	\$ -
Expenditures:				
Current:				
Instruction	\$ 518,124	\$ 518,124	\$ 338,557	\$ 179,567
Support services - Instruction				-
Total expenditures	\$ 518,124	\$ 518,124	\$ 338,557	\$ 179,567
Net change in fund balance	\$ (174,950)	\$ (174,950)	\$ 4,617	\$ 179,567
Fund balance, July 1, 2012	174,950	174,950	210,880	35,930
Fund balance, June 30, 2013	\$ -	\$ -	\$ 215,497	\$ 215,497
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,617	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 4,617	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 170,000	\$ 170,000	\$ 167,847	\$ (2,153)
Earnings on investments	<u>1,300</u>	<u>1,300</u>	<u>1,021</u>	<u>(279)</u>
Total revenues	<u>\$ 171,300</u>	<u>\$ 171,300</u>	<u>\$ 168,868</u>	<u>\$ (2,432)</u>
Expenditures:				
Current:				
Instruction	<u>\$ 718,719</u>	<u>\$ 718,719</u>	<u>\$ 176,316</u>	<u>\$ 542,403</u>
Net change in fund balance	\$ (547,419)	\$ (547,419)	\$ (7,448)	\$ 539,971
Fund balance, July 1, 2012	<u>547,419</u>	<u>547,419</u>	<u>485,974</u>	<u>(61,445)</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,526</u>	<u>\$ 478,526</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (7,448)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (7,448)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - IDEA B RISK POOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 18,991	\$ -	\$ (18,991)
Expenditures:				
Current:				
Instruction	\$ -	\$ 18,241	\$ 12,270	\$ 5,971
Support services - Students				-
General administration		750	479	271
School administration				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 18,991</u>	<u>\$ 12,749</u>	<u>\$ 6,242</u>
Net change in fund balance	\$ -	\$ -	\$ (12,749)	\$ (12,749)
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (12,749)</u></u>	<u><u>\$ (12,749)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(12,746)	
Expenditure accruals (net)			<u>(3)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (12,749)</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ATHLETICS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 48,052	\$ 48,052	\$ 56,802	\$ 8,750
Expenditures:				
Current:				
Instruction	48,129	48,129	45,927	2,202
Net change in fund balance	\$ (77)	\$ (77)	\$ 10,875	\$ 10,952
Fund balance, July 1, 2012	77	77	837	760
Fund balance, June 30, 2013	\$ -	\$ -	\$ 11,712	\$ 11,712
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 10,875	
Revenue accruals (net)				
Expenditure accruals (net)			_____	
Net change in fund balance, NON-GAAP budgetary basis			\$ 10,875	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 184,500	\$ 265,734	\$ 245,159	\$ (20,575)
Expenditures:				
Current:				
Instruction	\$ 71,979	\$ 145,045	\$ 70,013	\$ 75,032
Support services - Students	102,596	107,596	82,485	25,111
Support services - Instruction				-
General administration	6,925	10,093	5,965	4,128
Operation of plant	3,000	3,000	441	2,559
Transportation				-
Community services			9	(9)
Total expenditures	\$ 184,500	\$ 265,734	\$ 158,913	\$ 106,821
Net change in fund balance	\$ -	\$ -	\$ 86,246	\$ 86,246
Fund balance, July 1, 2012	-	-	(222,040)	(222,040)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (135,794)	\$ (135,794)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			86,277	
Expenditure accruals (net)			(31)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 86,246	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 19,581	\$ 39,751	\$ 24,355	\$ (15,396)
Expenditures:				
Current:				
Instruction	\$ 10,182	\$ 29,563	\$ 13,269	\$ 16,294
Support services - Students	8,635	8,635	8,622	13
General administration	764	1,553	854	699
School administration				-
Capital outlay				-
Total expenditures	\$ 19,581	\$ 39,751	\$ 22,745	\$ 17,006
Net change in fund balance	\$ -	\$ -	\$ 1,610	\$ 1,610
Fund balance, July 1, 2012	-	-	(2,189)	(2,189)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (579)	\$ (579)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,615	
Expenditure accruals (net)			(5)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,610	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 40,500	\$ 45,006	\$ 54,460	\$ 9,454
Expenditures:				
Current:				
Instruction	\$ 10,990	\$ 13,670	\$ 9,633	\$ 4,037
Support services - Students	26,378	28,028	28,073	(45)
General administration	1,580	1,756	1,516	240
Support services - Schools				-
Operational plant maintenance	1,552	1,552	1,167	385
Transportation				-
Community services				-
Total expenditures	\$ 40,500	\$ 45,006	\$ 40,389	\$ 4,617
Net change in fund balance	\$ -	\$ -	\$ 14,071	\$ 14,071
Fund balance, July 1, 2012	-	-	(22,924)	(22,924)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (8,853)	\$ (8,853)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			14,078	
Expenditure accruals (net)			(7)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 14,071	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 61,588	\$ 83,436	\$ 74,548	\$ (8,888)
Expenditures:				
Current:				
Instruction	\$ 58,589	\$ 79,584	\$ 68,985	\$ 10,599
General administration	2,999	3,852	2,691	1,161
School administration			-	-
Total expenditures	\$ 61,588	\$ 83,436	\$ 71,676	\$ 11,760
Net change in fund balance	\$ -	\$ -	\$ 2,872	\$ 2,872
Fund balance, July 1, 2012	-	-	(48,492)	(48,492)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (45,620)	\$ (45,620)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			2,884	
Expenditure accruals (net)			(12)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,872	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 114,296	\$ 114,296
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
Support services - Instruction				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ 114,296	\$ 114,296
Fund balance, July 1, 2012	-	-	(193,358)	(193,358)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (79,062)	\$ (79,062)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			114,296	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 114,296	

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, 2013

	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, 2012	-	-	(23,044)	(23,044)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (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, 2013

	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, 2012	-	-	(6,596)	(6,596)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (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, 2013

	<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, 2012	<u>-</u>	<u>-</u>	<u>(54,503)</u>	<u>(54,503)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (54,503)</u></u>	<u><u>\$ (54,503)</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 - 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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-	-	(115)	(115)
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (115)</u>	<u>\$ (115)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ENGLISH LANGUAGE ACQUISITION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 105,149	\$ 169,043	\$ 116,148	\$ (52,895)
Expenditures:				
Current:				
Instruction	\$ 103,046	\$ 165,662	\$ 101,278	\$ 64,384
Support services - Students				-
General administration	2,103	3,381	2,597	784
School administration				-
Total expenditures	\$ 105,149	\$ 169,043	\$ 103,875	\$ 65,168
Net change in fund balance	\$ -	\$ -	\$ 12,273	\$ 12,273
Fund balance, July 1, 2012	-	-	26,027	26,027
Fund balance, June 30, 2013	\$ -	\$ -	\$ 38,300	\$ 38,300
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			12,273	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 12,273	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 309,335	\$ 451,996	\$ 662,020	\$ 210,024
Expenditures:				
Current:				
Instruction	\$ 271,380	\$ 408,463	\$ 320,817	\$ 87,646
Support services - Students				-
General administration	37,955	43,533	30,454	13,079
Operation of plant				-
Total expenditures	\$ 309,335	\$ 451,996	\$ 351,271	\$ 100,725
Net change in fund balance	\$ -	\$ -	\$ 310,749	\$ 310,749
Fund balance, July 1, 2012	-	-	(566,764)	(566,764)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (256,015)	\$ (256,015)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			310,816	
Expenditure accruals (net)			(67)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 310,749	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 89,199	\$ 107,514	\$ 104,120	\$ (3,394)
Expenditures:				
Current:				
Instruction	\$ 85,851	\$ 103,451	\$ 103,451	\$ -
General administration	3,348	4,063	4,035	28
Total expenditures	\$ 89,199	\$ 107,514	\$ 107,486	\$ 28
Net change in fund balance	\$ -	\$ -	\$ (3,366)	\$ (3,366)
Fund balance, July 1, 2012	-	-	(32,224)	(32,224)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (35,590)	\$ (35,590)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(3,345)	
Expenditure accruals (net)			(21)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (3,366)	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(3,564)</u>	<u>(3,564)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (3,564)</u></u>	<u><u>\$ (3,564)</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 - MEDICAID
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 126,518	\$ 168,497	\$ 171,173	\$ 2,676
Expenditures:				
Current:				
Instruction	\$ -	\$ 5,729	\$ 1,263	\$ 4,466
Support services - Students	126,518	160,168	150,519	9,649
General administration				-
Operational plant maintenance		2,600	1,037	1,563
Total expenditures	<u>\$ 126,518</u>	<u>\$ 168,497</u>	<u>\$ 152,819</u>	<u>\$ 15,678</u>
Net change in fund balance	\$ -	\$ -	\$ 18,354	\$ 18,354
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	41,980	41,980
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 60,334</u></u>	<u><u>\$ 60,334</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (24,063)	
Revenue accruals (net)			42,417	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 18,354</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - ROTC
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 46,628	\$ 58,763	\$ 58,763	\$ -
Expenditures:				
Current:				
Instruction	46,628	58,763	58,553	210
Net change in fund balance	\$ -	\$ -	\$ 210	\$ 210
Fund balance, July 1, 2012	-	-	(1,957)	(1,957)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (1,747)	\$ (1,747)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			210	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 210	

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, 2013

	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, 2012	-	-	4,716	4,716
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-		1,250	1,250
Fund balance, June 30, 2013	\$ -	\$ -	\$ 1,250	\$ 1,250
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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 448,672	\$ 110,709	\$ (337,963)
Expenditures:				
Current:				
Instruction	\$ -	\$ 336,504	\$ 282,387	\$ 54,117
Support services - Students				-
Central services		112,168		112,168
Total expenditures	\$ -	\$ 448,672	\$ 282,387	\$ 166,285
Net change in fund balance	\$ -	\$ -	\$ (171,678)	\$ (171,678)
Fund balance, July 1, 2012	-	-	(34,452)	(34,452)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (206,130)	\$ (206,130)
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ -	
Revenue accruals (net)			(171,678)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (171,678)	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>8,967</u>	<u>8,967</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,967</u></u>	<u><u>\$ 8,967</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 - 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, 2013

	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, 2012	-	-	2,843	2,843
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-	-	619	619
Fund balance, June 30, 2013	<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, 2013

	<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, 2012	<u>-</u>	<u>-</u>	<u>1,253</u>	<u>1,253</u>
Fund balance, June 30, 2013	<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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-	-	2,023	2,023
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-	-	3	3
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 7,161	\$ 5,022	\$ (2,139)
Expenditures:				
Current:				
Instruction	\$ -	\$ 6,880	\$ 2,882	\$ 3,998
Support services - Students			481	(481)
General administration		281	131	150
Total expenditures	<u>\$ -</u>	<u>\$ 7,161</u>	<u>\$ 3,494</u>	<u>\$ 3,667</u>
Net change in fund balance	\$ -	\$ -	\$ 1,528	\$ 1,528
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(16,074)</u>	<u>(16,074)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (14,546)</u></u>	<u><u>\$ (14,546)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,528	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 1,528</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, 2013

	<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, 2012	<u>-</u>	<u>-</u>	<u>(19,279)</u>	<u>(19,279)</u>
Fund balance, June 30, 2013	<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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 1,074,443	\$ 1,451,059	\$ 1,458,588	\$ 7,529
Expenditures:				
Current:				
Instruction	\$ 649,490	\$ 846,269	\$ 701,839	\$ 144,430
Support services - Students	373,950	480,561	438,450	42,111
General administration	41,903	56,629	44,924	11,705
Central services				-
Operational plant maintenance	9,100	11,600	11,331	269
Capital outlay		56,000	31,391	24,609
Total expenditures	\$ 1,074,443	\$ 1,451,059	\$ 1,227,935	\$ 223,124
Net change in fund balance	\$ -	\$ -	\$ 230,653	\$ 230,653
Fund balance, July 1, 2012	-	-	(314,551)	(314,551)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (83,898)	\$ (83,898)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			230,883	
Expenditure accruals (net)			(230)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 230,653	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 129,081	\$ 129,081	\$ 108,129	\$ (20,952)
Expenditures:				
Current:				
Food services	\$ 129,081	\$ 129,081	\$ 129,081	\$ -
Capital outlay	-	-	-	-
Total expenditures	\$ 129,081	\$ 129,081	\$ 129,081	\$ -
Net change in fund balance	\$ -	\$ -	\$ (20,952)	\$ (20,952)
Fund balance, July 1, 2012	-	-	12,106	12,106
Fund balance, June 30, 2013	\$ -	\$ -	\$ (8,846)	\$ (8,846)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,816	
Revenue accruals (net)			(25,768)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (20,952)	

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, 2013

	<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				-
Support services - Instruction				-
General administration				-
School administration				-
Central services				-
Operation of plant				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(1,245)</u>	<u>(1,245)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,245)</u></u>	<u><u>\$ (1,245)</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 - GEAR UP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 225,000	\$ 85,829	\$ (139,171)
Expenditures:				
Current:				
Instruction	\$ -	\$ 205,000	\$ 161,776	\$ 43,224
General administration		20,000	20,906	(906)
Total expenditures	<u>\$ -</u>	<u>\$ 225,000</u>	<u>\$ 182,682</u>	<u>\$ 42,318</u>
Net change in fund balance	\$ -	\$ -	\$ (96,853)	\$ (96,853)
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(115)</u>	<u>(115)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (96,968)</u></u>	<u><u>\$ (96,968)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(96,853)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (96,853)</u></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, 2013

	<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				-
Support services - Instruction				-
General administration				-
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(4,819)</u>	<u>(4,819)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (4,819)</u></u>	<u><u>\$ (4,819)</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 - 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, 2013

	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, 2012	-	-	26,244	26,244
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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 - 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, 2013

	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, 2012	-	-	68,132	68,132
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-	-	28,806	28,806
Fund balance, June 30, 2013	<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 - 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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 648,880	\$ 698,997	\$ 50,117
Expenditures:				
Current:				
Instruction	\$ -	\$ 541,322	\$ 481,033	\$ 60,289
Support services - Students		42,000	39,990	2,010
Support services - Instruction		10,000		10,000
General administration				-
School administration		55,558	50,453	5,105
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 648,880</u>	<u>\$ 571,476</u>	<u>\$ 77,404</u>
Net change in fund balance	\$ -	\$ -	\$ 127,521	\$ 127,521
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(281,956)</u>	<u>(281,956)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (154,435)</u></u>	<u><u>\$ (154,435)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			127,521	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 127,521</u></u>	

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

Deming Public Schools
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 1,723,000	\$ 1,723,000	\$ 1,742,027	\$ 19,027
Earnings on investments	4,000	4,000	2,608	(1,392)
 Total revenues	 \$ 1,727,000	 \$ 1,727,000	 \$ 1,744,635	 \$ 17,635
Expenditures:				
Current:				
Administration	\$ 17,231	\$ 17,231	\$ 17,419	\$ (188)
Principal	1,300,000	1,300,000	1,300,000	-
Interest	423,000	423,000	423,642	(642)
Special revenue bonds reserve	2,223,413	2,223,413		2,223,413
 Total expenditures	 \$ 3,963,644	 \$ 3,963,644	 \$ 1,741,061	 \$ 2,222,583
Net change in fund balance	\$ (2,236,644)	\$ (2,236,644)	\$ 3,574	\$ 2,240,218
Fund balance, July 1, 2012	2,236,644	2,236,644	1,763,698	(472,946)
Fund balance, June 30, 2013	\$ -	\$ -	\$ 1,767,272	\$ 1,767,272
 Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ (3,435)	
Revenue accruals (net)			7,008	
Expenditure accruals (net)			1	
Net change in fund balance, NON-GAAP budgetary basis			\$ 3,574	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 1,079,095	\$ 1,079,095	\$ 1,121,070	\$ 41,975
Earnings on investments				-
Total revenues	<u>\$ 1,079,095</u>	<u>\$ 1,079,095</u>	<u>\$ 1,121,070</u>	<u>\$ 41,975</u>
Expenditures:				
Current:				
Administration	\$ 10,792	\$ 10,792	\$ 11,210	\$ (418)
Principal	1,070,000	1,070,000	1,070,000	-
Interest	9,095	9,095	9,095	-
Special revenue bonds reserve	<u>1,053,355</u>	<u>1,053,355</u>	<u>1,053,355</u>	<u>1,053,355</u>
Total expenditures	<u>\$ 2,143,242</u>	<u>\$ 2,143,242</u>	<u>\$ 1,090,305</u>	<u>\$ 1,052,937</u>
Net change in fund balance	\$ (1,064,147)	\$ (1,064,147)	\$ 30,765	\$ 1,094,912
Fund balance, July 1, 2012	<u>1,064,147</u>	<u>1,064,147</u>	<u>1,102,530</u>	<u>38,383</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,133,295</u>	<u>\$ 1,133,295</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ 30,981	
Revenue accruals (net)			(216)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 30,765</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ 18,046	\$ 18,046
Earnings on investments			12,456	12,456
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,502</u>	<u>\$ 30,502</u>
Expenditures:				
Current:				
Operation of plant	\$ -	\$ -	\$ -	\$ -
Bond issue costs				-
Capital outlay	1,674,464	1,674,464	11,336	1,663,128
Total expenditures	<u>\$ 1,674,464</u>	<u>\$ 1,674,464</u>	<u>\$ 11,336</u>	<u>\$ 1,663,128</u>
Revenues over (under) expenditures	\$ (1,674,464)	\$ (1,674,464)	\$ 19,166	\$ 1,693,630
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Net change in fund balance	\$ (1,674,464)	\$ (1,674,464)	\$ 19,166	\$ 1,693,630
Fund balance, July 1, 2012	1,674,464	1,674,464	1,680,168	5,704
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,699,334</u>	<u>\$ 1,699,334</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 19,221	
Revenue accruals (net)			(55)	
Expenditure accruals (net)				
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 19,166</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-	-	-	-
Fund balance, June 30, 2013	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 118,685	
Revenue accruals (net)			(289,289)	
Expenditure accruals (net)			289,289	
Other financing sources (net)			(118,685)	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Earnings on investments			3,335	3,335
Total revenues	\$ -	\$ -	\$ 3,335	\$ 3,335
Expenditures:				
Current:				
Operation of plant	\$ 471,910	\$ 471,910	\$ 270,748	\$ 201,162
Bond issue costs				-
Capital outlay				-
Total expenditures	\$ 471,910	\$ 471,910	\$ 270,748	\$ 201,162
Revenues over (under) expenditures	\$ (471,910)	\$ (471,910)	\$ (267,413)	\$ 204,497
Other financing sources (uses):				
Bond proceeds			2,345,000	2,345,000
Net change in fund balance	\$ (471,910)	\$ (471,910)	\$ 2,077,587	\$ 2,549,497
Fund balance, July 1, 2012	471,910	471,910	482,439	10,529
Fund balance, June 30, 2013	\$ -	\$ -	\$ 2,560,026	\$ 2,560,026
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 2,077,587	
Revenue accruals (net)			(36,507)	
Expenditure accruals (net)			36,507	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,077,587	

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, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2013</u>
Assets				
Cash and investments:				
Deming High School	\$ 68,395	\$ 376,248	\$ 373,265	\$ 71,378
Hofacket Mid High School	16,676	34,669	40,625	10,720
Red Mountain Middle School	45,064	131,006	131,080	44,990
Deming Middle School	<u>5,028</u>	<u>29,013</u>	<u>27,405</u>	<u>6,636</u>
Total assets	<u>\$ 135,163</u>	<u>\$ 570,936</u>	<u>\$ 572,375</u>	<u>\$ 133,724</u>
Liabilities				
Deposits held for others:				
Deming High School	\$ 68,395	\$ 376,248	\$ 373,265	\$ 71,378
Hofacket Mid High School	16,676	34,669	40,625	10,720
Red Mountain Middle School	45,064	131,006	131,080	44,990
Deming Middle School	<u>5,028</u>	<u>29,013</u>	<u>27,405</u>	<u>6,636</u>
Total liabilities	<u>\$ 135,163</u>	<u>\$ 570,936</u>	<u>\$ 572,375</u>	<u>\$ 133,724</u>

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

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2013

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
Checking and CD's	\$ 5,674,537	\$ 2,928,153	\$ 13,093,571	\$ 2,045,720
Total on deposit	\$ 5,674,537	\$ 2,928,153	\$ 13,093,571	\$ 2,045,720
Less: FDIC insurance	<u>(250,000)</u>	<u>(250,000)</u>		<u>(2,045,720)</u>
Total uninsured public funds	<u>\$ 5,424,537</u>	<u>\$ 2,678,153</u>	<u>\$ 13,093,571</u>	<u>\$ -</u>
102% collateralization requirement	\$ -	\$ -	\$ -	\$ -
50% collateralization requirement (Section 6-10-17 NMSA)	<u>2,712,269</u>	<u>1,339,077</u>	<u>6,546,786</u>	<u>-</u>
Total collateralization requirement	<u>\$ 2,712,269</u>	<u>\$ 1,339,077</u>	<u>\$ 6,546,786</u>	<u>\$ -</u>

Pledged Securities:

FN AL0604 3138EGU69 8-1-26	\$ -	\$ 103,946	\$ -	\$ -
FN AB7730 31417ESU6 1-1-43		471,049		
FN AD8529 31418WPP9 8-1-40		380,771		
FN AE0385 31419ANB9 9-1-40		489,018		
Torrance 891400LW1 7-15-15			414,196	
Carrizozo 144627CS2 8-1-13			100,456	
Gallup 364010PJ1 8-1-22			605,869	
Roswell 778550FS7 8-1-18			419,296	
Eastern NM 276785UF7 4-1-19			518,186	
FHLMC 3128X23A1 4-2-14			2,067,350	
Hobbs 433866CN8 7-15-17			550,585	
Dulce 264430JK6 6-1-16			155,280	
Dulce 264430JS9 6-1-16			152,727	
FFCB 31331XNQ1 2-6-17			2,306,031	
Dulce 264430JL4 6-1-17			201,864	
Dulce 264430JT7 6-1-17			208,130	
Pena 706593AP5 9-1-24			162,797	
FFCB 3133EC4Q4 11-23-22			1,843,515	
FFCB 31331VMG8 5-3-16			2,239,889	

	<u>Total</u>
\$	<u>23,741,981</u>
\$	23,741,981
	<u>(2,545,720)</u>
\$	<u>21,196,261</u>
\$	-
	<u>10,598,131</u>
\$	<u>10,598,131</u>

\$	103,946
	471,049
	380,771
	414,196
	100,456
	605,869
	419,296
	518,186
	2,067,350
	550,585
	155,280
	152,727
	2,306,031
	201,864
	208,130
	162,797
	1,843,515
	2,239,889

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL (Concluded)
 June 30, 2013

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
USBK 790739SJ6 12-1-14	135,498			
USBK 504516BE4 12-15-15	489,598			
FHLMC 31307BJW1 3-1-23	69,269			
USBK 660113BG5 5-1-16	665,270			
MBS FNMA 314D4NHR0 7-1-19	298,381			
FNMA 3136FPKH9 12-30-15	206,878			
GNR 38376YEL1 3-16-38	1,078,148			
GNR 38374VPS2 6-20-39	26,792			
FNR 31398SN66 4-25-40	178,430			
GNR 38377U5F1 10-20-40	149,309			
FHLMC 38377UMA3 12/20/40	356,575			
MBS FNMA 31403CXG1 12-1-20	428,969			
Total pledged securities	<u>\$ 4,083,117</u>	<u>\$ 1,444,784</u>	<u>\$ 11,946,171</u>	<u>\$ -</u>
Pledged securities over (under) requirement	<u>\$ 1,370,849</u>	<u>\$ 105,708</u>	<u>\$ 5,399,386</u>	<u>\$ -</u>
Uninsured and Uncollateralized	<u>\$ 1,341,420</u>	<u>\$ 1,233,369</u>	<u>\$ 1,147,400</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.

Total

135,498

489,598

69,269

665,270

298,381

206,878

1,078,148

26,792

178,430

149,309

356,575

428,969

\$ 16,985,054

\$ 6,386,924

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
June 30, 2013

	Type of Account	Bank Balance	Reconciled Balance
<u>First Savings Bank</u>			
Operational	Checking	\$ 5,674,537	\$ 3,213,570
Total First Savings Bank		\$ 5,674,537	\$ 3,213,570
<u>Wells Fargo</u>			
Payroll	Checking	\$ 713,993	\$ -
Building fund	Checking	2,214,160	2,203,946
Total Wells Fargo		\$ 2,928,153	\$ 2,203,946
<u>First NM Bank</u>			
Debt service	Checking	\$ 2,900,566	\$ 2,900,567
SB-9 savings	Savings	2,940,800	2,940,800
SB-9	Checking	1,638,003	1,606,261
Transportation	Checking	365,069	8,186
Special grants	Checking	748,884	188,108
Cafeteria	Checking	2,212,134	2,054,610
Gate receipts	Checking	507,417	490,238
General activity	Checking	147,486	133,724
Federal projects	Checking	1,633,212	(1,760,507)
Total First NM Bank		\$ 13,093,571	\$ 8,561,987
<u>NM Local Government Investment Pool</u>			
Operational	Investment	\$ 697,956	\$ 697,956
Operational	Investment	342	342
Bond building	Investment	9,744	9,744
Bond building	Investment	5	5
Total NM Local Government Investment Pool		\$ 708,047	\$ 708,047

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
 June 30, 2013

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Wells Fargo Brokerage Services</u>			
Bond building	Money Mkt	\$ 545,586	\$ 545,586
Bond building	CD's	<u>1,500,134</u>	<u>1,500,134</u>
Total Wells Fargo Brokerage Services		<u>\$ 2,045,720</u>	<u>\$ 2,045,720</u>
Total cash and investments		<u><u>\$ 24,450,028</u></u>	<u><u>\$ 16,733,270</u></u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2013

	<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, 2012	\$ 3,394,212	\$ 7,460	\$ 210,880	\$ 1,609,971	\$ 837
Add: Current year receipts	35,511,815	2,123,035	343,174	3,290,263	56,802
Chargebacks					
Voided warrants	640				(79)
Less: Current year expenditures	(35,780,038)	(2,122,309)	(338,557)	(2,845,580)	(45,849)
Outstanding loans	500,000				
Abatements					
Overdrafts				(44)	
Transfers					
Total cash and investments as of June 30, 2013 per cash report	<u>\$ 3,626,629</u>	<u>\$ 8,186</u>	<u>\$ 215,497</u>	<u>\$ 2,054,610</u>	<u>\$ 11,711</u>
Audit adjustment	69,742				
Cash and investments per audit report	<u><u>\$ 3,696,371</u></u>	<u><u>\$ 8,186</u></u>	<u><u>\$ 215,497</u></u>	<u><u>\$ 2,054,610</u></u>	<u><u>\$ 11,711</u></u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2013

	Non Instructional Support	Federal Flowthrough	Federal Direct	Local Grants	State Flowthrough
Total cash and investments as of July 1, 2012	\$ 485,974	\$ (3,536,852)	\$ 30,964	\$ 294	\$ (265,184)
Add: Current year receipts	168,868	9,351,326	315,764		877,635
Chargbacks					
Voided warrants		(736)			
Less: Current year expenditures	(175,662)	(7,137,626)	(394,054)		(1,100,347)
Outstanding loans		(500,000)			
Abatements					
Overdrafts	(654)				92
Transfers					
Total cash and investments as of June 30, 2013 per cash report	\$ 478,526	\$ (1,823,888)	\$ (47,326)	\$ 294	\$ (487,804)
		110,709			
	<u>\$ 478,526</u>	<u>\$ (1,713,179)</u>	<u>\$ (47,326)</u>	<u>\$ 294</u>	<u>\$ (487,804)</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2013

	<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, 2012	\$ (51,994)	\$ 384,480	\$ 1,680,115	\$ -	\$ 1,102,530
Add: Current year receipts	65,617	684,775	30,555		1,121,070
Chargebacks					
Voided warrants					
Less: Current year expenditures	(27,982)	(379,230)	(11,336)		(1,090,306)
Outstanding loans					
Abatements					
Overdrafts		(48)			
Transfers					
Total cash and investments as of June 30, 2013 per cash report	\$ (14,359)	\$ 689,977	\$ 1,699,334	\$ -	\$ 1,133,294
Audit adjustment			55		
Cash and investments per audit report	<u>\$ (14,359)</u>	<u>\$ 689,977</u>	<u>\$ 1,699,389</u>	<u>\$ -</u>	<u>\$ 1,133,294</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2013

	Capital Improvements SB-9	Ed Tech Equip Act	PSCOC	Debt Service	Agency
Total cash and investments as of July 1, 2012	5,091,778	482,439	-	1,763,698	\$ 135,163
Add: Current year receipts	1,062,151	2,348,335		1,744,636	570,936
Chargebacks					
Voided warrants					
Less: Current year expenditures	(1,606,868)	(270,748)		(1,741,062)	(572,375)
Outstanding loans					
Abatements					
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2013 per cash report	\$ 4,547,061	\$ 2,560,026	\$ -	\$ 1,767,272	\$ 133,724
Audit adjustment					
Cash and investments per audit report	\$ 4,547,061	\$ 2,560,026	\$ -	\$ 1,767,272	\$ 133,724

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2013

	Total
Total cash and investments as of July 1, 2012	\$ 12,526,765
Add: Current year receipts	59,666,757
Chargebacks	-
Voided warrants	(175)
Less: Current year expenditures	(55,639,929)
Outstanding loans	-
Abatements	-
Overdrafts	(654)
Transfers	-
 Total cash and investments as of June 30, 2013 per cash report	 \$ 16,552,764
 Audit adjustment	 <u>180,506</u>
 Cash and investments per audit report	 <u><u>\$ 16,733,270</u></u>

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2013

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	4,625,531
Migrant Education-Basic State Grant Program	84.011	24.103	158,882
Special Education-Grants to States	84.027	24.106	1,243,945
Special Education-Preschool Grants	84.173	24.109	22,740
Vocational Education	84.048	24.174	71,664
Education of the Homeless	84.196	24.113	40,382
Gear Up	84.334	25.205	182,682
English Language Acquisition grants	84.365	24.153	103,875
Teacher Quality State Grants	84.367	24.154	351,204
Rural Education	84.358	24.160	107,465
Title I School Improvement	84.010	24.162	<u>282,387</u>
 Total U.S. Department of Education			 <u>\$ 7,190,757</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	\$ 2,230,861
School Breakfast Program	10.553	N/A	1,030,777
Fresh Fruits and Vegetables Program	10.582	24.118	121,791
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>202,254</u>
 Total U.S. Department of Agriculture			 <u>\$ 3,585,683</u>

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
For The Fiscal Year Ended June 30, 2013

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
 <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through N.M. Dept. of Human Services:			
Medical Assistance Program	93.778	24.253	<u>\$ 128,756</u>
 <u>U.S. DEPARTMENT OF DEFENSE</u>			
Direct Programs:			
ROTC	12.100	25.200	<u>\$ 58,553</u>
 Total expenditures of federal awards			 <u><u>\$ 10,963,749</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, 2013

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 \$202,254 in food commodities during the 2012-2013 fiscal year.

Note 3 The District had the following insurance coverage during the year ended June 30, 2013:

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, 2013

Findings – Financial Statement Audit

Current Status

2012-1 Activity funds were not properly receipted.

Resolved

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.

RYAN MONTOYA, C.P.A.

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-3795
FAX (575) 388-5040
E-MAIL: stonemcgee@qwestoffice.net

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Deming Public Schools as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Deming Public Schools' basic financial statements, and the combining and individual fund financial statements and related budgetary comparisons of the District presented as other supplementary information, and have issued our report thereon dated November 4, 2013.

Internal Control Over financial Reporting

In planning and performing our audit of the financial statements, we considered Deming Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Deming Public Schools' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not

identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Deming Public Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2013-1, 2013-2, 2013-3, and 2013-4; for the component unit as items 2013-1, 2013-2, 2013-3, 2013-4, and 2013-5.

Deming Public Schools' Responses to Findings

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

Purpose of this Report

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

Stone, McGee & Co., CPAs

Silver City, New Mexico
November 4, 2013

Stone, McGee & Co.
Certified Public Accountants

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.

RYAN MONTOYA, C.P.A.

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-3795
FAX (575) 388-5040
E-MAIL: stonemcgee@qwestoffice.net

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the Deming Public Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Deming Public Schools' major federal programs for the year ended June 30, 2013. The Deming Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Deming Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Deming Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Deming Public Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, the Deming Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the Deming Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Deming Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Deming Public Schools' 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 of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Stone, McGee & Co CPAs

Silver City, New Mexico
November 4, 2013

Stone, McGee & Co.
Certified Public Accountants

Deming Public Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified 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 *Independent Auditor's 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 Applicable to 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 unmodified 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: Title I Grants to LEAs, CFDA No. 84.010.
8. The threshold for distinguishing types A and B programs was \$328,912.
9. Deming Public Schools was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

2013-1 Cash Reporting (Other)

Condition – The District's actual cash in bank was \$180,451 more than that reported to the New Mexico Public Education Department on the School's year-end cash report.

Criteria – Sound accounting practices and the New Mexico Public Education Department's *Manual of Procedures* requires that actual cash in bank be reconciled to general ledger amounts, and that the general ledger amounts, on a by fund basis, equal actual cash in bank.

Effect – Erroneous reporting of actual cash balancing can affect budget preparation, and does not allow proper analysis of the year-end reports by supervisory personnel, and the New Mexico Public Education Department.

Cause – The District’s bank reconciliation had these deposits recorded as items reconciling the bank to the fund cash balances, but the amounts had not been recorded in the fund cash balances. The reconciling items should not have been necessary.

Recommendation – We recommend that the District reconcile actual cash in bank to the general ledger reported amounts, and that the appropriate adjustments be made to the general ledger amounts monthly, prior to preparation of financial reports. We further recommend that reconciling items be reviewed by the appropriate supervisory personnel to ensure accurate reporting of cash balances.

Agency Response – These receipts were received close to year-end, and presented an unusual circumstance due to the timing of the wire transfer. However, the District will continue its policy of reconciling actual cash balances to fund cash balances. Further, appropriate supervisory personnel will review monthly bank statement reconciling items for appropriate treatment.

2013-2 Contracting for Audit Services (Other)

Condition – The recommendation for audit services and the audit contract was submitted to the New Mexico State Auditor for his approval on July 29, 2013.

Criteria – Subsection G, paragraph 6 of 2.2.2.8 NMAC, 2013, commonly called the Audit Rule, requires school districts to submit the recommendation for audit services and the signed audit contract by May 1, 2013.

Effect – Lack of an audit contract could delay the audit process and jeopardize timely financial reporting by the entity. In addition, 2.2.2 NMAC regulations have been violated.

Cause – Miscommunication between District personnel resulted in the audit contract not being executed and submitted by the appropriate deadline.

Recommendation – We recommend that the District comply with 2.2.2 NMAC submission deadlines when submitting future contracts.

Agency Response – The submission of the audit recommendation and contract has been calendared, and in the future, the 2.2.2 NMAC deadlines will be met.

2013-3 Per Diem and Mileage Policy (Other)

Condition – The District’s policy related to per diem and mileage reimbursements includes reimbursement rates that exceed those allowable by New Mexico Law.

Criteria – The Per Diem and Mileage Act, Sections 10-8-1 to 10-8-8 of NMSA 1978 and Regulations governing the Per Diem and Mileage Act, 2.42.2 NMAC, establish rates for reimbursement of travel costs. The District has adopted these rates as a matter of policy. These rates must be used to reimburse employees and board members for authorized travel.

Effect – The District has violated the aforementioned statutes and regulations, and reimbursements for travel have exceeded the amounts legally allowable.

Cause – The District has paid “special location” rates for travel to destinations which are not special locations as defined by 2.42.2 NMAC.

Recommendation – We recommend that the District reimburse employees and board members for authorized travel in accordance with the rates established by 2.42.2 NMAC.

Agency response – The district has already revised its policy on travel reimbursement, as well as its request for reimbursement form, to comply with 2.42.2 NMAC. Future travel reimbursements will be in accordance with these regulations.

2013-4 Budgetary Controls (Other)

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

General Fund: Other support services	\$11,174
Title I: Support services-instruction	546
Central services	54,759
Transportation	3,272
Various State Grants: Support services-students	5,861
School administration	12,304
Title I Migrant: Community services	9
Education of the Homeless: Support services-students	45
Discretionary: Support services-students	481
GEAR UP: General administration	906
Debt Service: Administration	188
Interest	642
Equipment Grant Debt Service: Administration	418

Criteria – Sections 6-3-1 through 6-3-25 NMSA 1978 require, in part, that expenditures not exceed budgetary authority.

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

Cause – The District did not request the budget adjustments to alleviate these budget overruns.

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

Agency Response – The District’s policy of requesting budget adjustments to alleviate expenditures in excess of budgetary authority is still in place. The District had unforeseen employee absences which created significant pressure on remaining personnel, and these budget adjustments were not made. In the future, such budget adjustment requests will be made.

Findings related to the Component Unit

2013-1 Cash Reporting (Other)

Condition – The School’s actual cash in bank was \$18,434 less than that reported to the New Mexico Public Education Department on the School’s year-end cash report.

Criteria – Sound accounting practices and the New Mexico Public Education Department’s *Manual of Procedures* requires that actual cash in bank be reconciled to general ledger amounts, and that the general ledger amounts, on a by fund basis, equal actual cash in bank.

Effect – Erroneous reporting of actual cash balancing can affect budget preparation, and does not allow proper analysis of the year-end reports by supervisory personnel, and the New Mexico Public Education Department.

Cause – The School was not able to identify and correct the difference in cash before the final year-end reports were prepared.

Recommendation – We recommend that the School reconcile actual cash in bank to the general ledger reported amounts, and that the appropriate adjustments be made to the general ledger amounts monthly, prior to preparation of financial reports.

Agency Response – The School was aware of the discrepancy, and it was reported as such to the New Mexico Department of Education on our year-end reports. Now that the correct cash balances have been established, we believe that the actual cash balances will be reflected in general ledger amounts.

2013-2 Maintenance of Personnel Records (Other)

Condition – In 14 of 25 personnel files tested, we noted 14 instances where the federal form I-9 was not completed properly.

Criteria – The Form I-9 is required by the United States of America to provide proof of citizenship for employees. This form is required to be completed and maintained in the employee file, subject to inspection by representatives of the United States government.

Effect – Incomplete I-9 forms is a violation of payroll regulations, and subjects the School to significant penalties if the documents are inspected by representatives of the United States government and found to be non-compliant.

Cause – School personnel were obtaining the required I-9s, but were not making and evidencing the required certifications. School personnel believed that obtaining the forms from employees was sufficient, and were not aware of the additional requirements.

Recommendation – We recommend that the School review all personnel files, and make corrections to the I-9s to make them compliant with federal law.

Agency response – The recommendation will be adopted, and we are currently in the process of completing the I-9s properly for all employees.

2013-3 Travel and Per Diem Rates (Other)

Condition – In a review of 25 travel reimbursement requests, we noted five instances where the School reimbursed the employee in excess of approved rates. The total amount reimbursed in excess of approved rates for these five instances was \$50. In one instance we noted that the employee was under-reimbursed by \$35.

Criteria – The Per Diem and Mileage Act, sections 10-8-1 to 10-8-8 of NMSA 1978 and Regulations Governing the Per Diem and Mileage Act, 2.42.2 NMAC, establish rates for the

reimbursement of travel costs. The School has adopted these rates as a matter of policy. These rates must be used to reimburse employees and board members for authorized travel.

Effect – The School has violated the aforementioned statutes and regulations, and over-expenditure of funds could result.

Cause – The partial day reimbursement regulation was interpreted incorrectly, and confusion existed as to the daily rate to be paid when the School was reimbursing meals only.

Recommendation – We recommend that the School reimburse for travel in accordance with the rates detailed in 2.42.2 NMAC.

Agency Response – The recommendation has been adopted. We have obtained the current rates, and will use them to determine reimbursement for employee travel.

2013-4 Budgetary Controls (Other)

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

Title I – Instruction	\$77,772
Title I School Improvement – Instruction	53,001
Title I Stimulus – Instruction	1,030
Public School Capital Outlay – Operations	96,383

Criteria – Sections 6-3-1 through 6-3-25 NMSA 1978 require, in part, that expenditures not exceed budgetary authority.

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

Cause – The District did not request the budget adjustments to alleviate these budget overruns. School personnel were unaware of the budget requirements related to pass-through funding from Deming Public Schools.

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

Agency Response – The Title I expenditures pass through from Deming Public Schools, of which we are a component unit. We were unaware that budgets needed to be adopted for these pass-through funds. The over-expenditure of the PSCO funds was overlooked when budget adjustment requests were made. In the future, we will adopt budgets for all funds, and review expenditures periodically to ensure adherence to budget constraints.

2013-5 Contracting for Audit Services (Other)

Condition – The recommendation for audit services and the audit contract was submitted to the New Mexico State Auditor for his approval on July 29, 2013.

Criteria – Subsection G, paragraph 6 of 2.2.2.8 NMAC, 2013, commonly called the Audit Rule, requires school districts to submit the recommendation for audit services and the signed audit contract by May 1, 2013.

Effect – Lack of an audit contract could delay the audit process and jeopardize timely financial reporting by the entity. In addition, 2.2.2 NMAC regulations have been violated.

Cause – Miscommunication between Deming Public Schools’ personnel resulted in the audit contract not being executed and submitted by the appropriate deadline.

Recommendation – We recommend that the School comply with 2.2.2 NMAC submission deadlines when submitting future contracts.

Agency Response – The submission of the audit recommendation and contract is a function of our sponsoring organization, Deming Public Schools. However, we have calendared the mandated deadline, and will communicate with Deming Public Schools concerning its submission in the future.

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 18, 2013. Present at these exit conferences were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
<u>Deming Public Schools</u>		
Bayne Anderson	Board 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
<u>Cesar Chavez Charter School</u>		
Bayne Anderson	Board President	Deming Public Schools
Paul Reeves	Principal	Cesar Chavez High School
Chris Masters	Accountant	Cesar Chavez High School
Harvielee Moore	Superintendent	Deming Public Schools
Ted Burr	Assoc. Supt. of Finance	Deming Public Schools
Lloyd Valentine	Audit Committee Member	Deming Public Schools
Teresa Hutts	Audit Committee Member	Deming Public Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA’s