

State of New Mexico

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

For the Fiscal Year ended June 30, 2014

Deming Public Schools
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Deming Public Schools
DIRECTORY OF OFFICIALS
June 30, 2014

BOARD OF EDUCATION

Dr. Andrew Hernandez	President
Ruben S. Torres	Vice-President
Ronald Wolfe	Secretary
Bayne Anderson	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) 538-3795
FAX (575) 388-5040
E-MAIL: admin@stone-mcgee.com

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, 2014, 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, components of the general fund 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, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2014, 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 and the components of the general fund of the Deming Public Schools as of June 30, 2014, 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 3, 2014, 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 3, 2014

Stone, McGee & Co.
Certified Public Accountants

DEMING PUBLIC SCHOOLS
Management Discussion and Analysis
For the Fiscal Year Ending June 30, 2014

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, 2013 and 2014. 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 2013-2014 student membership of 5,337 students at the preschool through 12th grade level. The preschool serves students of ages 3 and 4 years. Six Elementary Schools serve students in kindergarten through 5th grade. The Intermediate school serves all students in 6th grade, the Middle School is grades 7th and 8th, with the High School and Charter High School serving students in grades 9th through 12th.

The District's enrollment declined for the 2013-2014 school year. District five year enrollment decreased 1.9 % while the state wide enrollment grew 2.3%.

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 \$6,013,073 to \$24,373,126.
- Accumulated depreciation has increased by \$876,964 to \$44,195,543 as of June 30, 2014 from \$43,318,579 for June 30, 2013.
- Total revenues increased from \$55,025,779 in the year ending June 30, 2013 to \$55,702,853 in the year ending June 30, 2014. This is an increase of \$677,074 or 1%.
- Total expenditures, inclusive of all capital expenditures from general obligation bond proceeds, increased from \$55,368,884 for the year ending June 30 2013 to \$59,512,842 for the year ending June 30 2014. This is an increase in expenditures of \$4,143,958 or 7%. Increases in maintenance of buildings, capital outlay, support for students, support for instruction along with an increase of food services for year ended June 30, 2014 compared to June 30, 2013 accounted for the increase.

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 \$90,907,643 and \$96,525,846 as of June 30, 2013 and 2014, respectively. The School District cash assets as of June 30, 2014 increased by 33% to \$24,373,126 due to a sale of \$9.5 million of general obligation bonds. Accounts payable increased by 545% to \$724,055 as of June 30, 2014 compared to June 30, 2013 accounts payable of \$468,785. Accounts payable for FY 2014 is comprised of employee benefits obligated during June and due within 3 months. Net Position restricted for various purposes totaling \$12,954,951 and \$12,663,123 as of June 30, 2013 and 2014 respectively, decreased by 2%.

District, without Component Unit, Statement of Net Position

Assets	June 30, 2013	June 30, 2014
Cash Assets	18,360,053	24,373,126
All Other Current Assets	3,560,921	4,164,181
Capital Assets	112,305,248	112,184,082
Depreciation	(43,318,579)	(44,195,543)
Total Assets	90,907,643	96,525,846
Liabilities		
Accounts Payable	468,785	724,055
Other Current Liabilities	4,559,210	5,207,009
Long Term Liabilities	11,335,101	18,198,844
Total Liabilities	16,363,096	24,129,908
Net Position		
Invested in Capital Assets	57,665,921	57,420,624
Restricted	12,954,951	12,663,123
Unrestricted	3,923,675	2,312,191
Total Net Position	74,544,547	72,395,938

This statement includes accumulated depreciation of the School District’s capital assets in the amount of \$43,318,579 and \$44,195,543 as of June 30, 2013 and 2014 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 \$1,550,759 total net position compared to \$1,391,631 as of June 30, 2013. This is an increase of \$159,128 or 11%. The school charter was renewed for an additional 5 years during FY-12.

Componet Unit Statement of Net Position		
Assets	June 30, 2013	June 30, 2014
Cash Assets	1,087,643	1,169,924
All Other Current Assets	120,398	234,417
Improvements and Equipment	320,478	320,478
Less Accumulated Depreciation	(83,432)	(96,827)
Total Assets	1,445,087	1,627,992
Liabilities		
Accounts Payable	20,046	43,823
Deferred Revenue	33,410	38,410
Total Liabilities	53,456	82,233
Net Position		
Invested in Capital Assets	237,046	223,651
Restricted	25,569	25,569
Unrestricted	1,129,016	1,301,539
Total Net Position	1,391,631	1,550,759

Accounts payable were increased to \$43,823 for June 30, 2014 from \$20,046 as of June 30, 2013. Deferred Revenue of \$38,410 and \$33,410 as of June 30, 2014 and 2013, 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, 2014. As of June 30, 2014 the School District, exclusive of the component unit, had total net position of \$72,395,938 compared to \$74,544,547 for 2013. Net position decreased \$2,148,609 and increased \$416,460 for the years ending June 30, 2014 and 2013, respectively. Disposition of assets reflects the book value, net of accumulated depreciation, of vacated school buildings transferred to the Village of Columbus in exchange for future use of untreated water for irrigation.

Governmental Activities	June 30, 2013	June 30, 2014
Total Government Activities Expense	\$ 54,771,711	\$ 57,482,278
Charges For Services Revenue	790,499	730,145
Operating Grants and Contributions Revenue	15,758,056	15,181,413
Grants and Contributions Revenue	289,289	547,487
Net (Expenses) Revenues and Changes in Net Position	\$ (37,933,867)	\$ (41,023,233)
General Revenues		
Taxes –general, debt service	\$ 4,089,501	\$ 4,530,960
State aid	34,069,124	34,874,690
Investment earnings	48,157	32,005
Recoveries and refunds	143,545	10,282
Gain on disposition of assets	-	(507,223)
Total General Revenues & Special Item	\$ 38,350,327	\$ 38,940,714
Changes in Net Position	\$ 416,460	\$ (2,082,519)
Net Position beginning	74,128,087	74,478,457
Net Position – ending	\$ 74,544,547	\$ 72,395,938

The component unit net position increased by \$176,810 and \$159,128 for the years ending June 30, 2013 and 2014, respectively.

Component Unit Activities	June 30, 2013	June 30, 2014
Total Government Activities Expense	1,275,917	1,583,792
Net (Expenses) Revenues and Changes in Net Position	(1,275,917)	(1,583,792)
General Revenues		
State aid	1,421,418	1,462,790
Recoveries & Refunds	27,517	275,844
Miscellaneous	3,792	4,286
Total General Revenues & Special Item	1,452,727	1,742,920
Changes in Net Assets	176,810	159,128
Net Assets beginning	1,214,821	1,391,631
Net Assets – ending	1,391,631	1,550,759

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 \$55,025,779, and \$65,202,853 for fiscal years 2013 and 2014 respectively. FY 2014 revenue includes \$9,500,000 proceeds from General obligation Bonds. Total expenditures for the School District were \$55,368,884 and \$59,512,842 for fiscal years 2013 and 2014 respectively. The total ending fund balance was \$18,810,169 and \$24,500,180 for fiscal years 2013 and 2014, respectively, an increase of \$5,690,011.

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 and 2014 increased revenue without increasing expenses while construction expenses in subsequent years increased expenses.

Year	Total Revenues *	Increase %	Total Expenditures*	Increase %
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%
2013/14	\$65,202,853	18%	\$59,512,842	7%

* 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 2014, the General Fund, Title I, State Funds, SB-9, State Grants, Bond Building, and Other Funds. The June 30, 2013 report major funds were General Fund, Cafeteria, Title I, SB-9, State Grants, Education Technology, 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 2014						
	FY-13		FY-14		Increase (Decrease)	
General Fund	38,685,522	70%	39,898,097	72%	1,212,575	3%
Debt Service	2,860,116	5%	2,884,698	5%	24,582	1%
All Other	13,823,246	25%	16,730,047	30%	2,906,801	21%
Total	55,368,884	100%	59,512,842	100%	4,143,958	7%

The increase in All Other funds is due to increased expenditures for maintenance and capital outlay. The General Fund increased 3% from fiscal year 2013 to 2014. 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 more than 60% of the School District's revenue for fiscal years 2013 and 2014, exclusive of General Obligation Bonds. 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 2013 and 2014.

General Fund Expenditures by Functions							
Function	FY 2013		FY 2014		Increase (Decrease)		
Instruction	22,072,728	57%	22,768,683	57%	695,955	3%	57%
Pupil & Instructional Support	6,219,260	16%	7,035,422	18%	816,162	13%	67%
Maintenance & Operations	5,579,780	14%	5,600,436	14%	20,656	0%	2%
Transportation	2,176,328	6%	2,300,550	6%	124,222	6%	10%
Administration & Business	2,637,426	7%	2,193,006	5%	(444,420)	-17%	-37%
Total	38,685,522	100%	39,898,097	100%	1,212,575	3%	100%

The percentage of the General Fund spent on the instruction function remained at 57% for fiscal year 2014. Pupil & Instructional Support increased for fiscal year 2014 \$816,162 for 18% of the General Fund and includes expenditures for school building administration, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs. Maintenance and Operations remained 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 \$124,222 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 decreased \$444,420 to 5% of the total General Fund for fiscal year 2014.

Capital Assets

In the fiscal year ending June 30, 2014 the Statement of Revenues, Expenditures and Changes in Fund Balances shows the School District expended \$2,493,014 for capital outlay. This is up from \$1,195,640 for the previous fiscal year and reflects building renovations, additions, land purchase and land improvements.

The following table presents the capital assets from the Statement of Net Assets along with the changes. The increases in Land and Improvement are due to purchase of land for a new 6th grade school, installation of stadium bleachers, and parking lots at school buildings. Building and improvements is offset by the transfer of buildings to the Village of Columbus. Furniture and equipment decrease is due to disposal of out dated computer equipment.

Capital assets:	FY 2013	FY 2014	Changes	
Land and improvements	\$ 8,699,344	\$ 9,175,396	\$ 476,052	5%
Building and improvements	95,048,111	94,895,404	(152,707)	0%
Furniture and equipment	8,490,488	8,045,977	(444,511)	-5%
Construction in progress	67,305	-	(67,305)	
Less: Accumulated depreciation	(43,318,579)	(44,195,543)	(876,964)	2%
Total capital assets, net of depreciation	\$ 68,986,669	\$ 67,921,234	\$ (1,065,435)	-2%

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, 2014.

Deming Public Schools General Obligation Bonds			
Projected Principal and Interest Payments			
Fiscal YR	Principal Payment	Interest Payment	Total Payments
2015	1,450,000	463,032	1,913,032
2016	2,600,000	482,350	3,082,350
2017	2,100,000	411,100	2,511,100
2018	1,900,000	344,975	2,244,975
2019	1,900,000	278,525	2,178,525
2020	1,650,000	215,063	1,865,063
2021	1,000,000	169,875	1,169,875
2022	650,000	147,063	797,063
2023	700,000	131,875	831,875
2024	600,000	117,250	717,250
2025	750,000	102,063	852,063
2026	850,000	84,063	934,063
2027	1,000,000	62,750	1,062,750
2028	1,000,000	38,500	1,038,500
2029	1,000,000	13,000	1,013,000
Total	\$ 12,600,000	\$ 2,364,919	\$ 14,964,919

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-04	2,977.23	-	2,977.23	
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%
FY-14	3,817.55	-	3,817.55	4%

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 the unit value has remained below FY-09 value of 3,862.79. Unit value for FY-15 increased to \$4,005.75 exceeding the FY-

09 amount.

Contacting the Deming Public School District

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

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

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

Deming Public Schools
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities	Component Unit
Assets		
Cash and cash equivalents	\$ 24,373,126	\$ 1,169,924
Property taxes receivable	473,500	
Due from other governments	3,401,196	234,417
Interest receivable	65	
Inventory	286,468	
Notes receivable	2,952	
Capital assets:		
Construction in progress	67,305	
Land and improvements	9,175,396	
Buildings and improvements	94,895,404	
Equipment	8,045,977	320,478
Less accumulated depreciation	(44,195,543)	(96,827)
Total capital assets, net of depreciation	\$ 67,988,539	\$ 223,651
Total assets	\$ 96,525,846	\$ 1,627,992
Liabilities		
Cash overdraft	\$ 2,173,523	\$ -
Accounts payable	724,055	43,823
Long-term liabilities:		
Portion due or payable within one year:		
Bonds payable	2,715,000	
Accrued interest payable	163,312	
Portion due or payable after one year:		
Bonds payable	17,700,000	
Bonds premiums	103,431	
Compensated absences	395,413	
Total liabilities	\$ 23,974,734	\$ 43,823
Deferred Inflows of Resources		
Unavailable revenue	\$ 155,174	\$ 33,410
Total deferred inflows of resources	\$ 155,174	\$ 33,410
Net Position		
Net investment in capital assets	\$ 57,420,624	\$ 223,651
Restricted for:		
Capital projects	2,257,960	21,298
Debt service	3,431,273	
Other purposes	6,973,890	4,271
Unrestricted	2,312,191	1,301,539
Total net position	\$ 72,395,938	\$ 1,550,759

The accompanying notes are an integral part of these financial statements

Deming Public Schools
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Governmental activities:		
Instruction	\$ 30,550,300	\$ 446,747
Support services - Students	4,981,923	
Support services - Instruction	1,425,332	
General administration	1,494,697	254,167
School administration	2,746,144	
Central services	1,322,594	
Operation of plant	8,145,550	12,133
Food services	3,785,800	17,098
Transportation	2,513,154	
Other support services	64,013	
Interest on long-term debt	452,771	
	<u>\$ 57,482,278</u>	<u>\$ 730,145</u>

General revenues:

Property taxes:

- Levied for general purposes
- Levied for debt service
- Levied for capital improvements

State aid - formula grants
Loss on disposition of assets

Recoveries and refunds
Unrestricted investment earnings

Total general revenues and special items

Change in net position

Net position, beginning of year, as originally stated

Restatement

Net position, beginning of year, as restated

Change in net position

Net position - end of year, as restated

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
\$ 6,415,346	\$ -	\$ (23,688,207)	\$ (740,297)
1,212,386		(3,769,537)	(112,293)
282,711		(1,142,621)	
307,943		(932,587)	(63,407)
182,511		(2,563,633)	(331,134)
65,742		(1,256,852)	(101,783)
596,123	547,487	(6,989,807)	(132,254)
3,846,267		77,565	
2,272,384		(240,770)	
		(64,013)	(102,624)
		(452,771)	
<u>\$ 15,181,413</u>	<u>\$ 547,487</u>	<u>\$ (41,023,233)</u>	<u>\$ (1,583,792)</u>
		\$ 265,599	\$ -
		3,187,024	
		1,078,337	
		34,874,690	1,462,790
		(507,223)	
		10,282	275,844
		32,005	4,286
		<u>\$ 38,940,714</u>	<u>\$ 1,742,920</u>
		<u>\$ (2,082,519)</u>	<u>\$ 159,128</u>
		\$ 74,544,547	\$ 1,391,631
		(66,090)	-
		\$ 74,478,457	\$ 1,391,631
		(2,082,519)	159,128
		<u>\$ 72,395,938</u>	<u>\$ 1,550,759</u>

Deming Public Schools
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund	Title I	State Grants
Assets			
Cash and investments	\$ 2,844,052	\$ -	\$ -
Property taxes receivable	18,422		
Interest receivable	64		
Notes receivable	2,952		
Inventory	197,730		
Due from other governments		1,015,482	825,548
Interfund receivable	161,300	780	1,136
	<u>\$ 3,224,520</u>	<u>\$ 1,016,262</u>	<u>\$ 826,684</u>
Total assets	\$ 3,224,520	\$ 1,016,262	\$ 826,684
Liabilities			
Cash overdraft	\$ -	\$ 841,702	\$ 37,943
Accounts payable	407,921	13,260	
Interfund payable	5,564	161,300	39,524
	<u>\$ 413,485</u>	<u>\$ 1,016,262</u>	<u>\$ 77,467</u>
Total liabilities	\$ 413,485	\$ 1,016,262	\$ 77,467
Deferred Inflows of Resources			
Unavailable revenue	\$ 16,131	\$ -	\$ 596,664
	<u>\$ 16,131</u>	<u>\$ -</u>	<u>\$ 596,664</u>
Total deferred inflows of resources	\$ 16,131	\$ -	\$ 596,664
Fund balance:			
Nonspendable:			
Inventories	\$ 197,730	\$ -	\$ -
Restricted for:			
Education			152,553
Food service			
Social services			
Capital projects			
Debt service			
Unassigned	2,597,174		
	<u>\$ 2,794,904</u>	<u>\$ -</u>	<u>\$ 152,553</u>
Total fund balances	\$ 2,794,904	\$ -	\$ 152,553
Total liabilities, deferred inflows of resources and fund balances	\$ 3,224,520	\$ 1,016,262	\$ 826,684

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

<u>SB-9</u>	<u>Bond Building</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 3,642,959 65,318	\$ 10,153,612 1	\$ 7,732,503 389,760	\$ 24,373,126 473,500 65 2,952
39,524		88,738 1,560,166 119,543	286,468 3,401,196 322,283
<u>\$ 3,747,801</u>	<u>\$ 10,153,613</u>	<u>\$ 9,890,710</u>	<u>\$ 28,859,590</u>
\$ - 7,755	\$ - 94,687	\$ 1,293,878 200,432 115,895	\$ 2,173,523 724,055 322,283
<u>\$ 7,755</u>	<u>\$ 94,687</u>	<u>\$ 1,610,205</u>	<u>\$ 3,219,861</u>
<u>\$ 43,940</u>	<u>\$ -</u>	<u>\$ 482,814</u>	<u>\$ 1,139,549</u>
<u>\$ 43,940</u>	<u>\$ -</u>	<u>\$ 482,814</u>	<u>\$ 1,139,549</u>
\$ - 3,696,106	\$ - 10,058,926	\$ 88,738 (830) 2,363,833 32,886 2,046,119 3,266,945	\$ 286,468 3,847,829 2,363,833 32,886 12,105,045 3,266,945 2,597,174
<u>\$ 3,696,106</u>	<u>\$ 10,058,926</u>	<u>\$ 7,797,691</u>	<u>\$ 24,500,180</u>
<u>\$ 3,747,801</u>	<u>\$ 10,153,613</u>	<u>\$ 9,890,710</u>	<u>\$ 28,859,590</u>

Deming Public Schools
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**
 June 30, 2014

Total governmental fund balances	\$	24,500,180
 <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.		67,988,539
Bond premiums are capitalized and amortized over the life of the bonds		(103,431)
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		384,786
Miscellaneous receivables subject to the 60 day availability period		2,925
Intergovernmental receivables subject to the 60 day availability period		596,664
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		(20,415,000)
Accrued interest payable		(163,312)
Compensated absences payable		(395,413)
		(20,973,725)
<i>Net Position of Governmental Activities</i>	\$	72,395,938

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, 2014

	General Fund	Title I	State Grants	SB-9
Revenues:				
Property taxes	\$ 258,798	\$ -	\$ -	\$ 1,051,340
Fees and charges	437,630			
State aid	37,488,936		1,161,380	539,446
Federal aid	224,911	4,433,474		
Earnings on investments	4,081		941	14,499
Miscellaneous	11,421		351,500	
Total revenues	\$ 38,425,777	\$ 4,433,474	\$ 1,513,821	\$ 1,605,285
Expenditures:				
Current:				
Instruction	\$ 22,768,683	\$ 3,428,347	\$ 976,092	\$ -
Support service - Students	3,503,868	424,917	42,235	
Support services - Instruction	1,082,943	142,905	75,806	
General administration	1,055,511	226,189	1,100	10,578
School administration	2,384,598	141,891	40,620	
Central services	1,137,495	65,742		
Operation of plant	5,600,436	371	319,358	1,372,178
Food service			41,433	
Transportation	2,300,550	3,112		
Other support services	64,013			
Debt service:				
Principal				
Interest				
Bond issue costs				
Capital outlay			291,713	1,110,946
Total expenditures	\$ 39,898,097	\$ 4,433,474	\$ 1,788,357	\$ 2,493,702
Revenues over (under) expenditures	\$ (1,472,320)	\$ -	\$ (274,536)	\$ (888,417)
Other financing sources (uses):				
Debt proceeds				
Transfer out				
Transfer in				
Net change in fund balances	\$ (1,472,320)	\$ -	\$ (274,536)	\$ (888,417)
Fund balance, July 1, 2013	4,267,224		427,089	4,584,523
Fund balance, June 30, 2014	<u>\$ 2,794,904</u>	<u>\$ -</u>	<u>\$ 152,553</u>	<u>\$ 3,696,106</u>

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

Bond Building	Other Funds	Total Governmental Funds
\$ -	\$ 3,099,112	\$ 4,409,250
	67,604	505,234
	8,041	39,197,803
	6,433,416	11,091,801
6,706	5,778	32,005
	103,839	466,760
<u>\$ 6,706</u>	<u>\$ 9,717,790</u>	<u>\$ 55,702,853</u>
\$ -	\$ 1,790,549	\$ 28,963,671
	772,189	4,743,209
	64,000	1,365,654
	111,801	1,405,179
		2,567,109
		1,203,237
	524,976	7,817,319
	3,595,171	3,636,604
	617	2,304,279
		64,013
	2,480,000	2,480,000
	404,698	404,698
64,856		64,856
<u>1,082,314</u>	<u>8,041</u>	<u>2,493,014</u>
<u>\$ 1,147,170</u>	<u>\$ 9,752,042</u>	<u>\$ 59,512,842</u>
\$ (1,140,464)	\$ (34,252)	\$ (3,809,989)
9,500,000		9,500,000
		-
		-
<u>\$ 8,359,536</u>	<u>\$ (34,252)</u>	<u>\$ 5,690,011</u>
<u>1,699,390</u>	<u>7,831,943</u>	<u>18,810,169</u>
<u><u>\$ 10,058,926</u></u>	<u><u>\$ 7,797,691</u></u>	<u><u>\$ 24,500,180</u></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, 2014

Net change in fund balances- total governmental funds	\$ 5,690,011
<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	2,493,014
Depreciation expense	(2,983,921)
Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities	(9,500,000)
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	121,710
Miscellaneous receivables subject to the 60 day availability period	(1,132)
Intergovernmental grants subject to the 60 day availability period	187,397
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	2,480,000
Bond premiums are expenditures in the funds but are capitalized and amortized in the Statement of Activities:	
Bond premiums	(103,839)
Amortization	408
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.	(507,223)
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.	16,368
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.	24,688
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ (2,082,519)</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 299,260	\$ 299,260	\$ 283,115	\$ (16,145)
State sources	37,168,950	37,699,875	37,224,026	(475,849)
Local sources	655,103	655,103	708,805	53,702
Earnings on investments	8,475	8,475	4,079	(4,396)
 Total revenues	 \$ 38,131,788	 \$ 38,662,713	 \$ 38,220,025	 \$ (442,688)
 Expenditures:				
Current:				
Instruction	\$ 23,564,713	\$ 23,812,617	\$ 22,840,655	\$ 971,962
Support services - Students	3,606,599	3,606,599	3,527,516	79,083
Support services - Instruction	515,508	1,137,008	1,079,633	57,375
General administration	985,347	1,152,347	1,051,452	100,895
School administration	2,522,099	2,522,099	2,388,609	133,490
Central services	2,242,958	2,242,958	1,130,285	1,112,673
Operation of plant	5,659,193	5,659,193	5,183,913	475,280
Transportation	2,028,785	2,311,806	2,288,501	23,305
Other support services	92,117	92,117	51,108	41,009
Capital outlay	15,617	15,617	1,838	13,779
 Total expenditures	 \$ 41,232,936	 \$ 42,552,361	 \$ 39,543,510	 \$ 3,008,851
 Revenues over (under) expenditures	 \$ (3,101,148)	 \$ (3,889,648)	 \$ (1,323,485)	 \$ 2,566,163
 Other financing sources (uses):				
Transfers in	-	-	-	-
 Net change in fund balance	 \$ (3,101,148)	 \$ (3,889,648)	 \$ (1,323,485)	 \$ 2,566,163
Fund balance, July 1, 2013	3,101,148	3,889,648	4,328,837	439,189
Fund balance, June 30, 2014	\$ -	\$ -	\$ 3,005,352	\$ 3,005,352
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1,472,320)	
Revenue accruals (net)			(205,752)	
Expenditure accruals (net)			354,587	
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,323,485)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 6,112,529	\$ 4,097,584	\$ (2,014,945)
Expenditures:				
Current:				
Instruction	\$ -	\$ 4,227,500	\$ 3,415,177	\$ 812,323
Support services - Students		1,008,000	424,917	583,083
Support services - Instruction		165,044	142,905	22,139
General administration		312,010	226,189	85,821
School administration		162,000	141,891	20,109
Central services		219,952	65,742	154,210
Operation of plant		15,000	371	14,629
Transportation		3,023	3,022	1
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 6,112,529</u>	<u>\$ 4,420,214</u>	<u>\$ 1,692,315</u>
Net change in fund balance	\$ -	\$ -	\$ (322,630)	\$ (322,630)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(680,372)</u>	<u>(680,372)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,003,002)</u></u>	<u><u>\$ (1,003,002)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(335,890)	
Expenditure accruals (net)			<u>13,260</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (322,630)</u></u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 311,527	\$ 1,818,012	\$ 1,209,865	\$ (608,147)
Local sources	781,191	781,191	351,500	(429,691)
Earnings on investments			941	941
	\$ 1,092,718	\$ 2,599,203	\$ 1,562,306	\$ (1,036,897)
Expenditures:				
Current:				
Instruction	\$ 395,367	\$ 1,458,903	\$ 976,092	\$ 482,811
Support services - Students	66,535	77,531	42,235	35,296
Support services - Instruction	60,971	108,306	75,806	32,500
General administration		2,297	1,100	1,197
School administration	2,297	43,100	40,620	2,480
Operational plant maintenance	567,548	573,648	319,357	254,291
Food service		43,704	41,433	2,271
Capital outlay		291,714	291,714	-
	\$ 1,092,718	\$ 2,599,203	\$ 1,788,357	\$ 810,846
Net change in fund balance	\$ -	\$ -	\$ (226,051)	\$ (226,051)
Fund balance, July 1, 2013	-	-	188,108	188,108
Fund balance, June 30, 2014	\$ -	\$ -	\$ (37,943)	\$ (37,943)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (274,536)	
Revenue accruals (net)			48,485	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (226,051)	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 1,040,545	\$ 1,040,545	\$ 1,057,762	\$ 17,217
State sources	907,437	907,437	539,446	(367,991)
Earnings on investments	20,077	20,077	12,071	(8,006)
Total revenues	\$ 1,968,059	\$ 1,968,059	\$ 1,609,279	\$ (358,780)
Expenditures:				
Current:				
General administration	\$ 15,608	\$ 15,608	\$ 10,578	\$ 5,030
Operational plant maintenance	2,162,522	2,162,522	1,412,063	750,459
Capital outlay	4,688,383	4,688,383	1,093,168	3,595,215
Total expenditures	\$ 6,866,513	\$ 6,866,513	\$ 2,515,809	\$ 4,350,704
Net change in fund balance	\$ (4,898,454)	\$ (4,898,454)	\$ (906,530)	\$ 3,991,924
Fund balance, July 1, 2013	4,898,454	4,898,454	4,547,061	(351,393)
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,640,531</u>	<u>\$ 3,640,531</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (888,417)	
Revenue accruals (net)			3,994	
Expenditure accruals (net)			(22,107)	
Other financing uses (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (906,530)</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, 2014

	Primary Government Agency	Component Unit Agency
Assets		
Cash and investments	\$ 132,460	\$ 2,612
Total assets	\$ 132,460	\$ 2,612
 Liabilities		
Deposits held for others	\$ 132,460	\$ 2,612
Total liabilities	\$ 132,460	\$ 2,612

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, 2014

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.

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

Bond Building – to account for the expenditures of bond proceeds for school improvements, and 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, deferred outflows of resources, liabilities and deferred inflows of resources 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. 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, deferred outflows of resources, liabilities and deferred inflows of resources (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 recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met and reported as deferred outflows of resources by the provider and deferred inflows of resources by the recipient. Grant revenues not collected within 60 days of year end are recorded as receivables and deferred inflows of resources. Such amounts are recorded net of estimated uncollectible amounts.

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 inflows of resources 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 require, 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. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will not be recognized as an outflow or resource (expenses/expenditures) until then. The Government had no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Financial Position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Government has four types of items, one of which arises under the full accrual basis of accounting and all of which arise under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue, has reported in both the statement of net position and the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The Government reports unavailable revenue from the following sources:

<u>Governmental Funds Balance Sheet</u>						
	Statement of net <u>Position</u>	General <u>Fund</u>	State <u>Funds</u>	SB-9 <u>Fund</u>	Other <u>Funds</u>	<u>Total</u>
Advances received under expenditure driven grants	\$155,174	\$ -0-	\$ -0-	\$ -0-	\$155,174	\$ 155,174
Property taxes		13,206		43,940	327,640	384,786
Long-term notes Receivable		2,925				2,925
Grant revenues	<u>-0-</u>	<u>-0-</u>	<u>596,664</u>	<u>-0-</u>	<u>-0-</u>	<u>596,664</u>
Total	<u>\$155,174</u>	<u>\$ 16,131</u>	<u>\$596,664</u>	<u>\$ 43,940</u>	<u>\$482,814</u>	<u>\$ 1,139,549</u>

K. 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).

L. 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, 2014 was \$4.93 per \$1,000 for non-residential property and \$4.92 for residential property. The District's tax rate for debt service was \$3.378 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 \$2.533 for both residential and non-residential.

M. 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.

N. 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, 2014 \$8,062,130 of the government bank balance of \$27,362,627 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 8,062,130</u>
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The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer, with the advice and consent of the State Board of Finance, is authorized to invest money held in the short-term investment fund in accordance with Section 6-10-10I through 6-10-10P and Sections 6-10-10.1 A and E, NMSA 1978. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

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

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

Participation in the pool is voluntary. The District had \$708,057 on deposit in the pool at June 30, 2014, which is AAAM rated with a weighted average maturity of 48.6 days.

Note 3 Investments

At June 30, 2014, 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	\$ 1,552,416	\$ 1,552,416	N/A
Certificates of Deposit	<u>500,000</u>	<u>500,000</u>	N/A
Total investments	<u>\$ 2,052,416</u>	<u>\$ 2,052,416</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 76% invested in U.S. Government securities, and 24% in certificates of deposit.

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

Note 4 Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 2,357,388	\$ 278,683	\$ 238	\$ 2,635,833
Construction in progress	<u>67,305</u>	<u> </u>	<u> </u>	<u>67,305</u>
Total assets not being depreciated	<u>\$ 2,424,693</u>	<u>\$ 278,683</u>	<u>\$ 238</u>	<u>\$ 2,703,138</u>
Other capital assets:				
Buildings/improvements	\$ 95,048,111	\$ 1,467,106	\$ 1,619,813	\$ 94,895,404
Land improvements	6,341,956	197,607		6,539,563
Furniture and equipment	<u>8,490,488</u>	<u>549,618</u>	<u>994,129</u>	<u>8,045,977</u>

Total other capital assets at historical cost	<u>\$109,880,555</u>	<u>\$ 2,214,331</u>	<u>\$ 2,613,942</u>	<u>\$ 109,480,944</u>
Less accumulated depreciation for:				
Buildings/improvements	\$ (33,887,972)	\$ (2,371,001)	\$ 1,112,828	\$ (35,146,145)
Land improvements	(1,968,218)	(269,270)	-0-	(2,237,488)
Furniture and equipment	<u>(7,462,389)</u>	<u>(343,650)</u>	<u>994,129</u>	<u>(6,811,910)</u>
Total accumulated depreciation	<u>\$ (43,318,579)</u>	<u>\$ (2,983,921)</u>	<u>\$ (2,106,957)</u>	<u>\$ (44,195,543)</u>
Other capital assets, net	<u>\$ 66,561,976</u>	<u>\$ (769,590)</u>	<u>\$ (506,985)</u>	<u>\$ 65,285,401</u>
Total capital assets, net	<u>\$ 68,986,669</u>	<u>\$ (490,907)</u>	<u>\$ (507,223)</u>	<u>\$ 67,988,539</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 1,611,317
Support Services – Students	238,714
Support Services – Instruction	59,678
General Administration	89,518
School Administration	179,035
Central Services	119,357
Operation of plant	328,231
Food Services	149,196
Transportation	<u>208,875</u>
	<u>\$ 2,983,921</u>

The District has future construction commitments of approximately \$100,000, for projects underway at June 30, 2014. A substantial amount of this construction will be funded by the Public Schools Facilities Authority.

Note 5 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2014:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletion</u>	Balance <u>June 30, 2014</u>	Due In <u>One Year</u>
G.O. Bonds, series 2014	\$ -0-	\$9,500,000	\$	\$ 9,500,000	\$ -0-
G.O. Bonds, series 2003	2,050,000	-0-	750,000	1,300,000	700,000
Compensated absences payable	420,101	224,247	248,934	395,414	-0-
G.O. Bonds, series 2006	3,800,000	-0-	400,000	3,400,000	400,000
G.O. Bonds, series 2007	5,200,000	-0-	250,000	4,950,000	350,000
Ed Tech Certificate	<u>2,345,000</u>	<u> </u>	<u>1,080,000</u>	<u>1,265,000</u>	<u>1,265,000</u>
	<u>\$13,815,101</u>	<u>\$9,724,247</u>	<u>\$ 2,728,934</u>	<u>\$ 20,810,414</u>	<u>\$ 2,715,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
2015	\$ 2,715,000	\$ 472,518
2016	2,600,000	482,350
2017	2,100,000	411,100
2018	1,900,000	344,975
2019	1,900,000	278,525
2020-2024	4,600,000	781,125
2025-2029	<u>4,600,000</u>	<u>300,375</u>
	<u>\$ 20,415,000</u>	<u>\$ 3,070,968</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 \$1,274,487 at June 30, 2014, 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, 2014, the District recognized \$1,316,706 in property taxes pledged to retire the debt, and retired \$1,108,248 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.

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.

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.

During the year ended June 30, 2014, the District issued \$9,500,000 in general obligation bonds with interest rates ranging from 2.00% to 2.60% for the purpose of erecting, remodeling, making additions to and furnishing school buildings, or purchasing and improving school grounds. Principal payments are due August 1st of each year. Interest payments are due on August 1st and February 1st of each year. The bonds mature August 1, 2028. The bonds and bond interest for all bond issues are paid from property taxes levied for the repayment of the bonds. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and will be retired through property tax levies.

The bonds and bond interest are paid from property tax levies enacted specifically for the debt retirement. The revenues pledged totaled \$22,211,481 at June 30, 2014, 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 2.00% to 5% for individually scheduled retirements, and maturity dates range from 2015 through 2029. The property tax levies expire when the related bond indebtedness is repaid.

During the year ended June 30, 2014, the District recognized \$1,782,406 in property taxes pledged to retire the bonded indebtedness, and retired \$1,776,451 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: 10.10% 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 2014, the Deming Public Schools were required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.10% 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: 13.9% 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, 2014, 2013, and 2012, were \$6,225,914, \$5,471,646, and \$5,587,272, 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, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; and each participating employee was required to contribute 1% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the Legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the Authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Deming Public Schools contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$545,131, \$549,154, and \$507,781, 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.

During the year ending June 30, 2015, the District will be required to report a material liability for pension plan participation, due to the adoption of new reporting standards. Currently, the amount is not estimable.

Note 10 Deficit Fund Balance

The District had the following deficit fund balances at June 30, 2014. 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.

Athletics \$ (830)

Note 11 Inter-fund Activity

Inter-fund balances at June 30, 2014, consisted of the following:

	Inter-fund Payable				
	<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				-0-	-0-
General			161,300		161,300
SB-9	39,524				39,524
State Grants				1,136	1,136
Other Funds	<u> </u>	<u>5,564</u>	<u> </u>	<u>113,979</u>	<u>119,543</u>
	<u>\$ 39,524</u>	<u>\$ 5,564</u>	<u>\$ 161,300</u>	<u>\$ 115,895</u>	<u>\$ 322,283</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, 2014, there were no transfers between funds.

Note 12 Restricted Net Position

At June 30, 2014, net position restricted for other purposes included the following balances in special revenue funds:

SB-9	\$3,740,046
Cafeteria	2,447,492
State Grants	749,217
Medicaid	32,886
Athletics	(830)
Fresh Fruits	<u>5,079</u>
	<u>\$6,973,890</u>

The District reports \$12,663,123 in restricted net position, of which \$12,663,123 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, 2014:

Land	\$ 5,000
Buildings	<u>683,183</u>
	\$ 688,183
Less accumulated depreciation	<u>(679,696)</u>
Net position	<u>\$ 8,487</u>

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

The District received \$96,000 in rent from its component unit during the year ended June 30, 2014.

Note 14 Evaluation of Subsequent Events

The District has evaluated subsequent events through November 3,, 2014, the date which the financial statements were available to be issued.

Note 15 Restatement

During the fiscal year ended June 30, 2014, the District adopted GASBS No. 65, which created additional net position and balance sheet categories as explained in Note 1.

As a part of this statement, costs associated with the sale of bonds or loan acquisition are no longer capitalized, but are expensed as incurred. This results in the District being required to restate its government-wide net position at July 1, 2013, by the amount of previously capitalized bond costs.

Unamortized bond issue costs, June 30, 2013	<u>\$ 66,090</u>
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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. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Financial Position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will not be recognized as an outflow or resource (expenses/expenditures) until then. The Government had no items that qualify for reporting in this category

In addition to liabilities, the Statement of Financial Position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Government has only one type of item, which arises under both the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is resorted in both the statement of net position and the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Government reports unavailable revenue from the following sources:

21st Century Fund

Advances received under expenditure driven grants	\$	33,410
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K. 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, 2014 \$0.00 of the School's bank balance of \$1,229,575 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	979,575	922,536
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 1,229,575</u>	<u>\$ 1,172,536</u>

Note C Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</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	\$ (57,497)	\$ (9,953)	\$ -0-	\$ 67,450
Leasehold improvements	<u>(25,935)</u>	<u>(3,442)</u>	<u>-0-</u>	<u>29,377</u>
Total accumulated depreciation	<u>\$ (83,432)</u>	<u>\$ (13,395)</u>	<u>\$ -0-</u>	<u>\$ (96,827)</u>
Total capital assets, net	<u>\$ 237,046</u>	<u>\$ (13,395)</u>	<u>\$ -0-</u>	<u>\$ 223,651</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ <u>13,395</u>
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Note D Retirement Plan

Plan Description

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

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

Funding Policy

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.1% 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 2014, the Cesar Chavez High School Charter School was required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.15% 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: 13.9% 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, 2014, 2013, and 2012, were \$185,779, \$141,456, and \$105,172, 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, 2014, the statute required each participating employer to contribute 2% of each participating employee's annual salary; and each participating employee was required to contribute 1% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the Authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Cesar Chavez High School Charter School contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$16,638, \$14,533 and \$15,510, 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, 2014, assets restricted for other purposes were the following Special Revenue Funds:

Teacher Mentoring	<u>\$ 4,271</u>
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The School reports \$25,569 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, 2014.

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

The Charter School paid \$96,000 in rent to Deming Public Schools during the year ended June 30, 2014.

Note K Inter-fund Activity

Inter-fund balances at June 30, 2014, 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>\$ 2,089</u>	<u>\$ 124,290</u>	<u>\$ 108,038</u>	<u>\$ 234,417</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 3,, 2014, 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	\$ 7,693
Title I School Improvement – Instruction	55,037
General Fund Instructional Materials	14,031

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, instructional materials, 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 improving students achievement for the development of educational programs based on reliable research and effective practices. (P.L. 105-78).

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

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

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

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

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, 2014

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	Competitive
Assets				
Cash and investments	\$ 2,320,261	\$ -	\$ -	\$ -
Inventory	88,738			
Property taxes receivable				
Interfund receivable	8,967		31	
Due from other governments	228,496		161,136	3,564
Total assets	<u>\$ 2,646,462</u>	<u>\$ -</u>	<u>\$ 161,167</u>	<u>\$ 3,564</u>
Liabilities				
Cash overdraft	\$ -	\$ -	\$ 154,710	\$ 3,564
Accounts payable	185,308	830	6,457	
Interfund payable	13,662			
Total liabilities	<u>\$ 198,970</u>	<u>\$ 830</u>	<u>\$ 161,167</u>	<u>\$ 3,564</u>
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:				
Nonspendable:				
Inventories	\$ 88,738	\$ -	\$ -	\$ -
Restricted for:				
Education		(830)		
Social services				
Food service	2,358,754			
Capital projects				
Debt service				
Unassigned				
Total fund balances	<u>\$ 2,447,492</u>	<u>\$ (830)</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,646,462</u>	<u>\$ -</u>	<u>\$ 161,167</u>	<u>\$ 3,564</u>

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

Special Revenue Funds

Entitlement	Emergency Response	ROTC	Preschool	Fresh Fruits and Vegetables	Discretionary
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,767 213,281	19,279	20,490	5 5,869	13,662	13,358
<u>\$ 225,048</u>	<u>\$ 19,279</u>	<u>\$ 20,490</u>	<u>\$ 5,874</u>	<u>\$ 13,662</u>	<u>\$ 13,358</u>
\$ 222,029 3,019	\$ 19,279	\$ 20,490	\$ 4,103 1,771	\$ 8,583	\$ 13,358
<u>\$ 225,048</u>	<u>\$ 19,279</u>	<u>\$ 20,490</u>	<u>\$ 5,874</u>	<u>\$ 8,583</u>	<u>\$ 13,358</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	5,079	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,079</u>	<u>\$ -</u>
<u>\$ 225,048</u>	<u>\$ 19,279</u>	<u>\$ 20,490</u>	<u>\$ 5,874</u>	<u>\$ 13,662</u>	<u>\$ 13,358</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2014

	Special Revenue Funds			
	Goals	Education of Homeless	Title II	Emergency Immigrant
Assets				
Cash and investments	\$ 2,843	\$ -	\$ 619	\$ 1,253
Inventory				
Property taxes receivable				
Interfund receivable		7		
Due from other governments		18,093		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,843</u>	<u>\$ 18,100</u>	<u>\$ 619</u>	<u>\$ 1,253</u>
Liabilities				
Cash overdraft	\$ -	\$ 17,651	\$ -	\$ -
Accounts payable		449		
Interfund payable				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ -</u>	<u>\$ 18,100</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources				
Unavailable revenue	\$ 2,843	\$ -	\$ 619	\$ 1,253
Total deferred inflows of resources	<u>\$ 2,843</u>	<u>\$ -</u>	<u>\$ 619</u>	<u>\$ 1,253</u>
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Social services				
Food service				
Capital projects				
Debt service				
Unassigned				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,843</u>	<u>\$ 18,100</u>	<u>\$ 619</u>	<u>\$ 1,253</u>

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

Special Revenue Funds

<u>Technoloty for Education</u>	<u>Title III Incentives</u>	<u>Homeless Stimulus</u>	<u>Innovative Programs</u>	<u>English Language</u>	<u>Child Nutiriton Stimulus</u>
\$ -	\$ -	\$ -	\$ -	\$ 40	\$ 26,244
<u>79,062</u>	<u>6,596</u>	<u>4,819</u>	<u>115</u>	<u>69,750</u>	<u> </u>
<u><u>\$ 79,062</u></u>	<u><u>\$ 6,596</u></u>	<u><u>\$ 4,819</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ 69,790</u></u>	<u><u>\$ 26,244</u></u>
\$ 79,062	\$ 6,596	\$ 4,819	\$ 115	\$ - 1,771 <u>68,019</u>	\$ -
<u>\$ 79,062</u>	<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 115</u>	<u>\$ 69,790</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,244</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,244</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u><u>\$ 79,062</u></u>	<u><u>\$ 6,596</u></u>	<u><u>\$ 4,819</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ 69,790</u></u>	<u><u>\$ 26,244</u></u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2014

	Special Revenue Funds			
	Title I 1003 Grant	School Reform	Reading Excellence	Title I Stimulus
Assets				
Cash and investments	\$ -	\$ -	\$ 2,023	\$ -
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments	<u>114,677</u>	<u>31,309</u>	<u></u>	<u>1,245</u>
Total assets	<u>\$ 114,677</u>	<u>\$ 31,309</u>	<u>\$ 2,023</u>	<u>\$ 1,245</u>
Liabilities				
Cash overdraft	\$ 114,677	\$ 23,044	\$ -	\$ 1,245
Accounts payable				
Interfund payable	<u></u>	<u>8,265</u>	<u></u>	<u></u>
Total liabilities	<u>\$ 114,677</u>	<u>\$ 31,309</u>	<u>\$ -</u>	<u>\$ 1,245</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,023</u>	<u>\$ -</u>
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,023</u>	<u>\$ -</u>
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Social services				
Food service				
Capital projects				
Debt service				
Unassigned	<u></u>	<u></u>	<u></u>	<u></u>
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 114,677</u>	<u>\$ 31,309</u>	<u>\$ 2,023</u>	<u>\$ 1,245</u>

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

Special Revenue Funds

Carl Perkins	Enhancing Education	Teacher Training	Teacher Quality	Idea B Risk Pool	Drug Free
\$ 15,466	\$ 28,806	\$ -	\$ 3	\$ -	\$ 68,132
12		64,952		3	3,134
		179,969		23,684	
<u>\$ 15,478</u>	<u>\$ 28,806</u>	<u>\$ 244,921</u>	<u>\$ 3</u>	<u>\$ 23,687</u>	<u>\$ 71,266</u>
\$ - 827	\$ -	\$ 244,921	\$ -	\$ 23,687	\$ -
<u>\$ 827</u>	<u>\$ -</u>	<u>\$ 244,921</u>	<u>\$ -</u>	<u>\$ 23,687</u>	<u>\$ -</u>
<u>\$ 14,651</u>	<u>\$ 28,806</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 71,266</u>
<u>\$ 14,651</u>	<u>\$ 28,806</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 71,266</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 15,478</u>	<u>\$ 28,806</u>	<u>\$ 244,921</u>	<u>\$ 3</u>	<u>\$ 23,687</u>	<u>\$ 71,266</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2014

	Special Revenue Funds			
	Rural Schools	Reading First	Gear Up	School Improvement
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Inventory				
Property taxes receivable				
Interfund receivable	21			
Due from other governments	23,534	54,503	202,372	51,515
Total assets	\$ 23,555	\$ 54,503	\$ 202,372	\$ 51,515
Liabilities				
Cash overdraft	\$ 23,555	\$ 54,503	\$ 202,372	\$ 51,515
Accounts payable				
Interfund payable				
Total liabilities	\$ 23,555	\$ 54,503	\$ 202,372	\$ 51,515
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education				
Social services				
Food service				
Capital projects				
Debt service				
Unassigned				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,555	\$ 54,503	\$ 202,372	\$ 51,515

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

Special Revenue Funds				Capital Projects Funds
Emergency Food	Immigrant Funding	Child and Adult Food	Medicaid	Ed Tech Equipment
\$ 2,750	\$ 4,716	\$ 6,968	\$ 1,435	\$ 2,046,119
		1,999	31,451	
<u>\$ 2,750</u>	<u>\$ 4,716</u>	<u>\$ 8,967</u>	<u>\$ 32,886</u>	<u>\$ 2,046,119</u>
\$ -	\$ -	\$ -	\$ -	\$ -
		8,967		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,967</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,750	\$ 4,716	\$ -	\$ -	\$ -
<u>\$ 2,750</u>	<u>\$ 4,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
			32,886	
				2,046,119
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,886</u>	<u>\$ 2,046,119</u>
<u>\$ 2,750</u>	<u>\$ 4,716</u>	<u>\$ 8,967</u>	<u>\$ 32,886</u>	<u>\$ 2,046,119</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2014

	Debt Service Funds		Total
	Debt Service	Ed Tech Debt Service	
Assets			
Cash and investments	\$ 1,873,652	\$ 1,331,173	\$ 7,732,503
Inventory			88,738
Property taxes receivable	225,496	164,264	389,760
Interfund receivable	16,982		119,543
Due from other governments			1,560,166
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,116,130</u>	<u>\$ 1,495,437</u>	<u>\$ 9,890,710</u>
Liabilities			
Cash overdraft	\$ -	\$ -	\$ 1,293,878
Accounts payable			200,432
Interfund payable		16,982	115,895
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ -</u>	<u>\$ 16,982</u>	<u>\$ 1,610,205</u>
Deferred Inflows of Resources			
Unavailable revenue	\$ 188,936	\$ 138,704	\$ 482,814
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>\$ 188,936</u>	<u>\$ 138,704</u>	<u>\$ 482,814</u>
Fund balance:			
Nonspendable:			
Inventories	\$ -	\$ -	\$ 88,738
Restricted for:			
Education			(830)
Social services			32,886
Food service			2,363,833
Capital projects			2,046,119
Debt service	1,927,194	1,339,751	3,266,945
Unassigned			-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>\$ 1,927,194</u>	<u>\$ 1,339,751</u>	<u>\$ 7,797,691</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,116,130</u>	<u>\$ 1,495,437</u>	<u>\$ 9,890,710</u>

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

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2014

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	Entitlement
Revenues:				
Fees and charges	\$ 17,098	\$ 50,506	\$ -	\$ -
Property taxes				
State aid				
Federal aid	3,690,472		210,186	947,068
Earnings on investments	4,219			
Miscellaneous				
Total revenues	<u>\$ 3,711,789</u>	<u>\$ 50,506</u>	<u>\$ 210,186</u>	<u>\$ 947,068</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ 63,048	\$ 67,155	\$ 462,632
Support services - Students			134,558	441,422
Support services - Instruction				
General administration			7,242	34,155
School administration				
Central services				
Operation of plant			1,231	8,859
Food services	3,481,072			
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay				
Total expenditures	<u>\$ 3,481,072</u>	<u>\$ 63,048</u>	<u>\$ 210,186</u>	<u>\$ 947,068</u>
Revenues over (under) expenditures	\$ 230,717	\$ (12,542)	\$ -	\$ -
Other financing sources:				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balances	\$ 230,717	\$ (12,542)	\$ -	\$ -
Fund balance, July 1, 2013	<u>2,216,775</u>	<u>11,712</u>		
Fund balance, June 30, 2014	<u>\$ 2,447,492</u>	<u>\$ (830)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Funds

<u>ROTC</u>	<u>Preschool</u>	<u>Fresh Fruits and Vegetables</u>	<u>Education of Homeless</u>	<u>English Language</u>	<u>Title I 1003g Grant</u>	<u>Carl Perkins</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60,098	27,192	112,363	48,489	149,606	150,616	44,069
<u>\$ 60,098</u>	<u>\$ 27,192</u>	<u>\$ 112,363</u>	<u>\$ 48,489</u>	<u>\$ 149,606</u>	<u>\$ 150,616</u>	<u>\$ 44,069</u>
\$ 60,098	\$ 17,502 9,206	\$ -	\$ 9,057 36,365	\$ 146,983	\$ 150,616	\$ 42,493
	484		1,678	2,623		1,576
			772			
		112,100	617			
<u>\$ 60,098</u>	<u>\$ 27,192</u>	<u>\$ 112,100</u>	<u>\$ 48,489</u>	<u>\$ 149,606</u>	<u>\$ 150,616</u>	<u>\$ 44,069</u>
\$ -	\$ -	\$ 263	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 263	\$ -	\$ -	\$ -	\$ -
-	-	4,816	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,079</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, 2014

	Special Revenue Funds			
	Teacher Training	Idea B Risk Pool	Rural Schools	Gear Up
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid	283,997	10,938	97,811	463,031
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 283,997</u>	<u>\$ 10,938</u>	<u>\$ 97,811</u>	<u>\$ 463,031</u>
Expenditures:				
Current:				
Instruction	\$ 257,542	\$ 4,032	\$ 94,312	\$ 396,480
Support services - Students		6,515		
Support services - Instruction				64,000
General administration	26,455	391	3,499	2,551
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay				
Total expenditures	<u>\$ 283,997</u>	<u>\$ 10,938</u>	<u>\$ 97,811</u>	<u>\$ 463,031</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2014	<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 Projects Funds				Capital Projects Funds	
School Improvement	Emergency Food	Child and Adult Food	Medicaid	PSFA	Ed Tech Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,063	1,250	1,999	117,168	8,041	
<u>\$ 17,063</u>	<u>\$ 1,250</u>	<u>\$ 1,999</u>	<u>\$ 117,168</u>	<u>\$ 8,041</u>	<u>\$ -</u>
\$ 17,063	\$ 1,250	\$ -	\$ 286 144,123	\$ -	\$ -
		1,999	207		513,907
				8,041	
<u>\$ 17,063</u>	<u>\$ 1,250</u>	<u>\$ 1,999</u>	<u>\$ 144,616</u>	<u>\$ 8,041</u>	<u>\$ 513,907</u>
\$ -	\$ -	\$ -	\$ (27,448)	\$ -	\$ (513,907)
\$ -	\$ -	\$ -	\$ (27,448)	\$ -	\$ (513,907)
-			60,334		2,560,026
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,886</u>	<u>\$ -</u>	<u>\$ 2,046,119</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, 2014

	Debt Service Funds		Total
	Debt Service	Ed Tech Debt Service	
Revenues:			
Fees and charges	\$ -	\$ -	\$ 67,604
Property taxes	1,782,406	1,316,706	3,099,112
State aid			8,041
Federal aid			6,433,416
Earnings on investments	1,559		5,778
Miscellaneous	103,839		103,839
	<u>1,887,804</u>	<u>1,316,706</u>	<u>9,717,790</u>
Total revenues	\$ 1,887,804	\$ 1,316,706	\$ 9,717,790
Expenditures:			
Current:			
Instruction	\$ -	\$ -	\$ 1,790,549
Support services - Students			772,189
Support services - Instruction			64,000
General administration	17,954	13,193	111,801
School administration			-
Central services			-
Operation of plant			524,976
Food services			3,595,171
Transportation			617
Debt service:			-
Principle	1,400,000	1,080,000	2,480,000
Interest	376,450	28,248	404,698
Capital outlay			8,041
	<u>1,794,404</u>	<u>1,121,441</u>	<u>9,752,042</u>
Total expenditures	\$ 1,794,404	\$ 1,121,441	\$ 9,752,042
Revenues over (under) expenditures	\$ 93,400	\$ 195,265	\$ (322,917)
Other financing sources (uses):			
Debt proceeds			\$ -
Operating transfers in (out)			-
	<u>93,400</u>	<u>195,265</u>	<u>(322,917)</u>
Net change in fund balance	\$ 93,400	\$ 195,265	\$ (34,252)
Fund balance, July 1, 2013	<u>1,833,794</u>	<u>1,144,486</u>	<u>7,831,943</u>
Fund balance, June 30, 2014	<u>\$ 1,927,194</u>	<u>\$ 1,339,751</u>	<u>\$ 7,797,691</u>

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

Deming Public Schools
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2014

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 2,377,055	\$ 8,809	\$ 34,977
Taxes receivable	18,422		
Interest receivable	64		
Inventory	197,730		
Due from other governments			
Notes receivable	2,952		
Interfund receivable	161,300		
	<u>\$ 2,757,523</u>	<u>\$ 8,809</u>	<u>\$ 34,977</u>
Total assets	\$ 2,757,523	\$ 8,809	\$ 34,977
 Liabilities			
Accounts payable	\$ 407,921	\$ -	\$ -
Interfund payable	5,564		
	<u>\$ 413,485</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	\$ 413,485	\$ -	\$ -
 Deferred Inflows of Resources			
Unavailable revenue	\$ 16,131	\$ -	\$ -
	<u>\$ 16,131</u>	<u>\$ -</u>	<u>\$ -</u>
Total deferred inflows of resources	\$ 16,131	\$ -	\$ -
 Fund balance:			
Nonspendable:			
Inventories	\$ 197,730	\$ -	\$ -
Unassigned	2,130,177	8,809	34,977
	<u>\$ 2,327,907</u>	<u>\$ 8,809</u>	<u>\$ 34,977</u>
Total fund balances	\$ 2,327,907	\$ 8,809	\$ 34,977
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,757,523	\$ 8,809	\$ 34,977

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

<u>Non - Instructional Support</u>	<u>Total</u>
\$ 423,211	\$ 2,844,052 18,422 64 197,730 - 2,952 161,300
<u>\$ 423,211</u>	<u>\$ 3,224,520</u>
\$ -	\$ 407,921 5,564
<u>\$ -</u>	<u>\$ 413,485</u>
\$ -	\$ 16,131
<u>\$ -</u>	<u>\$ 16,131</u>
\$ - 423,211	\$ 197,730 2,597,174
<u>\$ 423,211</u>	<u>\$ 2,794,904</u>
<u>\$ 423,211</u>	<u>\$ 3,224,520</u>

Deming Public Schools
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2014

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Revenues:			
Property taxes	\$ 258,798	\$ -	\$ -
Fees and charges	232,528		
State aid	35,139,600	2,269,278	80,058
Federal aid	224,911		
Earnings on investments	3,459		
Miscellaneous	11,421		
	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 35,870,717</u>	<u>\$ 2,269,278</u>	<u>\$ 80,058</u>
Expenditures:			
Current:			
Instruction	\$ 22,247,066	\$ -	\$ 260,578
Support services - Students	3,503,868		
Support services - Instruction	1,082,943		
General administration	1,055,511		
School administration	2,384,598		
Central services	1,137,495		
Operation of plant	5,600,436		
Transportation	31,895	2,268,655	
Other support services	64,013		
Capital outlay			
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 37,107,825</u>	<u>\$ 2,268,655</u>	<u>\$ 260,578</u>
Revenues over (under) expenditures	\$ (1,237,108)	\$ 623	\$ (180,520)
Other financing sources:			
Loan proceeds			
Operating transfers in (out)			
	<hr/>	<hr/>	<hr/>
Net change in fund balances	\$ (1,237,108)	\$ 623	\$ (180,520)
Fund balance, July 1, 2013	<u>3,565,015</u>	<u>8,186</u>	<u>215,497</u>
Fund balance, June 30, 2014	<u>\$ 2,327,907</u>	<u>\$ 8,809</u>	<u>\$ 34,977</u>

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

<u>Non-Instructional Support</u>	<u>Total</u>
\$ -	\$ 258,798
205,102	437,630
	37,488,936
	224,911
622	4,081
	11,421
<u>\$ 205,724</u>	<u>\$ 38,425,777</u>
\$ 261,039	\$ 22,768,683
	3,503,868
	1,082,943
	1,055,511
	2,384,598
	1,137,495
	5,600,436
	2,300,550
	64,013
	-
<u>\$ 261,039</u>	<u>\$ 39,898,097</u>
\$ (55,315)	\$ (1,472,320)
	-
	-
<u>\$ (55,315)</u>	<u>\$ (1,472,320)</u>
478,526	4,267,224
<u>\$ 423,211</u>	<u>\$ 2,794,904</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 299,260	\$ 299,260	\$ 283,115	\$ (16,145)
State sources	34,907,304	35,155,208	34,874,690	(280,518)
Local sources	355,103	355,103	503,703	148,600
Earnings on investments	8,475	8,475	3,457	(5,018)
 Total revenues	 \$ 35,570,142	 \$ 35,818,046	 \$ 35,664,965	 \$ (153,081)
 Expenditures:				
Current:				
Instruction	\$ 22,396,853	\$ 22,644,757	\$ 22,319,038	\$ 325,719
Support services - Students	3,606,599	3,606,599	3,527,516	79,083
Support services - Instruction	515,508	1,137,008	1,079,633	57,375
General administration	985,347	1,152,347	1,051,452	100,895
School administration	2,522,099	2,522,099	2,388,609	133,490
Central services	2,242,958	2,242,958	1,130,285	1,112,673
Operation of plant	5,659,193	5,659,193	5,183,913	475,280
Transportation	43,151	43,151	19,846	23,305
Other support services	92,117	92,117	51,108	41,009
Capital outlay	15,617	15,617	1,838	13,779
 Total expenditures	 \$ 38,079,442	 \$ 39,115,846	 \$ 36,753,238	 \$ 2,362,608
 Revenues over (under) expenditures	 \$ (2,509,300)	 \$ (3,297,800)	 \$ (1,088,273)	 \$ 2,209,527
 Other financing sources (uses):				
Transfers in	-	-	-	-
 Net change in fund balance	 \$ (2,509,300)	 \$ (3,297,800)	 \$ (1,088,273)	 \$ 2,209,527
 Fund balance, July 1, 2013	 2,509,300	 3,297,800	 3,626,628	 328,828
 Fund balance, June 30, 2014	 \$ -	 \$ -	 \$ 2,538,355	 \$ 2,538,355
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1,237,108)	
Revenue accruals (net)			(205,752)	
Expenditure accruals (net)			354,587	
 Net change in fund balance, NON-GAAP budgetary basis			 \$ (1,088,273)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 1,985,634	\$ 2,268,655	\$ 2,269,278	\$ 623
Local sources				-
Earnings on investments				-
 Total revenues	<u>\$ 1,985,634</u>	<u>\$ 2,268,655</u>	<u>\$ 2,269,278</u>	<u>\$ 623</u>
 Expenditures:				
Current:				
Transportation	\$ 1,985,634	\$ 2,268,655	\$ 2,268,655	\$ -
Capital outlay				-
 Total expenditures	<u>\$ 1,985,634</u>	<u>\$ 2,268,655</u>	<u>\$ 2,268,655</u>	<u>\$ -</u>
 Net change in fund balance	\$ -	\$ -	\$ 623	\$ 623
 Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>8,186</u>	<u>8,186</u>
 Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,809</u>	<u>\$ 8,809</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 623	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
 Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 623</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 276,012	\$ 276,012	\$ 80,058	\$ (195,954)
Expenditures:				
Current:				
Instruction	\$ 276,012	\$ 276,012	\$ 260,578	\$ 15,434
Support services - Instruction				-
Total expenditures	<u>\$ 276,012</u>	<u>\$ 276,012</u>	<u>\$ 260,578</u>	<u>\$ 15,434</u>
Net change in fund balance	\$ -	\$ -	\$ (180,520)	\$ (180,520)
Fund balance, July 1, 2013			<u>215,497</u>	<u>215,497</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,977</u>	<u>\$ 34,977</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (180,520)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (180,520)</u>	

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

Deming Public Schools
GENERAL FUND/NON-INSTRUCTIONAL SUPPORT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 300,000	\$ 300,000	\$ 205,102	\$ (94,898)
Earnings on investments			622	622
Total revenues	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 205,724</u>	<u>\$ (94,276)</u>
Expenditures:				
Current:				
Instruction	<u>\$ 891,848</u>	<u>\$ 891,848</u>	<u>\$ 261,039</u>	<u>\$ 630,809</u>
Net change in fund balance	\$ (591,848)	\$ (591,848)	\$ (55,315)	\$ 536,533
Fund balance, July 1, 2013	<u>591,848</u>	<u>591,848</u>	<u>478,526</u>	<u>(113,322)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,211</u>	<u>\$ 423,211</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (55,315)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (55,315)</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 11,620	\$ -	\$ (11,620)
Expenditures:				
Current:				
Instruction	\$ -	\$ 4,038	\$ 4,032	\$ 6
Support services - Students		7,000	6,515	485
General administration		431	391	40
Central services		151		151
Capital outlay				-
Total expenditures	\$ -	\$ 11,620	\$ 10,938	\$ 682
Net change in fund balance	\$ -	\$ -	\$ (10,938)	\$ (10,938)
Fund balance, July 1, 2013	-	-	(12,749)	(12,749)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (23,687)	\$ (23,687)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(10,938)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (10,938)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 65,000	\$ 65,000	\$ 50,506	\$ (14,494)
Expenditures:				
Current:				
Instruction	<u>65,000</u>	<u>65,000</u>	<u>62,218</u>	<u>2,782</u>
Net change in fund balance	\$ -	\$ -	\$ (11,712)	\$ (11,712)
Fund balance, July 1, 2013	<u> </u>	<u> </u>	<u>11,712</u>	<u>11,712</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (12,542)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>830</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (11,712)</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TITLE I MIGRANT EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 184,500	\$ 362,639	\$ 184,813	\$ (177,826)
Expenditures:				
Current:				
Instruction	\$ 67,103	\$ 215,925	\$ 61,378	\$ 154,547
Support services - Students	107,972	135,972	133,878	2,094
Support services - Instruction				-
General administration	6,925	7,242	7,242	-
Operation of plant	2,500	3,500	1,231	2,269
Transportation				-
Community services				-
Total expenditures	\$ 184,500	\$ 362,639	\$ 203,729	\$ 158,910
Net change in fund balance	\$ -	\$ -	\$ (18,916)	\$ (18,916)
Fund balance, July 1, 2013	-	-	(135,794)	(135,794)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (154,710)	\$ (154,710)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(25,373)	
Expenditure accruals (net)			6,457	
Net change in fund balance, NON-GAAP budgetary basis			\$ (18,916)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 36,849	\$ 21,897	\$ (14,952)
Expenditures:				
Current:				
Instruction	\$ -	\$ 26,041	\$ 15,731	\$ 10,310
Support services - Students		9,398	9,206	192
General administration		1,410	484	926
School administration				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 36,849</u>	<u>\$ 25,421</u>	<u>\$ 11,428</u>
Net change in fund balance	\$ -	\$ -	\$ (3,524)	\$ (3,524)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(579)</u>	<u>(579)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,103)</u>	<u>\$ (4,103)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(5,295)	
Expenditure accruals (net)			<u>1,771</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (3,524)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - EDUCATION OF THE HOMELESS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 40,500	\$ 50,632	\$ 39,242	\$ (11,390)
Expenditures:				
Current:				
Instruction	\$ -	\$ 7,837	\$ 7,723	\$ 114
Support services - Students	38,948	38,948	37,250	1,698
General administration		1,678	1,678	-
Support services - Schools				-
Operational plant maintenance	1,552	1,552	772	780
Transportation		617	617	-
Community services				-
Total expenditures	\$ 40,500	\$ 50,632	\$ 48,040	\$ 2,592
Net change in fund balance	\$ -	\$ -	\$ (8,798)	\$ (8,798)
Fund balance, July 1, 2013	-	-	(8,853)	(8,853)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (17,651)	\$ (17,651)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(9,247)	
Expenditure accruals (net)			449	
Net change in fund balance, NON-GAAP budgetary basis			\$ (8,798)	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 43,200	\$ 76,282	\$ 104,328	\$ 28,046
Expenditures:				
Current:				
Instruction	\$ 40,267	\$ 72,461	\$ 41,666	\$ 30,795
General administration	2,933	3,821	1,576	2,245
School administration	-	-	-	-
Total expenditures	\$ 43,200	\$ 76,282	\$ 43,242	\$ 33,040
Net change in fund balance	\$ -	\$ -	\$ 61,086	\$ 61,086
Fund balance, July 1, 2013	-	-	(45,620)	(45,620)
Fund balance, June 30, 2014	\$ -	\$ -	\$ 15,466	\$ 15,466
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(60,259)	
Expenditure accruals (net)			(827)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (61,086)	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
Support services - Instruction				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(79,062)	(79,062)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (79,062)	\$ (79,062)
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 - 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, 2014

	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, 2013	-	-	(23,044)	(23,044)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (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, 2014

	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, 2013	-	-	(6,596)	(6,596)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(54,503)	(54,503)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (54,503)	\$ (54,503)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Deming Public Schools
SPECIAL REVENUE FUND - INNOVATIVE PROGRAMS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	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, 2013	-	-	(115)	(115)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (115)	\$ (115)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Deming Public Schools
SPECIAL REVENUE FUND - ENGLISH LANGUAGE ACQUISITION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 106,068	\$ 159,719	\$ 109,575	\$ (50,144)
Expenditures:				
Current:				
Instruction	\$ 103,947	\$ 157,095	\$ 145,212	\$ 11,883
Support services - Students				-
General administration	2,121	2,624	2,623	1
School administration				-
Total expenditures	\$ 106,068	\$ 159,719	\$ 147,835	\$ 11,884
Net change in fund balance	\$ -	\$ -	\$ (38,260)	\$ (38,260)
Fund balance, July 1, 2013	-	-	38,300	38,300
Fund balance, June 30, 2014	\$ -	\$ -	\$ 40	\$ 40
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(40,031)	
Expenditure accruals (net)			1,771	
Net change in fund balance, NON-GAAP budgetary basis			\$ (38,260)	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 316,113	\$ 423,599	\$ 295,091	\$ (128,508)
Expenditures:				
Current:				
Instruction	\$ 287,727	\$ 391,225	\$ 257,542	\$ 133,683
Support services - Students				-
General administration	28,386	32,374	26,455	5,919
Operation of plant				-
Total expenditures	\$ 316,113	\$ 423,599	\$ 283,997	\$ 139,602
Net change in fund balance	\$ -	\$ -	\$ 11,094	\$ 11,094
Fund balance, July 1, 2013	-	-	(256,015)	(256,015)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (244,921)	\$ (244,921)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			11,094	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 11,094	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 93,184	\$ 98,129	\$ 109,846	\$ 11,717
Expenditures:				
Current:				
Instruction	\$ 89,550	\$ 94,312	\$ 94,312	\$ -
General administration	3,634	3,817	3,499	318
Total expenditures	\$ 93,184	\$ 98,129	\$ 97,811	\$ 318
Net change in fund balance	\$ -	\$ -	\$ 12,035	\$ 12,035
Fund balance, July 1, 2013	-	-	(35,590)	(35,590)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (23,555)	\$ (23,555)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			12,035	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 12,035	

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, 2014

	<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, 2013	-	-	(3,564)	(3,564)
Fund balance, June 30, 2014	<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)			-	
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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 178,486	\$ 181,006	\$ 85,717	\$ (95,289)
Expenditures:				
Current:				
Instruction	\$ 3,980	\$ 3,980	\$ 286	\$ 3,694
Support services - Students	174,506	174,506	144,123	30,383
General administration				-
Operational plant maintenance		<u>2,520</u>	<u>207</u>	<u>2,313</u>
Total expenditures	<u>\$ 178,486</u>	<u>\$ 181,006</u>	<u>\$ 144,616</u>	<u>\$ 36,390</u>
Net change in fund balance	\$ -	\$ -	\$ (58,899)	\$ (58,899)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>60,334</u>	<u>60,334</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,435</u>	<u>\$ 1,435</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (27,448)	
Revenue accruals (net)			(31,451)	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (58,899)</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 60,098	\$ 60,098	\$ 41,355	\$ (18,743)
Expenditures:				
Current:				
Instruction	60,098	60,098	60,098	-
Net change in fund balance	\$ -	\$ -	\$ (18,743)	\$ (18,743)
Fund balance, July 1, 2013	-	-	(1,747)	(1,747)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (20,490)	\$ (20,490)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(18,743)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (18,743)	

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, 2014

	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, 2013	-	-	4,716	4,716
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 1,250	\$ 1,250	\$ 2,750	\$ 1,500
Expenditures:				
Current:				
Instruction	1,250	1,250	1,250	-
Net change in fund balance	\$ -	\$ -	\$ 1,500	\$ 1,500
Fund balance, July 1, 2013	-	-	1,250	1,250
Fund balance, June 30, 2014	\$ -	\$ -	\$ 2,750	\$ 2,750
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,500	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,500	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 212,273	\$ 171,678	\$ (40,595)
Expenditures:				
Current:				
Instruction	\$ -	\$ 204,398	\$ 17,063	\$ 187,335
Support services - Students				-
General administration		<u>7,875</u>		<u>7,875</u>
Total expenditures	<u>\$ -</u>	<u>\$ 212,273</u>	<u>\$ 17,063</u>	<u>\$ 195,210</u>
Net change in fund balance	\$ -	\$ -	\$ 154,615	\$ 154,615
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(206,130)</u>	<u>(206,130)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,515)</u>	<u>\$ (51,515)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ -	
Revenue accruals (net)			(154,615)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (154,615)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - CHILD AND ADULT FOOD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	<u>8,967</u>	<u>8,967</u>	<u>1,999</u>	<u>6,968</u>
Net change in fund balance	\$ (8,967)	\$ (8,967)	\$ (1,999)	\$ (6,968)
Fund balance, July 1, 2013	<u>8,967</u>	<u>8,967</u>	<u>8,967</u>	<u>-</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,968</u></u>	<u><u>\$ (6,968)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,999)	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1,999)</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, 2014

	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, 2013	-	-	2,843	2,843
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	619	619
Fund balance, June 30, 2014	\$ -	\$ -	\$ 619	\$ 619
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 IMMIGRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<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, 2013	<u>-</u>	<u>-</u>	<u>1,253</u>	<u>1,253</u>
Fund balance, June 30, 2014	<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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	2,023	2,023
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	3	3
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 1,188	\$ 1,188
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 1,188	\$ 1,188
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(14,546)</u>	<u>(14,546)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (13,358)</u></u>	<u><u>\$ (13,358)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,188	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 1,188</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, 2014

	<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, 2013	<u>-</u>	<u>-</u>	<u>(19,279)</u>	<u>(19,279)</u>
Fund balance, June 30, 2014	<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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 1,289,525	\$ 805,918	\$ (483,607)
Expenditures:				
Current:				
Instruction	\$ -	\$ 767,687	\$ 459,923	\$ 307,764
Support services - Students		445,355	441,422	3,933
General administration		52,558	34,155	18,403
Central services		10,825		10,825
Operational plant maintenance		13,100	8,549	4,551
Capital outlay				-
Total expenditures	\$ -	\$ 1,289,525	\$ 944,049	\$ 345,476
Net change in fund balance	\$ -	\$ -	\$ (138,131)	\$ (138,131)
Fund balance, July 1, 2013	-	-	(83,898)	(83,898)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (222,029)	\$ (222,029)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(141,150)	
Expenditure accruals (net)			3,019	
Net change in fund balance, NON-GAAP budgetary basis			\$ (138,131)	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 112,100	\$ 112,363	\$ 263
Expenditures:				
Current:				
Food services	\$ -	\$ 112,100	\$ 112,100	\$ -
Capital outlay	-	-	-	-
Total expenditures	\$ -	\$ 112,100	\$ 112,100	\$ -
Net change in fund balance	\$ -	\$ -	\$ 263	\$ 263
Fund balance, July 1, 2013	-	-	(8,846)	(8,846)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (8,583)	\$ (8,583)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 263	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 263	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
Support services - Instruction				-
General administration				-
School administration				-
Central services				-
Operation of plant				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(1,245)	(1,245)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (1,245)	\$ (1,245)
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 - 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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 220,000	\$ 477,556	\$ 357,512	\$ (120,044)
Expenditures:				
Current:				
Instruction	\$ 155,280	\$ 410,285	\$ 396,480	\$ 13,805
Support services - Instruction	64,720	64,720	64,000	720
General administration		2,551	2,551	-
Total expenditures	<u>\$ 220,000</u>	<u>\$ 477,556</u>	<u>\$ 463,031</u>	<u>\$ 14,525</u>
Net change in fund balance	\$ -	\$ -	\$ (105,519)	\$ (105,519)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(96,853)</u>	<u>(96,853)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (202,372)</u></u>	<u><u>\$ (202,372)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(105,519)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (105,519)</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, 2014

	<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, 2013	<u>-</u>	<u>-</u>	<u>(4,819)</u>	<u>(4,819)</u>
Fund balance, June 30, 2014	<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, 2014

	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, 2013	-	-	26,244	26,244
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	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, 2013	-	-	68,132	68,132
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	28,806	28,806
Fund balance, June 30, 2014	<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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 150,617	\$ 190,374	\$ 39,757
Expenditures:				
Current:				
Instruction	\$ -	\$ 150,617	\$ 150,616	\$ 1
Support services - Students				-
Support services - Instruction				-
General administration				-
School administration				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 150,617</u>	<u>\$ 150,616</u>	<u>\$ 1</u>
Net change in fund balance	\$ -	\$ -	\$ 39,758	\$ 39,758
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(154,435)</u>	<u>(154,435)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (114,677)</u></u>	<u><u>\$ (114,677)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			39,758	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 39,758</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - CAFETERIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 2,649,397	\$ 2,649,397	\$ 3,420,853	\$ 771,456
State sources				-
Local sources	15,000	15,000	17,097	2,097
Earnings on investments	<u>2,500</u>	<u>2,500</u>	<u>4,219</u>	<u>1,719</u>
Total revenues	<u>\$ 2,666,897</u>	<u>\$ 2,666,897</u>	<u>\$ 3,442,169</u>	<u>\$ 775,272</u>
Expenditures:				
Current:				
Food services	\$ 3,906,228	\$ 3,905,135	\$ 3,175,425	\$ 729,710
Capital outlay		<u>1,093</u>	<u>1,093</u>	<u>-</u>
Total expenditures	<u>\$ 3,906,228</u>	<u>\$ 3,906,228</u>	<u>\$ 3,176,518</u>	<u>\$ 729,710</u>
Net change in fund balance	\$ (1,239,331)	\$ (1,239,331)	\$ 265,651	\$ 1,504,982
Fund balance, July 1, 2013	<u>1,239,331</u>	<u>1,239,331</u>	<u>2,054,610</u>	<u>815,279</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,320,261</u>	<u>\$ 2,320,261</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 230,717	
Revenue accruals (net)			(269,620)	
Expenditure accruals (net)			<u>304,554</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 265,651</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 1,776,450	\$ 1,776,450	\$ 1,795,386	\$ 18,936
Earnings on investments	4,000	4,000	105,398	101,398
 Total revenues	 \$ 1,780,450	 \$ 1,780,450	 \$ 1,900,784	 \$ 120,334
Expenditures:				
Current:				
Administration	\$ 26,647	\$ 26,647	\$ 17,954	\$ 8,693
Principal	1,400,000	1,400,000	1,400,000	-
Interest	376,450	376,450	376,450	-
Special revenue bonds reserve	1,727,821	1,727,821		1,727,821
 Total expenditures	 \$ 3,530,918	 \$ 3,530,918	 \$ 1,794,404	 \$ 1,736,514
Net change in fund balance	\$ (1,750,468)	\$ (1,750,468)	\$ 106,380	\$ 1,856,848
Fund balance, July 1, 2013	1,750,468	1,750,468	1,767,272	16,804
Fund balance, June 30, 2014	\$ -	\$ -	\$ 1,873,652	\$ 1,873,652
 Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ 93,400	
Revenue accruals (net)			12,980	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 106,380	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 1,108,248	\$ 1,108,248	\$ 1,319,319	\$ 211,071
Earnings on investments				-
 Total revenues	 <u>\$ 1,108,248</u>	 <u>\$ 1,108,248</u>	 <u>\$ 1,319,319</u>	 <u>\$ 211,071</u>
Expenditures:				
Current:				
Administration	\$ 16,376	\$ 16,376	\$ 13,193	\$ 3,183
Principal	1,080,000	1,080,000	1,080,000	-
Interest	28,248	28,248	28,248	-
Special revenue bonds reserve	1,075,363	1,075,363		1,075,363
 Total expenditures	 <u>\$ 2,199,987</u>	 <u>\$ 2,199,987</u>	 <u>\$ 1,121,441</u>	 <u>\$ 1,078,546</u>
Net change in fund balance	\$ (1,091,739)	\$ (1,091,739)	\$ 197,878	\$ 1,289,617
Fund balance, July 1, 2013	<u>1,091,739</u>	<u>1,091,739</u>	<u>1,133,295</u>	<u>41,556</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,331,173</u>	<u>\$ 1,331,173</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ 195,265	
Revenue accruals (net)			2,613	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 197,878</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -		\$ -
Earnings on investments	<u>5,000</u>	<u>5,000</u>	<u>6,706</u>	<u>1,706</u>
Total revenues	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 6,706</u>	<u>\$ 1,706</u>
Expenditures:				
Current:				
Operation of plant	\$ -	\$ -	\$ -	\$ -
Bond issue costs				-
Capital outlay	<u>1,701,879</u>	<u>1,701,879</u>	<u>1,052,483</u>	<u>649,396</u>
Total expenditures	<u>\$ 1,701,879</u>	<u>\$ 1,701,879</u>	<u>\$ 1,052,483</u>	<u>\$ 649,396</u>
Revenues over (under) expenditures	\$ (1,696,879)	\$ (1,696,879)	\$ (1,045,777)	\$ 651,102
Other financing sources (uses):				
Bond proceeds	<u>-</u>	<u>-</u>	<u>9,500,000</u>	<u>9,500,000</u>
Net change in fund balance	\$ (1,696,879)	\$ (1,696,879)	\$ 8,454,223	\$ 10,151,102
Fund balance, July 1, 2013	<u>1,696,879</u>	<u>1,696,879</u>	<u>1,699,389</u>	<u>2,510</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,153,612</u>	<u>\$ 10,153,612</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 8,359,536	
Revenue accruals (net)				
Expenditure accruals (net)			94,687	
Other financing uses (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 8,454,223</u>	

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

Deming Public Schools
CAPITAL PROJECTS FUND - EDUCATION TECH EQUIPMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Earnings on investments	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Total revenues	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ (2,500)</u>
Expenditures:				
Current:				
Operation of plant	\$ 1,796,364	\$ 1,796,364	\$ 513,907	\$ 1,282,457
Bond issue costs				-
Capital outlay	<u>967,024</u>	<u>967,024</u>	<u>-</u>	<u>967,024</u>
Total expenditures	<u>\$ 2,763,388</u>	<u>\$ 2,763,388</u>	<u>\$ 513,907</u>	<u>\$ 2,249,481</u>
Revenues over (under) expenditures	\$ (2,760,888)	\$ (2,760,888)	\$ (513,907)	\$ 2,246,981
Other financing sources (uses):				
Bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ (2,760,888)	\$ (2,760,888)	\$ (513,907)	\$ 2,246,981
Fund balance, July 1, 2013	<u>2,760,888</u>	<u>2,760,888</u>	<u>2,560,026</u>	<u>(200,862)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,046,119</u>	<u>\$ 2,046,119</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (513,907)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (513,907)</u>	

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

Deming Public Schools
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets				
Cash and investments:				
Deming High School	\$ 71,378	\$ 264,100	\$ 269,438	\$ 66,040
Hofacket Mid High School	10,720	32,460	25,816	17,364
Red Mountain Middle School	44,990	114,575	114,635	44,930
Deming Middle School	<u>6,636</u>	<u>27,248</u>	<u>29,758</u>	<u>4,126</u>
Total assets	<u>\$ 133,724</u>	<u>\$ 438,383</u>	<u>\$ 439,647</u>	<u>\$ 132,460</u>
Liabilities				
Deposits held for others:				
Deming High School	\$ 71,378	\$ 264,100	\$ 269,438	\$ 66,040
Hofacket Mid High School	10,720	32,460	25,816	17,364
Red Mountain Middle School	44,990	114,575	114,635	44,930
Deming Middle School	<u>6,636</u>	<u>27,248</u>	<u>29,758</u>	<u>4,126</u>
Total liabilities	<u>\$ 133,724</u>	<u>\$ 438,383</u>	<u>\$ 439,647</u>	<u>\$ 132,460</u>

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

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2014

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
Checking and CD's	\$ 1,812,659	\$ 11,653,074	\$ 11,844,478	\$ 2,052,416
Total on deposit	\$ 1,812,659	\$ 11,653,074	\$ 11,844,478	\$ 2,052,416
Less: FDIC insurance	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(2,052,416)</u>
Total uninsured public funds	<u>\$ 1,562,659</u>	<u>\$ 11,403,074</u>	<u>\$ 11,594,478</u>	<u>\$ -</u>
102% collateralization requirement	\$ -	\$ -	\$ -	\$ -
50% collateralization requirement (Section 6-10-17 NMSA)	<u>781,330</u>	<u>5,701,537</u>	<u>5,797,239</u>	<u>-</u>
Total collateralization requirement	<u>\$ 781,330</u>	<u>\$ 5,701,537</u>	<u>\$ 5,797,239</u>	<u>\$ -</u>

Pledged Securities:

FN AS0416 3138W9PA2 9-1-43	\$ -	\$ 5,897,812	\$ -	\$ -
Torrance 891400LW1 7-15-15			401,244	
Gallup 364010PJ1 8-1-22			600,617	
Roswell 778550FS7 8-1-18			411,916	
Eastern NM 276785UF7 4-1-19			512,964	
Hobbs 433866CN8 7-15-17			545,665	
Dulce 264430JS9 6-1-16			150,330	
FFCB 31331XNQ1 2-6-17			2,225,963	
Pena 706593AP5 9-1-24			162,849	
FFCB 3133EC4Q4 11-23-22			1,859,586	
FFCB 31331VMG8 5-3-16			2,166,476	

Total
\$ 27,362,627
\$ 27,362,627
(2,802,416)
\$ 24,560,211
\$ -
12,280,106
\$ 12,280,106

\$ 5,897,812
401,244
600,617
411,916
512,964
545,665
150,330
2,225,963
162,849
1,859,586
2,166,476

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL (Concluded)
June 30, 2014

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
USBK 778550JG9 8-1-23	211,936			
USBK 504516BE4 12-15-15	477,218			
FHLMC 31307BJW1 3-1-23	59,271			
USBK 660113BG5 5-1-16	651,351			
FNMA 31404NHR0 7-1-19	230,003			
FNMA 3136FPKH9 12-30-15	204,847			
GNR 38376YEL1 3-16-38	839,003			
GNR 38374VPS2 6-20-39	18,271			
FNR 31398SN66 4-25-40	150,357			
GNR 38377U5F1 10-20-40	92,072			
FHLMC 38377UMA3 12/20/40	276,836			
MBS FNMA 31403CXG1 12-1-20	305,529			
	<hr/>	<hr/>	<hr/>	<hr/>
Total pledged securities	<u>\$ 3,516,694</u>	<u>\$ 5,897,812</u>	<u>\$ 9,037,610</u>	<u>\$ -</u>
Pledged securities over (under) requirement	<u><u>\$ 2,735,365</u></u>	<u><u>\$ 196,275</u></u>	<u><u>\$ 3,240,371</u></u>	<u><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

211,936
477,218
59,271
651,351
230,003
204,847
839,003
18,271
150,357
92,072
276,836
305,529

\$ 18,452,116

\$ 6,172,011

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
 June 30, 2014

	Type of Account	Bank Balance	Reconciled Balance
<u>First Savings Bank</u>			
Operational	Checking	\$ 1,812,659	\$ 1,082,404
Total First Savings Bank		\$ 1,812,659	\$ 1,082,404
<u>Wells Fargo</u>			
Payroll	Checking	\$ 1,411,679	\$ 604,061
Building fund	Checking	10,241,395	10,137,556
Total Wells Fargo		\$ 11,653,074	\$ 10,741,617
<u>First NM Bank</u>			
Debt service	Checking	\$ 3,100,986	\$ 3,204,825
SB-9 savings	Savings	2,953,173	2,953,173
SB-9	Checking	1,390,617	689,786
Transportation	Checking	302,942	197,377
Special grants	Checking	473,160	(37,943)
Cafeteria	Checking	2,299,405	2,320,260
Gate receipts	Checking	432,605	423,211
General activity	Checking	139,575	132,460
Federal projects	Checking	752,015	(2,135,580)
Total First NM Bank		\$ 11,844,478	\$ 7,747,569
<u>NM Local Government Investment Pool</u>			
Operational	Investment	\$ 342	\$ 342
Operational	Investment	697,956	697,956
Bond building	Investment	9,754	9,754
Bond building	Investment	5	5
Total NM Local Government Investment Pool		\$ 708,057	\$ 708,057

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
 June 30, 2014

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Wells Fargo Brokerage Services</u>			
Bond building	Money Mkt	\$ 1,552,416	\$ 1,552,416
Bond building	CD's	<u>500,000</u>	<u>500,000</u>
Total Wells Fargo Brokerage Services		<u>\$ 2,052,416</u>	<u>\$ 2,052,416</u>
Total cash and investments		<u><u>\$ 28,070,684</u></u>	<u><u>\$ 22,332,063</u></u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2014

	<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, 2013	\$ 3,626,628	\$ 8,186	\$ 215,497	\$ 2,054,610	\$ 11,712
Add: Current year receipts	35,664,965	2,269,278	80,058	3,442,169	50,506
Chargebacks					
Voided warrants					
Less: Current year expenditures	(36,752,244)	(2,268,655)	(260,578)	(3,176,499)	(62,218)
Outstanding loans					
Chargebacks	(125)			(19)	
Overdrafts					
Transfers					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investments as of June 30, 2014 per cash report	\$ 2,539,224	\$ 8,809	\$ 34,977	\$ 2,320,261	\$ -
Audit adjustment	(277)				
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cash and investments per audit report	<u>\$ 2,538,947</u>	<u>\$ 8,809</u>	<u>\$ 34,977</u>	<u>\$ 2,320,261</u>	<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, 2014

	Non Instructional Support	Federal Flowthrough	Federal Direct	Local Grants	State Flowthrough
Total cash and investments as of July 1, 2013	\$ 478,526	\$ (1,841,642)	\$ (47,326)	\$ 294	\$ (487,804)
Add: Current year receipts	205,724	6,424,350	487,333		1,187,365
Chargbacks					
Voided warrants					
Less: Current year expenditures	(260,646)	(6,487,304)	(670,992)		(1,302,256)
Outstanding loans					
Chargbacks	(393)				
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2014 per cash report	\$ 423,211	\$ (1,904,596)	\$ (230,985)	\$ 294	\$ (602,695)
	<u><u>\$ 423,211</u></u>	<u><u>\$ (1,904,596)</u></u>	<u><u>\$ (230,985)</u></u>	<u><u>\$ 294</u></u>	<u><u>\$ (602,695)</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, 2014

	<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, 2013	\$ (14,359)	\$ 689,977	\$ 1,699,334	\$ -	\$ 1,133,295
Add: Current year receipts	22,500	352,441	9,506,158		1,319,319
Chargebacks					
Voided warrants					
Less: Current year expenditures	(9,084)	(477,017)	(1,052,483)		(1,121,441)
Outstanding loans					
Chargebacks					
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2014 per cash report	\$ (943)	\$ 565,401	\$ 10,153,009	\$ -	\$ 1,331,173
Audit adjustment					
Cash and investments per audit report	<u>\$ (943)</u>	<u>\$ 565,401</u>	<u>\$ 10,153,009</u>	<u>\$ -</u>	<u>\$ 1,331,173</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2014

	Capital Improvements SB-9	Ed Tech Equip Act	PSCOC	Debt Service	Agency
Total cash and investments as of July 1, 2013	4,547,061	2,560,026	-	1,767,282	\$ 133,724
Add: Current year receipts	1,609,279			1,900,784	438,383
Chargebacks					
Voided warrants					
Less: Current year expenditures	(2,515,809)	(513,907)		(1,794,404)	(439,647)
Outstanding loans					
Chargebacks					
Overdrafts					
Transfers					
Total cash and investments as of June 30, 2014 per cash report	\$ 3,640,531	\$ 2,046,119	\$ -	\$ 1,873,662	\$ 132,460
Audit adjustment	2,428				
Cash and investments per audit report	\$ 3,642,959	\$ 2,046,119	\$ -	\$ 1,873,662	\$ 132,460

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2014

	Total
Total cash and investments as of July 1, 2013	\$ 16,535,021
Add: Current year receipts	64,960,612
Chargebacks	-
Voided warrants	-
Less: Current year expenditures	(59,165,184)
Outstanding loans	-
Chargebacks	(537)
Overdrafts	-
Transfers	-
	-
 Total cash and investments as of June 30, 2014 per cash report	 \$ 22,329,912
 Audit adjustment	 <u>2,151</u>
 Cash and investments per audit report	 <u><u>\$ 22,332,063</u></u>

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2014

<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. Higher Education Department: GEAR Up	84.334	25.205	463,031
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	4,601,158
Migrant Education-Basic State Grant Program	84.011	24.103	210,186
Special Education-Grants to States	84.027	24.106	958,006
Special Education-Preschool Grants	84.173	24.109	27,192
Vocational Education	84.048	24.174	44,069
Education of the Homeless	84.196	24.113	48,489
English Language Acquisition grants	84.365	24.153	149,606
Teacher Quality State Grants	84.367	24.154	283,997
Rural Education	84.358	24.160	<u>97,811</u>
 Total U.S. Department of Education			 <u>\$ 6,883,545</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	\$ 2,087,314
School Breakfast Program	10.553	N/A	1,016,826
Summer Food Service Program for Children	10.559	N/A	383,841
Child and Adult Food	10.558	25.171	1,999
Fresh Fruits and Vegetables Program	10.582	24.118	112,100
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>202,692</u>
 Total U.S. Department of Agriculture			 <u>\$ 3,804,772</u>

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
For The Fiscal Year Ended June 30, 2014

<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>\$ 117,168</u>
 <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Programs: Emergency Food and Shelter National Board	97.024	25.246	<u>\$ 1,250</u>
 <u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct: Highway Planning and Construction	20.205	M01080	<u>\$ 14,669</u>
 <u>U.S. DEPARTMENT OF DEFENSE</u>			
Direct Programs: ROTC	12.100	25.200	<u>\$ 60,098</u>
 Total expenditures of federal awards			 <u><u>\$ 10,881,502</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, 2014

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 \$202,692 in food commodities during the 2013-2014 fiscal year.

Note 3 The District had the following insurance coverage during the year ended June 30, 2014:

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, 2014

Findings – Financial Statement Audit	<u>Current Status</u>
2013-001(2013-1) Reconciled cash does not agree to the year-end cash report provided to NM Public Education Department.	Repeated
2013-2 The recommendation for audit services was not submitted to the NM State Auditor by the required deadline.	Resolved
2013-003(2013-3) Per Diem and mileage reimbursements not made at allowable rates.	Revised & Repeated
2013-4 Expenditures incurred in excess of budgetary authority.	Resolved
FINDINGS RELATED TO THE COMPONENT UNIT	
2013-001(2013-1) Reconciled cash does not agree to year-end cash report provided to NM Public Education Department.	Repeated
2013-2 I-9s not completed properly.	Resolved
2013-003(2013-3) Travel reimbursements not mad at the approved rates.	Repeated
2013-004(2013-4) Expenditures incurred in excess of budgetary authority.	Repeated
2013-5 The recommendation for audit services was not submitted to the NM State Auditor by the required deadline.	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: admin@stone-mcgee.com

**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***

INDEPENDENT AUDITOR'S REPORT

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, 2014, 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 3, 2014.

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 2014-001, 2013-003 and 2013-001; and for the component unit as items 2013-001, 2013-003 and 2013-004.

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 3, 2014

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 MONTROYA, 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: admin@stone-mcgee.com

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

INDEPENDENT AUDITOR'S REPORT

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, 2014. 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, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major program is not modified with respect to these matters.

Deming Public Schools' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Deming Public Schools' response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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 3, 2014

Deming Public Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014

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: The special education cluster, consisting of Special Education-Grants to States, CFDA No. 84.027 and Special Education-Preschool Grants, CFDA No. 84.173; The nutrition cluster, consisting of the National School Lunch Program, CFDA No. 10.555, the School Breakfast Program, CFDA No. 10.553 and the Summer Food Service Program for Children, CFDA No. 10.559; and the Gaining Early Awareness and Readiness For Undergraduate Programs, CFDA No. 84.334.
8. The threshold for distinguishing types A and B programs was \$326,445.
9. Deming Public Schools was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

2014-001 Payment of State Withholding (Other)

Condition – The District remitted its August and December employee state withholdings after the due dates for the remittances. This resulted in \$1,650 in penalties in interest that the District was required to pay.

Criteria – Sound accounting practices require that payroll reports and remittances be filed timely, based on the schedule provided by taxing authorities.

Effect – Late filing of payroll remittances incurs penalties that must be borne by the District.

Cause – District personnel turnover and absenteeism resulted in overlooking the filing dates for these reports.

Recommendation – We recommend that the District comply with taxing authority schedules by calendaring the submission of payroll reports, and that supervisory personnel review these procedures to insure that reports and remittances are made timely.

Agency Response – Payroll tax deposits are already calendared. This was an unusual circumstance due to employee turnover or absenteeism. We will involve supervisory personnel in the process for future tax filings.

2013-003(2013-3) Per Diem and Mileage Reimbursements (Other)

Condition – In a test of 30 transactions, we noted the District reimbursed employees for motel rooms for out-of-state travel in excess of \$215 19 different nights, without prior approval from either the Superintendent or the Board of Education.

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. A part of that policy is that reimbursement for motel rooms for out-of-state travel cannot exceed \$215 per night without prior approval from either the Superintendent or the Board of Education before the travel cost is incurred.

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

Cause – The District was not aware that prior approval for these transactions was required.

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. Further, we recommend that when reimbursements for out-of-state motel rooms in excess of \$215 per night are necessary, that prior approval be obtained from either the Superintendent or the Board of Education.

Agency response – The District will obtain prior approval from either the Superintendent or the Board of Education prior to reimbursing for out-of-State motel rooms in excess of \$215.

2013-001(2013-1) Cash Reporting (Other)

Condition – The District's actual cash in bank was \$2,151, 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 did not include interest paid in June, 2014, although the deposit was made by the bank in June, 2014.

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 bank’s posting of interest. 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.

Findings related to the Component Unit

2013-001(2013-1) Cash Reporting (Other)

Condition – The School’s actual cash in bank was \$36,811 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 School was not able to identify and correct the difference in cash before the final year-end reports were prepared. The School’s accounting system is designed to accrue liabilities that affect the reported expenditures. This has an effect on the by-fund cash balances, but cash has not yet been expended, so the cash basis report to the New Mexico Public Education Department contains expenditures that have not yet been made in cash.

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, and will be reconciled to year-end reports.

2013-003(2013-3) Travel and Per Diem Rates (Other)

Condition – In a review of 25 travel reimbursement requests, we noted five instances where the School did not reimburse the employee at the approved rates. The total amount reimbursed in excess of approved rates for these five instances was \$24.

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.

2013-004(2013-4) Budgetary Controls (Other)

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

Title I – Instruction	\$ 7,693
Title I School Improvement – Instruction	55,037
General Fund instructional materials	14,031

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 did not adopt budgets needed for these pass-through funds. The over-expenditure of functions in the other funds was an oversight, because we did not make the appropriate budget adjustments at year end. In the future, we will adopt budgets for all funds, and review expenditures periodically to ensure adherence to budget constraints.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

2014-002 U. S. Department of Education (Other)

Gaining Early Awareness and Readiness for Undergraduate Programs, CFDA No. 84.334, Grant ID No. 25.205, for year ended June 30, 2014

Other Compliance: As discussed in finding 2013-003, the District has expended funds for travel costs in excess of those allowed by law, without prior approval from appropriate District Personnel. The amounts in excess of the amounts allowable related to this federal program are \$1,968. Procedures should be implemented to insure compliance with applicable travel regulations.

Questioned Costs	<u>\$1,968</u>
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OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s. However, District management has acknowledged and taken responsibility for the financial statements.

EXIT CONFERENCE

The contents of this report were discussed October 24, 2014. 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
Teresa Hutts	Audit Committee Member	Deming Public Schools
Dr. Dan Lere	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
Rosa Perez	Council Member	Cesar Chavez High School
Ray Trejo	Acting Principal	Cesar Chavez High School
Dr. Dan Lere	Superintendent	Deming Public Schools
Ted Burr	Assoc. Supt. of Finance	Deming Public Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA's