

State of New Mexico

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

For the Fiscal Year ended June 30, 2015

Deming Public Schools
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Deming Public Schools
DIRECTORY OF OFFICIALS
June 30, 2015

BOARD OF EDUCATION

Ronald Wolfe	President
John Sweetser	Vice-President
Bayne Anderson	Secretary
Matt Robinson	Member
Dr. Francine Jacobs	Member

SCHOOL OFFICIALS

Dr. Daniel Lere	Superintendent
Ted Burr	Associate Superintendent of Finance

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

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INDEPENDENT AUDITOR'S REPORT

Timothy Keller, 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, 2015, 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, 2015, 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, 2015, 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, 2015, 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.

The Schedule of Vendor Information, listed as other information in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015, 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 5, 2015

Stone, McGee & Co.
Certified Public Accountants

DEMING PUBLIC SCHOOLS
Management Discussion and Analysis
For the Fiscal Year Ending June 30, 2015

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, 2014 and 2015. 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 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, 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 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 2014-2015 student membership of 5,400 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 increased 1.7% for the 2014-2015 school year. District five year enrollment increased 0.9%.

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, 2015

- Cash assets decreased \$2,345,973 to \$22,027,153.
- Accumulated depreciation has increased by \$3,026,721 to \$47,222,264 as of June 30, 2015 from \$44,195,543 for June 30, 2014.
- Total revenues increased from \$55,702,853 in the year ending June 30, 2014 to \$59,414,781 in the year ending June 30, 2015. This is an increase of \$3,711,928 or 7%.
- Total expenditures, inclusive of all capital expenditures from general obligation bond proceeds, increased from \$59,512,842 for the year ending June 30 2014 to \$62,091,958 for the year ending June 30 2015. This is an increase in expenditures of \$2,579,116 or 4%. Increases in instruction and maintenance of buildings for year ended June 30, 2015 compared to June 30, 2014 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 and deferred outflows of resources of \$96,525,846 and \$98,623,235 as of June 30, 2014 and 2015, respectively. The School District cash assets as of June 30, 2015 decreased by 10% to \$22,027,153 due to spending general obligation bond proceeds sold in the prior year. Accounts payable decreased by 36% to \$460,839 as of June 30, 2015 compared to June 30, 2014 accounts payable of \$724,055. Accounts payable for FY 2015 is comprised of employee benefits obligated during June and due within 3 months. Net Position restricted for various purposes totaling \$12,663,123 and \$12,506,919 as of June 30, 2014 and 2015 respectively, decreased by 2%.

Implementation of GASB 68 in Fiscal Year 2015, which requires the District to recognize a portion of New Mexico Educational Retirement Board, (NMERB), net pension liability, is reflected in the statement in deferred outflows of resources, inflows of resources, and net pension liability. NMERB net pension liability is the difference between the present value of future retirement benefits paid to retired employees less the fair market value of NMERB assets minus liabilities. The District share of NMERB's net pension liability is \$56,421,681. The component unit, the District's charter high school, share of NMERB net pension liability is \$1,687,222.

The Statement of Net Position is presented in compressed form on the following page.

District, without Component Unit, Statement of Net Position

Cash Assets	24,373,126	22,027,153
All Other Current Assets	4,164,181	5,645,285
Deferred Outflows of Resources		3,869,274
Capital Assets	112,184,082	114,303,787
Depreciation	(44,195,543)	(47,222,264)
Total Assets	96,525,846	98,623,235

Liabilities

Accounts Payable	724,055	460,839
Other Current Liabilities	5,051,835	6,508,692
Long Term Liabilities	18,198,844	15,633,347
Deferred Inflows of Resources	155,174	6,968,829
Net Pension Liability		56,421,681
Total Liabilities	23,974,734	85,993,388

Net Position

Invested in Capital Assets	57,420,624	57,570,390
Restricted	12,663,123	12,506,919
Unrestricted	2,312,191	-57,447,462
Total Net Position	72,395,938	12,629,847

This statement includes accumulated depreciation of the School District's capital assets in the amount of \$44,195,543 and \$47,222,264 as of June 30, 2014 and 2015 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 \$251,480 total net position compared to \$1,550,759 as of June 30, 2014. This is a decrease of \$1,299,279 or 107% and is related to implementation of GASB 68. The school is applying for renewal of its charter for an additional 5 years during FY-16.

Component Unit Statement of Net Position

Assets	June 30, 2014	June 30, 2015
Cash Assets	1,169,924	1,347,200
All Other Current Assets	234,417	234,417
Deferred Outflows of Resources		225,905
Improvements and Equipment	320,478	459,160
Less Accumulated Depreciation	(96,827)	(112,855)
Total Assets	1,627,992	2,153,827
Liabilities		
Accounts Payable	43,823	10,317
Net Pension Liability		1,676,905
Deferred Inflows of Resources	33,410	215,125
Total Liabilities	77,233	1,902,347
Net Position		
Invested in Capital Assets	223,651	346,305
Restricted	25,569	0
Unrestricted	1,301,539	(94,825)
Total Net Position	1,550,759	251,480

Accounts payable were decreased to \$10,317 for June 30, 2015 from \$43,823 as of June 30, 2014. Deferred inflows of resources of \$215,125 and \$38,410 as of June 30, 2015 and 2014, respectively, increased due to implementation of GASB 68.

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, 2015. As of June 30, 2015 the School District, exclusive of the component unit, had total net position of \$12,629,847 compared to \$72,395,938 for 2014. Net position decreased \$59,766,091 for the year ending June 30, 2015. Fiscal year 2014 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, 2014	June 30, 2015
Total Government Activities Expense	\$ 57,482,278	\$ 60,179,012
Charges for Services	730,145	737,006
Operating Grants and Contributions	15,181,413	16,064,661
Capital Grants and Contributions	<u>547,487</u>	<u>757,062</u>
Net (Expenses) Revenues and Changes in Net Position	\$ (41,023,233)	\$ (42,620,283)

General Revenues		
Taxes-general, debt service	\$ 4,530,960	\$ 4,583,180
State Aid	34,874,690	37,077,718
Investment earnings	32,005	48,419
Recoveries and refunds	10,282	521,230
Loss on disposition of assets	<u>(507,223)</u>	<u>0</u>
Total General Revenues & Special Item	\$ 38,940,714	\$ 42,230,547

Changes in Net Position	\$ (2,082,519)	\$ (389,736)
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Net Position beginning of year, as restated	<u>74,478,457</u>	<u>13,019,583</u>
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Net Position – end of year	<u>\$ 72,395,938</u>	<u>\$ 12,629,847</u>
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The component unit net position decreased by \$1,299,279 for the year ending June 30, 2015.

Component Unit Activities	June 30, 2014	June 30, 2015
Total Government Activities Expense	<u>1,583,792</u>	<u>1,444,488</u>
Net (Expenses) Revenues and Changes in Net position	<u>(1,583,792)</u>	<u>(1,444,488)</u>

General Revenues		
State aid	1,462,790	1,617,191
Recoveries & Refunds	275,844	83,913
Investment earnings	<u>4,286</u>	<u>3,946</u>
Total General Revenues & Special Item	<u>1,742,920</u>	<u>1,705,050</u>

Changes in Net Position	159,128	260,562
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Net Position beginning of year, as restated	<u>1,391,631</u>	<u>(9,082)</u>
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Net Position - end of year	<u>1,550,759</u>	<u>251,480</u>
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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 \$65,202,853 and \$59,414,781 for fiscal years 2014 and 2015 respectively. FY 2014 revenues includes \$9,500,000 proceeds from General Obligation Bonds. Total expenditures for the School District were \$59,512,842 and \$62,091,958 for fiscal years 2014 and 2015 respectively. The total ending fund balance was \$24,500,180 and \$21,823,003 for fiscal years 2014 and 2015, respectively, a decrease of \$2,677,177.

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 %
2009-2010	\$58,294,540	-5%	\$58,433,624	-4%
2010-2011	\$57,583,948	-1%	\$55,282,977	-5%
2011-2012	\$55,590,775	-3%	\$57,295,346	4%
2012-2013	\$55,025,779	-1%	\$55,368,884	-3%
2013-2014	\$65,202,853	18%	\$59,512,842	7%
2014-2015	\$59,414,781	-9%	\$62,091,958	4%

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 2015, the General Fund, Cafeteria, Title I, State Grants, Bond Building, Debt Service, and Other Funds. The June 30, 2014 report major funds were General Fund, Title I, State Grants, SB-9, Bond Building, 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 2014 and 2015

	FY-14		FY-15		Increase (Decrease)	
General fund	39,898,097	67%	40,877,855	66%	979,758	2%
Debt Service	2,884,698	5%	3,187,518	5%	302,820	10%
All Other	16,730,047	28%	18,026,585	29%	1,296,538	8%
Total	59,512,842	100%	62,091,958	100%	2,579,116	4%

The increase in All Other funds is due to increased expenditures for maintenance and instruction. The General Fund increased 2% from fiscal year 2014 to 2015. 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 _% of the School District’s revenue for fiscal years 2014 and 2015, 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 2014 and 2015.

General Fund Expenditure by Function

Function	FY 2014		Fy 2015		Increase (Decrease)		
Instruction	22,768,683	57%	23,406,866	57%	638,183	3%	65%
Pupil & Instructional Support	7,035,422	18%	7,520,634	18%	485,212	7%	50%
Maintenance & Operations	5,600,436	14%	5,669,075	14%	68,639	1%	7%
Transportation	2,300,550	6%	2,243,887	5%	(56,663)	-2%	-6%
Administration & Business	2,193,006	5%	2,037,393	5%	(155,613)	-7%	-16%
Total	39,898,097	100%	40,877,855	100%	979,758	2%	100%

The percentage of the General Fund spent on the instruction function remained at 57% for fiscal year 2015. Pupil & Instructional Support increased for fiscal year 2015 \$485,212 for 7% 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 decreased \$56,663 and is 5% of General Fund expenditures. Administration and business include the office of the superintendent and other central administrators and clerical staff representing the overhead support for the entire school district; these programs decreased \$155,613 to 5% of the total General Fund for fiscal year 2015.

Capital Assets

In the fiscal year ending June 30, 2015 the Statement of Revenues, Expenditures and Changes in Fund Balances shows the School District expended \$2,119,705 for capital outlay. This is down from \$2,493,014 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 renovations of elementary playgrounds, and parking lots at school buildings. Construction in progress reflects the start of new buildings for the High School and Intermediate School. The new schools will be ready for students the start of 2017-2018 school year and will cost approximately \$120 million of which, approximately 72% is provided through State Grants.

Capital Assets	FY 2014	FY 2015	Change	
Land and improvements	9,175,396	9,495,324	319,928	3%
Building and improvements	94,895,404	94,991,357	95,953	0%
Furniture and equipment	8,046,977	8,575,146	528,169	7%
Construction in progress	0	1,241,960	1,241,960	0%
Less: Accumulated depreciation	(44,196,543)	(47,222,264)	(3,025,721)	7%
Total capital assets, net of depreciation	67,921,234	67,081,523	(839,711)	-1%

General Long Term Debt

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

The School District has never defaulted on any of its debt or other obligations. Listed below is the School District’s total general obligation debt as of June 30, 2015.

Deming Public Schools General Obligation Bonds			
Projected Principal and Interest Payments			
Fiscal YR	Principal Payment	Interest Payment	Total
2016	2,600,000	544,408	3,144,408
2017	2,800,000	536,325	3,336,325
2018	2,200,000	469,075	2,669,075
2019	2,450,000	403,250	2,853,250
2020	1,930,000	340,863	2,270,863
2021	1,450,000	298,000	1,748,000
2022	1,250,000	269,563	1,519,563
2023	1,300,000	240,875	1,540,875
2024	1,200,000	211,250	1,411,250
2025	1,350,000	181,063	1,531,063
2026	1,450,000	147,313	1,597,313
2027	1,500,000	110,250	1,610,250
2028	1,400,000	72,500	1,472,500
2029	1,400,000	34,000	1,434,000
2030	400,000	7,000	407,000
TOTAL	\$ 24,680,000	\$ 3,865,733	\$ 28,545,733

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	Increase (Decrease)
FY-05	3,069	-	3,069	
FY-06	3,281	-	3,281	7%
FY-07	3,446	-	3,446	5%
FY-08	3,674	-	3,674	7%
FY-09	3,863	-	3,863	5%
FY-10	3,458	335	3,793	-2%
FY-11	3,556	139	3,695	-3%
FY-12	3,586	-	3,586	-3%
FY-13	3,668	-	3,668	2%
FY-14	3,818	-	3,818	4%
FY-15	4,028	-	4,028	6%

Until FY-10 the funding 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, 2014. The State has not maintained the unit value. Until FY-15 the unit value remained below FY-09 value of 3,862.79. Unit value for FY-15 increased to \$4,005.75.

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, Executive Director 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, 2015

	Governmental Activities	Component Unit
Assets		
Cash and cash equivalents	\$ 22,027,153	\$ 1,347,200
Property taxes receivable	529,515	
Due from other governments	4,837,464	234,417
Interest receivable	77	
Inventory	278,229	
Capital assets:		
Construction in progress	1,241,960	
Land and improvements	9,495,324	
Buildings and improvements	94,991,357	
Equipment	8,575,146	459,160
Less accumulated depreciation	(47,222,264)	(112,855)
Total capital assets, net of depreciation	\$ 67,081,523	\$ 346,305
Total assets	\$ 94,753,961	\$ 1,927,922
Deferred Outflows of Resources		
Related to pensions	\$ 3,869,274	\$ 225,905
Liabilities		
Cash overdraft	\$ 3,691,963	\$ -
Accounts payable	460,839	10,317
Long-term liabilities:		
Portion due or payable within one year:		
Bonds payable	2,600,000	
Accrued interest payable	216,729	
Portion due or payable after one year:		
Net pension liability	56,421,681	1,676,905
Bonds payable	15,100,000	
Bonds premiums	90,953	
Compensated absences	442,394	
Total liabilities	\$ 79,024,559	\$ 1,687,222
Deferred Inflows of Resources		
Related to pensions	\$ 6,631,066	\$ 177,444
Unavailable revenue	337,763	37,681
Total deferred inflows of resources	\$ 6,968,829	\$ 215,125

Deming Public Schools
STATEMENT OF NET POSITION (concluded)
 June 30, 2015

Net Position

Net investment in capital assets	\$ 57,570,390	\$ 346,305
Restricted for:		
Capital projects	3,046,051	
Debt service	3,372,833	
Other purposes	6,088,035	
Unrestricted	<u>(57,447,462)</u>	<u>(94,825)</u>
 Total net position	 <u><u>\$ 12,629,847</u></u>	 <u><u>\$ 251,480</u></u>

The accompanying notes are an integral part of these financial statements

Deming Public Schools
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

<u>Functions/Programs</u>	Expenses	Charges for Services
Governmental activities:		
Instruction	\$ 31,558,117	\$ 152,936
Support services - Students	4,871,808	
Support services - Instruction	1,461,818	
General administration	1,446,678	344,778
School administration	2,657,671	
Central services	1,254,678	
Operation of plant	9,842,034	223,470
Food services	3,974,090	15,822
Transportation	2,571,698	
Other support services	26,963	
Interest on long-term debt	513,457	
	\$ 60,179,012	\$ 737,006

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
\$ 6,561,898	\$ -	\$ (24,843,283)	\$ (656,289)
925,483		(3,946,325)	(145,939)
151,387		(1,310,431)	
292,547		(809,353)	(111,388)
60,170		(2,597,501)	(258,983)
124,592		(1,130,086)	(124,153)
1,344,181	757,062	(7,517,321)	(147,736)
4,430,695		472,427	
2,173,708		(397,990)	
		(26,963)	
		(513,457)	
<u>\$ 16,064,661</u>	<u>\$ 757,062</u>	<u>\$ (42,620,283)</u>	<u>\$ (1,444,488)</u>
		\$ 271,141	\$ -
		3,213,439	
		1,098,600	
		37,077,718	1,617,191
		521,230	83,913
		48,419	3,946
		<u>\$ 42,230,547</u>	<u>\$ 1,705,050</u>
		<u>\$ (389,736)</u>	<u>\$ 260,562</u>
		\$ 72,395,938	\$ 1,546,488
		<u>(59,376,355)</u>	<u>(1,555,570)</u>
		\$ 13,019,583	\$ (9,082)
		<u>(389,736)</u>	<u>260,562</u>
		<u>\$ 12,629,847</u>	<u>\$ 251,480</u>

Deming Public Schools
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Cafeteria	Title I
Assets			
Cash and investments	\$ 2,676,479	\$ 2,978,282	\$ -
Property taxes receivable	21,535		
Interest receivable	76		
Inventory	222,290	55,939	
Due from other governments		183,855	2,009,644
Interfund receivable	208,580	8,967	780
Total assets	\$ 3,128,960	\$ 3,227,043	\$ 2,010,424
 Liabilities			
Cash overdraft	\$ -	\$ -	\$ 1,801,844
Accounts payable	247,097	142,065	
Interfund payable	5,564	13,662	208,580
Total liabilities	\$ 252,661	\$ 155,727	\$ 2,010,424
 Deferred Inflows of Resources			
Unavailable revenue	\$ 14,647	\$ -	
Total deferred inflows of resources	\$ 14,647	\$ -	\$ -
 Fund balance:			
Nonspendable:			
Inventories	\$ 222,290	\$ 55,939	\$ -
Restricted for:			
Education	171,355		
Food service		3,015,377	
Social services			
Transportation	1		
Capital projects			
Debt service			
Unassigned	2,468,006		
Total fund balances	\$ 2,861,652	\$ 3,071,316	\$ -
Total liabilities, deferred inflows of resources and fund balances	\$ 3,128,960	\$ 3,227,043	\$ 2,010,424

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

<u>State Grants</u>	<u>Bond Building</u>	<u>Debt Service</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 9,654,437	\$ 3,116,033	\$ 3,601,922	\$ 22,027,153
	1	357,340	150,640	529,515
				77
				278,229
1,424,963			1,219,002	4,837,464
<u>1,136</u>	<u>293,540</u>	<u>16,982</u>	<u>144,055</u>	<u>674,040</u>
<u>\$ 1,426,099</u>	<u>\$ 9,947,978</u>	<u>\$ 3,490,355</u>	<u>\$ 5,115,619</u>	<u>\$ 28,346,478</u>
\$ 654,821	\$ -	\$ -	\$ 1,235,298	\$ 3,691,963
			71,677	460,839
<u>39,524</u>		<u>103,840</u>	<u>302,870</u>	<u>674,040</u>
<u>\$ 694,345</u>	<u>\$ -</u>	<u>\$ 103,840</u>	<u>\$ 1,609,845</u>	<u>\$ 4,826,842</u>
<u>\$ 945,049</u>	<u>\$ 189,700</u>	<u>\$ 285,781</u>	<u>\$ 261,456</u>	<u>\$ 1,696,633</u>
<u>\$ 945,049</u>	<u>\$ 189,700</u>	<u>\$ 285,781</u>	<u>\$ 261,456</u>	<u>\$ 1,696,633</u>
\$ -	\$ -	\$ -	\$ -	\$ 278,229
			1,568,998	1,740,353
			1,039	3,016,416
			57,407	57,407
				1
	9,758,278		1,476,640	11,234,918
		3,100,734	140,234	3,240,968
<u>(213,295)</u>				<u>2,254,711</u>
<u>\$ (213,295)</u>	<u>\$ 9,758,278</u>	<u>\$ 3,100,734</u>	<u>\$ 3,244,318</u>	<u>\$ 21,823,003</u>
<u>\$ 1,426,099</u>	<u>\$ 9,947,978</u>	<u>\$ 3,490,355</u>	<u>\$ 5,115,619</u>	<u>\$ 28,346,478</u>

Deming Public Schools
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**
 June 30, 2015

Total governmental fund balances	\$	21,823,003
<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.		67,081,523
Bond premiums are capitalized and amortized over the life of the bonds		(90,953)
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		413,821
Intergovernmental receivables subject to the 60 day availability period		945,049
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred inflows of resources related to pensions		(6,631,066)
Deferred outflows of resources related to pensions		3,869,274
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:		
Net pension liability		(56,421,681)
Bonds payable		(17,700,000)
Accrued interest payable		(216,729)
Compensated absences payable		(442,394)
		(24,721,704)
<i>Net Position of Governmental Activities</i>	\$	12,629,847

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, 2015

	General Fund	Cafeteria	Title I	State Grants
Revenues:				
Property taxes	\$ 269,700	\$ -	\$ -	\$ -
Fees and charges	374,270	15,822		
State aid	39,862,487			2,218,327
Federal aid	297,966	4,285,989	4,183,229	
Earnings on investments	2,975	4,549		527
Miscellaneous	137,205			386,950
Total revenues	\$ 40,944,603	\$ 4,306,360	\$ 4,183,229	\$ 2,605,804
Expenditures:				
Current:				
Instruction	\$ 23,406,866	\$ -	\$ 3,377,261	\$ 1,935,386
Support service - Students	3,742,104		282,666	10,725
Support services - Instruction	1,293,708		149,390	
General administration	1,023,821		217,100	13,996
School administration	2,457,859		30,628	29,542
Central services	1,013,572		124,592	
Operation of plant	5,669,075			956,800
Food service		3,682,536		25,203
Transportation	2,243,887		1,592	
Other support services	26,963			
Debt service:				
Principal				
Interest				
Bond issue costs				
Capital outlay				
Total expenditures	\$ 40,877,855	\$ 3,682,536	\$ 4,183,229	\$ 2,971,652
Revenues over (under) expenditures	\$ 66,748	\$ 623,824	\$ -	\$ (365,848)
Other financing sources (uses):				
Debt proceeds				
Transfer out				
Transfer in				
Net change in fund balances	\$ 66,748	\$ 623,824	\$ -	\$ (365,848)
Fund balance, July 1, 2014	2,794,904	2,447,492		152,553
Fund balance, June 30, 2015	\$ 2,861,652	\$ 3,071,316	\$ -	\$ (213,295)

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

Bond Building	Debt Service	Other Funds	Total Governmental Funds
\$ -	\$ 3,116,594	\$ 1,167,851	\$ 4,554,145
		34,480	424,572
757,062		116,461	42,954,337
		2,141,969	10,909,153
31,029	1,557	7,782	48,419
			524,155
<u>\$ 788,091</u>	<u>\$ 3,118,151</u>	<u>\$ 3,468,543</u>	<u>\$ 59,414,781</u>
\$ -	\$ -	\$ 1,320,560	\$ 30,040,073
		607,571	4,643,066
		1,997	1,445,095
	31,580	73,226	1,359,723
			2,518,029
			1,138,164
703		2,910,206	9,536,784
		123,543	3,831,282
		77	2,245,556
			26,963
	1,450,000	1,265,000	2,715,000
	463,031	9,487	472,518
			-
1,088,036		1,031,669	2,119,705
<u>\$ 1,088,739</u>	<u>\$ 1,944,611</u>	<u>\$ 7,343,336</u>	<u>\$ 62,091,958</u>
\$ (300,648)	\$ 1,173,540	\$ (3,874,793)	\$ (2,677,177)
			-
			-
			-
\$ (300,648)	\$ 1,173,540	\$ (3,874,793)	\$ (2,677,177)
10,058,926	1,927,194	7,119,111	24,500,180
<u>\$ 9,758,278</u>	<u>\$ 3,100,734</u>	<u>\$ 3,244,318</u>	<u>\$ 21,823,003</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, 2015

Net change in fund balances- total governmental funds \$ (2,677,177)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital outlay	2,119,705
Depreciation expense	(3,026,721)

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:

Property taxes subject to the 60 day availability period	29,035
Miscellaneous receivables subject to the 60 day availability period	(2,925)
Intergovernmental grants subject to the 60 day availability period	348,385

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 2,715,000

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

Bond premiums	-
Amortization	12,478

Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

Pension contributions	3,869,274
Cost of benefits earned net of employee contributions	(3,676,392)

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.

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. (53,417)

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, 2015

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.

(46,981)

Change in Net Position of Governmental Activities

\$ (389,736)

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 200,000	\$ 200,000	\$ 221,820	\$ 21,820
State sources	39,059,154	39,626,002	39,587,017	(38,985)
Local sources	589,438	589,438	868,552	279,114
Earnings on investments	2,563	2,563	2,963	400
Total revenues	\$ 39,851,155	\$ 40,418,003	\$ 40,680,352	\$ 262,349
Expenditures:				
Current:				
Instruction	\$ 24,468,627	\$ 24,899,552	\$ 23,490,986	\$ 1,408,566
Support services - Students	3,879,320	3,879,320	3,693,675	185,645
Support services - Instruction	1,160,429	1,287,429	1,286,901	528
General administration	1,134,646	1,134,646	1,034,021	100,625
School administration	2,475,893	2,475,893	2,459,257	16,636
Central services	1,175,708	1,175,708	1,019,743	155,965
Operation of plant	6,623,051	6,623,051	5,518,680	1,104,371
Transportation	2,240,552	2,258,283	2,254,222	4,061
Other support services	98,563	98,563	40,737	57,826
Capital outlay	2,953	2,953	2,423	530
Total expenditures	\$ 43,259,742	\$ 43,835,398	\$ 40,800,645	\$ 3,034,753
Revenues over (under) expenditures	\$ (3,408,587)	\$ (3,417,395)	\$ (120,293)	\$ 3,297,102
Other financing sources (uses):				
Transfers in				-
Net change in fund balance	\$ (3,408,587)	\$ (3,417,395)	\$ (120,293)	\$ 3,297,102
Fund balance, July 1, 2014	3,408,587	3,417,395	3,005,352	(412,043)
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,885,059</u>	<u>\$ 2,885,059</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 66,748	
Revenue accruals (net)			(264,251)	
Expenditure accruals (net)			<u>77,210</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (120,293)</u>	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 4,072,562	\$ 5,517,582	\$ 3,189,067	\$ (2,328,515)
Expenditures:				
Current:				
Instruction	\$ 2,442,333	\$ 3,751,306	\$ 3,390,431	\$ 360,875
Support services - Students	1,071,667	1,082,367	282,666	799,701
Support services - Instruction	112,019	151,319	149,390	1,929
General administration	317,718	322,996	217,100	105,896
School administration	81,700	81,700	30,628	51,072
Central services	47,125	125,894	124,592	1,302
Operation of plant				-
Transportation		2,000	1,682	318
Capital outlay				-
Total expenditures	<u>\$ 4,072,562</u>	<u>\$ 5,517,582</u>	<u>\$ 4,196,489</u>	<u>\$ 1,321,093</u>
Net change in fund balance	\$ -	\$ -	\$ (1,007,422)	\$ (1,007,422)
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(1,003,002)</u>	<u>(1,003,002)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,010,424)</u></u>	<u><u>\$ (2,010,424)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(994,162)	
Expenditure accruals (net)			<u>(13,260)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1,007,422)</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 1,690,007	\$ 2,783,961	\$ 1,967,297	\$ (816,664)
Local sources	605,032	768,362	386,950	(381,412)
Earnings on investments			527	527
	\$ 2,295,039	\$ 3,552,323	\$ 2,354,774	\$ (1,197,549)
Expenditures:				
Current:				
Instruction	\$ 1,593,471	\$ 2,129,118	\$ 1,935,386	\$ 193,732
Support services - Students	10,996	10,996	10,725	271
Support services - Instruction	36,340	36,340		36,340
General administration		14,000	13,996	4
School administration	43,100	43,100	29,542	13,558
Operational plant maintenance	611,132	1,293,566	956,800	336,766
Food service		25,203	25,203	-
Capital outlay				-
	\$ 2,295,039	\$ 3,552,323	\$ 2,971,652	\$ 580,671
Net change in fund balance	\$ -	\$ -	\$ (616,878)	\$ (616,878)
Fund balance, July 1, 2014	-	-	(37,943)	(37,943)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (654,821)	\$ (654,821)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (365,848)	
Revenue accruals (net)			(251,030)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (616,878)	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 2,500,000	\$ 2,500,000	\$ 4,087,666	\$ 1,587,666
State sources				-
Local sources	13,000	13,000	15,822	2,822
Earnings on investments	<u>3,000</u>	<u>3,000</u>	<u>4,549</u>	<u>1,549</u>
Total revenues	<u>\$ 2,516,000</u>	<u>\$ 2,516,000</u>	<u>\$ 4,108,037</u>	<u>\$ 1,592,037</u>
Expenditures:				
Current:				
Food services	\$ 3,841,580	\$ 3,841,580	\$ 3,450,016	\$ 391,564
Capital outlay				-
Total expenditures	<u>\$ 3,841,580</u>	<u>\$ 3,841,580</u>	<u>\$ 3,450,016</u>	<u>\$ 391,564</u>
Net change in fund balance	\$ (1,325,580)	\$ (1,325,580)	\$ 658,021	\$ 1,983,601
Fund balance, July 1, 2014	<u>1,325,580</u>	<u>1,325,580</u>	<u>2,320,261</u>	<u>994,681</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,978,282</u>	<u>\$ 2,978,282</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 623,824	
Revenue accruals (net)			(198,323)	
Expenditure accruals (net)			<u>232,520</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 658,021</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, 2015

	<u>Primary Government Agency</u>	<u>Component Unit Agency</u>
Assets		
Cash and investments	<u>\$ 167,465</u>	<u>\$ 1,538</u>
Total assets	<u><u>\$ 167,465</u></u>	<u><u>\$ 1,538</u></u>
 Liabilities		
Deposits held for others	<u>\$ 167,465</u>	<u>\$ 1,538</u>
Total liabilities	<u><u>\$ 167,465</u></u>	<u><u>\$ 1,538</u></u>

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

Deming Public Schools
NOTES TO FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2015

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.

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

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).

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 District has deferred outflows related to pensions as discussed in Note 6.

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 District has three 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 been 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 District reports unavailable revenue from the following sources:

Governmental Funds Balance Sheet

	Statement of net <u>Position</u>	General <u>Fund</u>	State <u>Grants</u>	Bond <u>Building</u>	Debt <u>Service</u>	Other <u>Funds</u>	<u>Total</u>
Advances	\$337,763	\$	\$	\$ 189,700	\$	\$ 148,063	\$ 337,763
Property taxes		14,647			285,781	113,393	413,821
Grant revenue			<u>945,049</u>				<u>945,049</u>
Total	<u>\$337,763</u>	<u>\$ 14,647</u>	<u>\$ 945,049</u>	<u>\$ 189,700</u>	<u>\$ 285,751</u>	<u>\$ 261,456</u>	<u>1,696,633</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:

- Non-spendable 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, 2015 was \$4.84 per \$1,000 for non-residential property and \$4.95 for residential property. The District's tax rate for debt service was \$5.792 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 \$1.965 for nonresidential property. The District's tax rate for education technology debt was \$-0- 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 District does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2015 \$2,614,515 of the government bank balance of \$14,926,058 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 2,614,515</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 \$707,929 on deposit in the pool at June 30, 2015, which is AAAm rated with a weighted average maturity of 54.6 days.

Note 3 Investments

At June 30, 2015, 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	\$ 585,220	\$ 585,220	N/A
Certificates of Deposit	<u>9,500,000</u>	<u>9,500,000</u>	N/A
Total investments	<u>\$10,085,220</u>	<u>\$10,085,220</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 6% invested in U.S. Government securities, and 94% 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, 2015, was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Capital assets not being depreciated:				
Land	\$ 2,635,833	\$	\$	\$ 2,635,833
Construction in progress	<u>67,305</u>	<u>1,174,655</u>		<u>1,241,960</u>
Total assets not being depreciated	<u>\$ 2,703,138</u>	<u>\$ 1,174,655</u>	<u>\$ -0-</u>	<u>\$ 3,877,793</u>
Other capital assets:				
Buildings/improvements	\$ 94,895,404	\$ 95,953	\$	\$ 94,991,357
Land improvements	6,539,563	319,928		6,859,491
Furniture and equipment	<u>8,045,977</u>	<u>529,169</u>		<u>8,575,146</u>

Total other capital assets at historical cost	<u>\$109,480,944</u>	<u>\$ 945,050</u>	<u>\$ -0-</u>	<u>\$ 110,425,994</u>
Less accumulated depreciation for:				
Buildings/improvements	\$ (35,146,145)	\$ (2,426,731)	\$	\$ (37,572,876)
Land improvements	(2,237,488)	(289,865)		(2,527,353)
Furniture and equipment	<u>(6,811,910)</u>	<u>(310,125)</u>		<u>(7,122,035)</u>
Total accumulated depreciation	<u>\$ (44,195,543)</u>	<u>\$ (3,026,721)</u>	<u>\$ -0-</u>	<u>\$ (47,222,264)</u>
Other capital assets, net	<u>\$ 65,285,401</u>	<u>\$ (2,081,671)</u>	<u>\$ -0-</u>	<u>\$ 63,203,730</u>
Total capital assets, net	<u>\$ 67,988,539</u>	<u>\$ (907,016)</u>	<u>\$ -0-</u>	<u>\$ 67,081,523</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 1,604,162
Support Services – Students	242,138
Support Services – Instruction	22,700
General Administration	90,802
School Administration	151,336
Central Services	121,069
Operation of plant	317,806
Food Services	148,336
Transportation	<u>328,372</u>
	<u>\$ 3,026,721</u>

The District has future construction commitments of approximately \$50,000,000, for projects underway at June 30, 2015. 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, 2015:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due In</u> <u>One Year</u>
G.O. Bonds, series 2014	\$ 9,500,000	\$ -0-	\$ -0-	\$ 9,500,000	\$ 1,100,000
G.O. Bonds, series 2003	1,300,000	-0-	700,000	600,000	600,000
Compensated absences payable	395,414	256,747	209,767	442,394	-0-
G.O. Bonds, series 2006	3,400,000	-0-	400,000	3,000,000	500,000
G.O. Bonds, series 2007	4,950,000	-0-	350,000	4,600,000	400,000
Ed Tech Certificate	<u>1,265,000</u>		<u>1,265,000</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$20,810,414</u>	<u>\$ 256,747</u>	<u>\$ 2,924,767</u>	<u>\$ 18,142,394</u>	<u>\$ 2,600,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
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	1,650,000	215,063
2021-2025	3,700,000	668,126
2026-2030	<u>3,850,000</u>	<u>198,311</u>
	<u>\$ 17,700,000</u>	<u>\$ 2,598,450</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 property tax levies expire when the related debt is repaid. This debt was paid in full in 2015.

During the year ended June 30, 2015, the District recognized \$75,891 in property taxes pledged to retire the debt, and retired \$1,274,487 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 \$20,298,450 at June 30, 2015, 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, 2015, the District recognized \$3,116,594 in property taxes pledged to retire the bonded indebtedness, and retired \$1,913,031 in bond principal and interest.

Note 6 Pension Plan

Summary of Significant Accounting Policies General Information about the Pension Plan

Plan Description

ERB was created by the State's Education Retirement Act, Section 22-11-1 through 22-11-2. NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the State's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico Legislature has the authority to set or amend contribution rates.

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

Benefits Provided

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

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

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

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

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

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

five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions

The contribution requirements of defined benefit plan members and the Deming Public Schools are established in state statute under Chapter 10, Article 11, NMSA, 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90% and employees earning \$20,000 or less continued to contribute 7.9% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the Deming Public Schools were \$3,869,274 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the Deming Public Schools reported a liability of \$56,421,681 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was .98886 percent, which was a decrease of .0142 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Deming Public Schools recognized pension expense of \$3,676,392. At the June 30, 2015, the Deming Public Schools reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ -	\$ (840,484)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(5,128,981)
Changes in proportion and differences between Truth or Consequences Municipal Schools contributions and proportionate share of contributions		(661,601)

Deming Public Schools contributions subsequent to the measurement date	<u>3,869,274</u>	<u>-</u>
Total	<u>\$3,869,274</u>	<u>\$(6,631,066)</u>

\$3,869,274 reported as deferred outflows of resources related to pensions resulting from Deming Public Schools contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 1,803,806
2017	1,803,806
2018	1,741,219
2019	1,282,235

Actuarial Assumptions

As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLA'S for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized-closed 30 years from June 30, 2012 to June 30, 2042

Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.). 2) Application of key economic projections (inflation, real growth, dividends, etc.), and 3) Structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30 year return assumptions are summarized in the following table:

<u>Asset Class</u>	<u>2014 Long-Term Expected Real Rate of Return</u>	<u>2013 Long-Term Expected Real Rate of Return</u>
Cash	1.50%	0.75%
Treasury's	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	.093%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%

Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount Rate

A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERBs defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the Deming Public Schools Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the District’s net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	<u>1% Decrease</u> <u>(6.75%)</u>	<u>Discount Rate</u> <u>(7.75%)</u>	<u>1% Increase</u> <u>(8.75%)</u>
Deming Public Schools proportionate share of the net pension liability	\$76,768,206	\$56,421,681	\$39,426,734

Pension Plan Fiduciary Net Position

Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

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, 2015, 2014, and 2013 were \$555,879, \$545,131, and \$549,154, respectively, which equal the required contributions for each year.

Note 8 Risk Management

The District's is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors; errors and omissions; injuries to employees; and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred. No losses exceeded insurance in the past three years.

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

Note 9 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 10 Deficit Fund Balance

The District had the following deficit fund balances at June 30, 2015. 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.

State Grants	<u>\$ 213,295</u>
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Note 11 Inter-fund Activity

Inter-fund balances at June 30, 2015, consisted of the following:

		<u>Inter-fund Payable</u>					
	<u>General</u>	<u>Cafeteria</u>	<u>Title I</u>	<u>State</u>	<u>Debt</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>			<u>Grants</u>	<u>Service</u>	<u>Funds</u>	
<u>Inter-fund Receivables</u>							
General	\$	\$	\$208,580	\$	\$	\$	\$208,580
Cafeteria						8,967	8,967
Title 1						780	780
State Grants	1,136						1,136
Bond Building					103,840	189,700	293,540
Debt Service						16,982	16,982
Other Funds	<u>4,428</u>	<u>13,662</u>	<u> </u>	<u>39,524</u>	<u> </u>	<u>86,441</u>	<u>144,055</u>
	<u>\$ 5,564</u>	<u>\$ 13,662</u>	<u>\$ 208,580</u>	<u>\$ 39,524</u>	<u>\$ 103,840</u>	<u>\$ 302,870</u>	<u>\$674,040</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, 2015, there were no transfers between funds.

Note 12 Restricted Net Position

At June 30, 2015, net position restricted for other purposes included the following balances in special revenue funds:

SB-9	\$1,568,605
Cafeteria	3,071,316
Medicaid	57,407
Athletics	393
Fresh Fruits	1,039
Other	<u>1,389,275</u>
	<u>\$6,088,035</u>

The District reports \$12,506,919 in restricted net position, of which \$12,506,526 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, 2015:

Land	\$ 5,000
Buildings	<u>683,183</u>
	\$ 688,183
Less accumulated depreciation	<u>(683,183)</u>
Net position	<u><u>\$ 5,000</u></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, 2015.

Note 14 Evaluation of Subsequent Events

The District has evaluated subsequent events through November 5, 2015, the date which the financial statements were available to be issued.

Note 15 Restatement

During the year ended June 30, 2015, the District adopted Governmental Accounting Standards Board Statements No. 67 and 68. These statements require the recognition of a net pension liability for the unfunded pension liabilities as currently measured by the Education Retirement Board.

As a part of this measurement, the District is required to restate its net position for the estimated liability as June 30, 2014, in the amount of \$59,376,355.

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, 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 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, liabilities, deferred outflows of resources, and deferred inflows of resources (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 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 accounts.

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, 2015.

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

Governments-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 resources (expenses/expenditures) until then. The Government has deferred outflows related to pensions as discussed in Note D.

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 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</u>			
	<u>Governmental</u>	<u>TANF</u>	<u>Other</u>	
	<u>Activities</u>	<u>Grads</u>	<u>Funds</u>	<u>Total</u>
Advances under expenditure driven grants	<u>\$ 37,681</u>	<u>\$ 33,410</u>	<u>\$ 4,271</u>	<u>\$ 37,681</u>

In addition, the Government has deferred outflows of resources related to pensions as discussed in Note D.

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, 2015 \$207,708 of the School’s bank balance of \$1,415,178 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 207,708</u>
Total	<u>\$ 207,708</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	957,470	957,470
Uninsured and uncollateralized	<u>207,708</u>	<u>141,268</u>
	<u>\$ 1,415,178</u>	<u>\$ 1,348,738</u>

Note C Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Capital assets being depreciated				
Other capital assets:				
Furniture and equipment	\$ 148,403	\$ 7,032	\$ -0-	\$ 155,435
Leasehold improvements	<u>172,075</u>	<u>131,650</u>	<u>-0-</u>	<u>303,725</u>
Total other capital assets at historical cost	<u>\$ 320,478</u>	<u>\$ 138,682</u>	<u>\$ -0-</u>	<u>\$ 459,160</u>
Less accumulated depreciation for:				
Furniture and equipment	\$ (67,450)	\$ (13,395)	\$ -0-	\$ (80,845)
Leasehold improvements	<u>(29,377)</u>	<u>(2,633)</u>	<u>-0-</u>	<u>(32,010)</u>
Total accumulated depreciation	<u>\$ (96,827)</u>	<u>\$ (16,028)</u>	<u>\$ -0-</u>	<u>\$ (112,855)</u>
Total capital assets, net	<u>\$ 223,651</u>	<u>\$ 122,654</u>	<u>\$ -0-</u>	<u>\$ 346,305</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	<u>\$ 16,028</u>
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Note D Pension Plan

Summary of Significant Accounting Policies

General Information about the Pension Plan

Plan Description – ERB was created by the State's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple

employer plan established to provide retirement and disability benefits for certified teachers and other employees of the State's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico Legislature has the authority to set or amend contribution rates.

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

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

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

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

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

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

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

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

Contributions – The contribution requirements of defined benefit plan members and the Cesar Chavez High School Charter School are established in state statute under Chapter 10, Article 11, NMSA, 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the Cesar Chavez High School Charter School were \$90,334 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension - The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the Cesar Chavez High School Charter School reported a liability of \$1,676,905 for its proportionate share of the net pension liability. The School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the School's proportion was .02939 percent, which was an increase of .02648 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Cesar Chavez High School Charter School recognized pension expense of \$163,208. At the June 30, 2015, the Cesar Chavez High School Charter School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ -	\$ (24,984)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(152,460)
Changes in proportion and differences between (name of employer) contributions and proportionate share of contributions	135,571	
Cesar Chavez High School Charter School contributions subsequent to the measurement date	<u>90,334</u>	<u>-</u>
Total	<u>\$ 225,905</u>	<u>\$ (177,444)</u>

\$90,334 reported as deferred outflows of resources related to pensions resulting from Cesar Chavez High School Charter School contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 290
2017	290
2018	(4,318)
2019	(38,135)

Actuarial assumptions – as described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.

2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLA's for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

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

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) Application of key economic projections (inflation, real growth, dividends, etc.), and 3) Structural themes (supply and demand imbalances, capital flows, etc). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30 year return assumptions are summarized in the following table:

<u>Asset Class</u>	2014 <u>Long-Term Expected Real Rate of Return</u>	2013 <u>Long-Term Expected Real Rate of Return</u>
Cash	1.50%	0.75%
Treasury's	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount Rate – A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the Cesar Chavez High School Charter School Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the District's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
Cesar Chavez High School Charter School No. 2 proportionate share of the net pension liability	\$ 2,281,625	\$ 1,676,905	\$ 1,171,966

Pension Plan Fiduciary Net Position – Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

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). 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, 2015, 2014 and 2013 were \$13,102, \$16,638 and \$14,533, 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, 2015, assets restricted for other purposes were -0-.

The School reports \$.00 in restricted assets, of which \$.00 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, 2015.

Note J Related Parties

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, 2015.

Note K Inter-fund Activity

Inter-fund balances at June 30, 2015, consisted of the following:

<u>Inter-fund Receivable</u>	<u>Inter-Fund Payable</u>			
	<u>Title I</u>	<u>School Improvement</u>	<u>Other Funds</u>	<u>Total</u>
General	\$ 124,290	\$ 108,038	\$ 2,089	\$ 234,417

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.

There were no inter-fund transfers during the year ended June 30, 2015.

Note L Evaluation of Subsequent Events

The School has evaluated subsequent events through November 5, 2015, 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:

General Fund Instructional Materials	1,109
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The School intends to revise its budget policies to prevent such occurrences in the future.

Note N Restatement Pension

During the year ended June 30, 2015, the School adopted Governmental Accounting Standards Board Statements No. 67 and 68. These statements require the recognition of a net pension liability for the unfunded pension liabilities as currently measured by the Education Retirement Board.

As a part of this measurement, the School is required to restate its net position for the estimated liability of June 30, 2014, in the amount of \$1,555,570.

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).

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).

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.

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, 2015

	Special Revenue Funds			
	Athletics	Migrant Education	Competitive	Entitlement
Assets				
Cash and investments	\$ 393	\$ -	\$ -	\$ -
Inventory				
Property taxes receivable				
Interfund receivable		31		11,767
Due from other governments		220,413	3,564	221,214
Total assets	\$ 393	\$ 220,444	\$ 3,564	\$ 232,981
Liabilities				
Cash overdraft	\$ -	\$ 220,444	\$ 3,564	\$ 222,044
Accounts payable				
Interfund payable				10,937
Total liabilities	\$ -	\$ 220,444	\$ 3,564	\$ 232,981
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education	393			
Social services				
Food service				
Capital projects				
Debt service				
Unassigned				
Total fund balances	\$ 393	\$ -	\$ -	\$ -
Total liabilities, deferred inflows of resources, and fund balances	\$ 393	\$ 220,444	\$ 3,564	\$ 232,981

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

Special Revenue Funds

Emergency Response	ROTC	Preschool	Fresh Fruits and Vegetables	Discretionary	Goals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843
<u>19,279</u>	<u>20,489</u>	<u>2,834</u>	<u>13,662</u> <u>10,971</u>	<u>13,358</u>	<u> </u>
<u>\$ 19,279</u>	<u>\$ 20,489</u>	<u>\$ 2,839</u>	<u>\$ 24,633</u>	<u>\$ 13,358</u>	<u>\$ 2,843</u>
<u>\$ 19,279</u>	<u>\$ 20,489</u>	<u>\$ 2,839</u>	<u>\$ 19,554</u>	<u>\$ 13,358</u>	<u>\$ -</u>
<u>\$ 19,279</u>	<u>\$ 20,489</u>	<u>\$ 2,839</u>	<u>\$ 19,554</u>	<u>\$ 13,358</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,040</u>	<u>\$ -</u>	<u>\$ 2,843</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,040</u>	<u>\$ -</u>	<u>\$ 2,843</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u> </u>	<u> </u>	<u> </u>	<u>1,039</u>	<u> </u>	<u> </u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,039</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 19,279</u>	<u>\$ 20,489</u>	<u>\$ 2,839</u>	<u>\$ 24,633</u>	<u>\$ 13,358</u>	<u>\$ 2,843</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2015

	Special Revenue Funds			
	Education of Homeless	Title II	Emergency Immigrant	Technoloty for Education
Assets				
Cash and investments	\$ -	\$ 619	\$ 1,253	\$ -
Inventory				
Property taxes receivable				
Interfund receivable	7			
Due from other governments	5,520			79,062
Total assets	\$ 5,527	\$ 619	\$ 1,253	\$ 79,062
Liabilities				
Cash overdraft	\$ 5,527	\$ -	\$ -	\$ 79,062
Accounts payable				
Interfund payable				
Total liabilities	\$ 5,527	\$ -	\$ -	\$ 79,062
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ 619	\$ 1,253	\$ -
Total deferred inflows of resources	\$ -	\$ 619	\$ 1,253	\$ -
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	\$ 5,527	\$ 619	\$ 1,253	\$ 79,062

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

Special Revenue Funds

<u>Title III Incentives</u>	<u>Homeless Stimulus</u>	<u>School Health</u>	<u>Innovative Programs</u>	<u>English Language</u>	<u>Child Nutiriton Stimulus</u>
\$ -	\$ -	\$ -	\$ -	\$ 9,198	\$ 26,244
<u>6,596</u>	<u>4,819</u>	<u>1,499</u>	<u>115</u>	<u>58,821</u>	<u> </u>
<u><u>\$ 6,596</u></u>	<u><u>\$ 4,819</u></u>	<u><u>\$ 1,499</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ 68,019</u></u>	<u><u>\$ 26,244</u></u>
\$ 6,596	\$ 4,819	\$ 1,499	\$ 115	\$ -	\$ -
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>68,019</u>	<u> </u>
<u>\$ 6,596</u>	<u>\$ 4,819</u>	<u>\$ 1,499</u>	<u>\$ 115</u>	<u>\$ 68,019</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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u><u>\$ 6,596</u></u>	<u><u>\$ 4,819</u></u>	<u><u>\$ 1,499</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ 68,019</u></u>	<u><u>\$ 26,244</u></u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2015

	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>111,200</u>	<u>31,309</u>	<u></u>	<u>1,245</u>
Total assets	<u>\$ 111,200</u>	<u>\$ 31,309</u>	<u>\$ 2,023</u>	<u>\$ 1,245</u>
Liabilities				
Cash overdraft	\$ 111,200	\$ 23,044	\$ -	\$ 1,245
Accounts payable				
Interfund payable	<u></u>	<u>8,265</u>	<u></u>	<u></u>
Total liabilities	<u>\$ 111,200</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>\$ 111,200</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
\$ -	\$ 28,806	\$ -	\$ 3	\$ -	\$ 68,132
12		64,952		10,940	3,134
<u>25,594</u>		<u>182,934</u>		<u>12,747</u>	
<u>\$ 25,606</u>	<u>\$ 28,806</u>	<u>\$ 247,886</u>	<u>\$ 3</u>	<u>\$ 23,687</u>	<u>\$ 71,266</u>
\$ 25,606	\$ -	\$ 247,886	\$ -	\$ 23,687	\$ -
<u>\$ 25,606</u>	<u>\$ -</u>	<u>\$ 247,886</u>	<u>\$ -</u>	<u>\$ 23,687</u>	<u>\$ -</u>
\$ -	\$ 28,806	\$ -	\$ 3	\$ -	\$ 71,266
<u>\$ -</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>\$ 25,606</u>	<u>\$ 28,806</u>	<u>\$ 247,886</u>	<u>\$ 3</u>	<u>\$ 23,687</u>	<u>\$ 71,266</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2015

	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	15,465	54,503	61,937	51,515
Total assets	\$ 15,486	\$ 54,503	\$ 61,937	\$ 51,515
Liabilities				
Cash overdraft	\$ 15,486	\$ 54,503	\$ 61,937	\$ 51,515
Accounts payable				
Interfund payable				
Total liabilities	\$ 15,486	\$ 54,503	\$ 61,937	\$ 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	\$ 15,486	\$ 54,503	\$ 61,937	\$ 51,515

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

Special Revenue Funds				
Emergency Food	Immigrant Funding	Child and Adult Food	Medicaid	SB-9
\$ 6,250	\$ 4,716	\$ 6,968	\$ 57,407	\$ 1,505,281
				78,468
				39,524
		1,999		
<u>\$ 6,250</u>	<u>\$ 4,716</u>	<u>\$ 8,967</u>	<u>\$ 57,407</u>	<u>\$ 1,623,273</u>
\$ -	\$ -	\$ -	\$ -	\$ -
				4,088
		8,967		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,967</u>	<u>\$ -</u>	<u>\$ 4,088</u>
<u>\$ 6,250</u>	<u>\$ 4,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,580</u>
<u>\$ 6,250</u>	<u>\$ 4,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,580</u>
\$ -	\$ -	\$ -	\$ -	\$ -
				1,568,605
			57,407	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,407</u>	<u>\$ 1,568,605</u>
<u>\$ 6,250</u>	<u>\$ 4,716</u>	<u>\$ 8,967</u>	<u>\$ 57,407</u>	<u>\$ 1,623,273</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2015

	Capital Projects Funds	Debt Service Funds	
	Ed Tech Equipment	Ed Tech Debt Service	Total
Assets			
Cash and investments	\$ 1,733,929	\$ 147,857	\$ 3,601,922
Inventory			-
Property taxes receivable		72,172	150,640
Interfund receivable			144,055
Due from other governments			1,219,002
Total assets	\$ 1,733,929	\$ 220,029	\$ 5,115,619
Liabilities			
Cash overdraft	\$ -	\$ -	\$ 1,235,298
Accounts payable	67,589		71,677
Interfund payable	189,700	16,982	302,870
Total liabilities	\$ 257,289	\$ 16,982	\$ 1,609,845
Deferred Inflows of Resources			
Unavailable revenue	\$ -	\$ 62,813	\$ 261,456
Total deferred inflows of resources	\$ -	\$ 62,813	\$ 261,456
Fund balance:			
Nonspendable:			
Inventories	\$ -	\$ -	\$ -
Restricted for:			
Education			1,568,998
Social services			57,407
Food service			1,039
Capital projects	1,476,640		1,476,640
Debt service		140,234	140,234
Unassigned			-
Total fund balances	\$ 1,476,640	\$ 140,234	\$ 3,244,318
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,733,929	\$ 220,029	\$ 5,115,619

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, 2015

	Special Revenue Funds			
	Athletics	Migrant Education	Entitlement	ROTC
Revenues:				
Fees and charges	\$ 34,480	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid		232,397	893,289	53,452
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 34,480</u>	<u>\$ 232,397</u>	<u>\$ 893,289</u>	<u>\$ 53,452</u>
Expenditures:				
Current:				
Instruction	\$ 33,257	\$ 136,455	\$ 459,035	\$ 53,452
Support services - Students		63,579	395,191	
Support services - Instruction				
General administration		7,509	31,409	
School administration				
Central services				
Operation of plant		386	7,654	
Food services				
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay		24,468		
Total expenditures	<u>\$ 33,257</u>	<u>\$ 232,397</u>	<u>\$ 893,289</u>	<u>\$ 53,452</u>
Revenues over (under) expenditures	\$ 1,223	\$ -	\$ -	\$ -
Other financing sources:				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balances	\$ 1,223	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	<u>(830)</u>			
Fund balance, June 30, 2015	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Funds

<u>Preschool</u>	<u>Fresh Fruits and Vegetables</u>	<u>Education of Homeless</u>	<u>School Health</u>	<u>English Language</u>	<u>Carl Perkins</u>	<u>Teacher Training</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15,268	119,503	33,048	1,499	117,963	66,490	225,357
<u>\$ 15,268</u>	<u>\$ 119,503</u>	<u>\$ 33,048</u>	<u>\$ 1,499</u>	<u>\$ 117,963</u>	<u>\$ 66,490</u>	<u>\$ 225,357</u>
\$ 4,491 10,189	\$ -	\$ 6,525 24,985	\$ 1,499	\$ 115,614	\$ 57,611	\$ 217,442
588		1,175		2,349	2,127	7,915
		286				
	123,543	77				
					6,752	
<u>\$ 15,268</u>	<u>\$ 123,543</u>	<u>\$ 33,048</u>	<u>\$ 1,499</u>	<u>\$ 117,963</u>	<u>\$ 66,490</u>	<u>\$ 225,357</u>
\$ -	\$ (4,040)	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ (4,040)	\$ -	\$ -	\$ -	\$ -	\$ -
	5,079		-	-	-	-
<u>\$ -</u>	<u>\$ 1,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Deming Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)
For The Fiscal Year Ended June 30, 2015

	Special Revenue Funds			
	Rural Schools	Gear Up	Emergency Food	Medicaid
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid	101,446	144,109	2,750	135,398
Earnings on investments				
Miscellaneous				
Total revenues	<u>\$ 101,446</u>	<u>\$ 144,109</u>	<u>\$ 2,750</u>	<u>\$ 135,398</u>
Expenditures:				
Current:				
Instruction	\$ 97,883	\$ 137,296	\$ -	\$ -
Support services - Students			2,750	110,877
Support services - Instruction		1,997		
General administration	3,563	4,816		
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Debt service:				
Principle				
Interest				
Capital outlay				
Total expenditures	<u>\$ 101,446</u>	<u>\$ 144,109</u>	<u>\$ 2,750</u>	<u>\$ 110,877</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 24,521
Other financing sources (uses):				
Debt proceeds				
Operating transfers in (out)				
Net change in fund balance	\$ -	\$ -	\$ -	\$ 24,521
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,886</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 57,407</u></u>

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

<u>Special Projects Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	
<u>SB-9</u>	<u>Ed Tech Equipment</u>	<u>Ed Tech Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 34,480
1,091,960		75,891	1,167,851
116,461			116,461
7,782			2,141,969
			7,782
			-
<u>\$ 1,216,203</u>	<u>\$ -</u>	<u>\$ 75,891</u>	<u>\$ 3,468,543</u>
\$ -	\$ -	\$ -	\$ 1,320,560
			607,571
10,854		921	1,997
			73,226
			-
			-
2,455,209	446,671		2,910,206
			123,543
			77
			-
		1,265,000	1,265,000
		9,487	9,487
<u>877,641</u>	<u>122,808</u>		<u>1,031,669</u>
<u>\$ 3,343,704</u>	<u>\$ 569,479</u>	<u>\$ 1,275,408</u>	<u>\$ 7,343,336</u>
\$ (2,127,501)	\$ (569,479)	\$ (1,199,517)	\$ (3,874,793)
			\$ -
			-
<u>\$ (2,127,501)</u>	<u>\$ (569,479)</u>	<u>\$ (1,199,517)</u>	<u>\$ (3,874,793)</u>
<u>3,696,106</u>	<u>2,046,119</u>	<u>1,339,751</u>	<u>7,119,111</u>
<u>\$ 1,568,605</u>	<u>\$ 1,476,640</u>	<u>\$ 140,234</u>	<u>\$ 3,244,318</u>

Deming Public Schools
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2015

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 2,148,399	\$ 1	\$ 171,355
Taxes receivable	21,535		
Interest receivable	76		
Inventory	222,290		
Due from other governments			
Notes receivable			
Interfund receivable	208,580	-	-
 Total assets	 \$ 2,600,880	 \$ 1	 \$ 171,355
 Liabilities			
Accounts payable	\$ 247,097	\$ -	\$ -
Interfund payable	5,564		
 Total liabilities	 \$ 252,661	 \$ -	 \$ -
 Deferred Inflows of Resources			
Unavailable revenue	\$ 14,647	\$ -	\$ -
 Total deferred inflows of resources	 \$ 14,647	 \$ -	 \$ -
 Fund balance:			
Nonspendable:			
Inventories	\$ 222,290	\$ -	\$ -
Restricted for:			
Education			171,355
Transportation		1	
Unassigned	2,111,282	-	-
 Total fund balances	 \$ 2,333,572	 \$ 1	 \$ 171,355
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 2,600,880	 \$ 1	 \$ 171,355

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

<u>Non - Instructional Support</u>	<u>Total</u>
\$ 356,724	\$ 2,676,479
	21,535
	76
	222,290
	-
	-
	<u>208,580</u>
<u>\$ 356,724</u>	<u>\$ 3,128,960</u>
\$ -	\$ 247,097
	<u>5,564</u>
<u>\$ -</u>	<u>\$ 252,661</u>
\$ -	<u>\$ 14,647</u>
<u>\$ -</u>	<u>\$ 14,647</u>
\$ -	\$ 222,290
	171,355
	1
<u>356,724</u>	<u>2,468,006</u>
<u>\$ 356,724</u>	<u>\$ 2,861,652</u>
<u>\$ 356,724</u>	<u>\$ 3,128,960</u>

Deming Public Schools
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2015

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	\$ 269,700	\$ -	\$ -
Fees and charges	198,531		
State aid	37,353,188	2,173,631	335,668
Federal aid	297,966		
Earnings on investments	2,562		
Miscellaneous	137,205		
	<u>\$ 38,259,152</u>	<u>\$ 2,173,631</u>	<u>\$ 335,668</u>
Total revenues			
Expenditures:			
Current:			
Instruction	\$ 22,964,937	\$ -	\$ 199,290
Support services - Students	3,742,104		
Support services - Instruction	1,293,708		
General administration	1,023,821		
School administration	2,457,859		
Central services	1,013,572		
Operation of plant	5,669,075		
Transportation	61,448	2,182,439	
Other support services	26,963		
Capital outlay			
	<u>\$ 38,253,487</u>	<u>\$ 2,182,439</u>	<u>\$ 199,290</u>
Total expenditures			
Revenues over (under) expenditures	\$ 5,665	\$ (8,808)	\$ 136,378
Other financing sources:			
Loan proceeds			
Operating transfers in (out)			
	<u></u>	<u></u>	<u></u>
Net change in fund balances	\$ 5,665	\$ (8,808)	\$ 136,378
Fund balance, July 1, 2014	<u>2,327,907</u>	<u>8,809</u>	<u>34,977</u>
Fund balance, June 30, 2015	<u>\$ 2,333,572</u>	<u>\$ 1</u>	<u>\$ 171,355</u>

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

Non-Instructional Support	Total
\$ -	\$ 269,700
175,739	374,270
	39,862,487
	297,966
413	2,975
	137,205
<u>\$ 176,152</u>	<u>\$ 40,944,603</u>
\$ 242,639	\$ 23,406,866
	3,742,104
	1,293,708
	1,023,821
	2,457,859
	1,013,572
	5,669,075
	2,243,887
	26,963
	-
<u>\$ 242,639</u>	<u>\$ 40,877,855</u>
\$ (66,487)	\$ 66,748
	-
	-
<u>\$ (66,487)</u>	<u>\$ 66,748</u>
423,211	2,794,904
<u>\$ 356,724</u>	<u>\$ 2,861,652</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 200,000	\$ 200,000	\$ 221,820	\$ 21,820
State sources	36,781,725	37,297,705	37,077,718	(219,987)
Local sources	423,207	423,207	692,813	269,606
Earnings on investments	2,000	2,000	2,550	550
 Total revenues	 \$ 37,406,932	 \$ 37,922,912	 \$ 37,994,901	 \$ 71,989
Expenditures:				
Current:				
Instruction	\$ 23,470,806	\$ 23,799,786	\$ 23,049,057	\$ 750,729
Support services - Students	3,879,320	3,879,320	3,693,675	185,645
Support services - Instruction	1,160,429	1,287,429	1,286,901	528
General administration	1,134,646	1,134,646	1,034,021	100,625
School administration	2,475,893	2,475,893	2,459,257	16,636
Central services	1,175,708	1,175,708	1,019,743	155,965
Operation of plant	6,623,051	6,623,051	5,518,680	1,104,371
Transportation	15,844	75,844	71,783	4,061
Other support services	98,563	98,563	40,737	57,826
Capital outlay	2,953	2,953	2,423	530
 Total expenditures	 \$ 40,037,213	 \$ 40,553,193	 \$ 38,176,277	 \$ 2,376,916
Revenues over (under) expenditures	\$ (2,630,281)	\$ (2,630,281)	\$ (181,376)	\$ 2,448,905
Other financing sources (uses):				
Transfers in				-
Net change in fund balance	\$ (2,630,281)	\$ (2,630,281)	\$ (181,376)	\$ 2,448,905
Fund balance, July 1, 2014	2,630,281	2,630,281	2,538,355	(91,926)
Fund balance, June 30, 2015	\$ -	\$ -	\$ 2,356,979	\$ 2,356,979
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 5,665	
Revenue accruals (net)			(264,251)	
Expenditure accruals (net)			77,210	
Net change in fund balance, NON-GAAP budgetary basis			\$ (181,376)	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 2,224,708	\$ 2,173,631	\$ 2,173,631	\$ -
Local sources				-
Earnings on investments				-
Total revenues	<u>\$ 2,224,708</u>	<u>\$ 2,173,631</u>	<u>\$ 2,173,631</u>	<u>\$ -</u>
Expenditures:				
Current:				
Transportation	\$ 2,224,708	\$ 2,182,439	\$ 2,182,439	\$ -
Capital outlay				-
Total expenditures	<u>\$ 2,224,708</u>	<u>\$ 2,182,439</u>	<u>\$ 2,182,439</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ (8,808)	\$ (8,808)	\$ -
Fund balance, July 1, 2014	<u>-</u>	<u>8,808</u>	<u>8,809</u>	<u>1</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (8,808)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (8,808)</u></u>	

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

Deming Public Schools
GENERAL FUND/INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 52,721	\$ 154,666	\$ 335,668	\$ 181,002
Expenditures:				
Current:				
Instruction	\$ 268,700	\$ 370,645	\$ 199,290	\$ 171,355
Support services - Instruction				-
Total expenditures	\$ 268,700	\$ 370,645	\$ 199,290	\$ 171,355
Net change in fund balance	\$ (215,979)	\$ (215,979)	\$ 136,378	\$ 352,357
Fund balance, July 1, 2014	215,979	215,979	34,977	(181,002)
Fund balance, June 30, 2015	\$ -	\$ -	\$ 171,355	\$ 171,355
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 136,378	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 136,378	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 166,231	\$ 166,231	\$ 175,739	\$ 9,508
Earnings on investments	<u>563</u>	<u>563</u>	<u>413</u>	<u>(150)</u>
Total revenues	<u>\$ 166,794</u>	<u>\$ 166,794</u>	<u>\$ 176,152</u>	<u>\$ 9,358</u>
Expenditures:				
Current:				
Instruction	<u>\$ 729,121</u>	<u>\$ 729,121</u>	<u>\$ 242,639</u>	<u>\$ 486,482</u>
Net change in fund balance	\$ (562,327)	\$ (562,327)	\$ (66,487)	\$ 495,840
Fund balance, July 1, 2014	<u>562,327</u>	<u>562,327</u>	<u>423,211</u>	<u>(139,116)</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 356,724</u>	<u>\$ 356,724</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (66,487)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (66,487)</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, 2015

	<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				-
Central services				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(23,687)</u>	<u>(23,687)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (23,687)</u></u>	<u><u>\$ (23,687)</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 - ATHLETICS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 101,012	\$ 101,012	\$ 34,480	\$ (66,532)
Expenditures:				
Current:				
Instruction	134,039	134,039	34,087	99,952
Net change in fund balance	\$ (33,027)	\$ (33,027)	\$ 393	\$ 33,420
Fund balance, July 1, 2014	33,027	33,027		(33,027)
Fund balance, June 30, 2015	\$ -	\$ -	\$ 393	\$ 393
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,223	
Revenue accruals (net)				
Expenditure accruals (net)			(830)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 393	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 343,778	\$ 173,120	\$ (170,658)
Expenditures:				
Current:				
Instruction	\$ -	\$ 208,336	\$ 142,232	\$ 66,104
Support services - Students		90,448	64,259	26,189
Support services - Instruction				-
General administration		12,494	7,509	4,985
Operation of plant		2,500	386	2,114
Transportation				-
Capital outlay		30,000	24,468	5,532
Total expenditures	<u>\$ -</u>	<u>\$ 343,778</u>	<u>\$ 238,854</u>	<u>\$ 104,924</u>
Net change in fund balance	\$ -	\$ -	\$ (65,734)	\$ (65,734)
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(154,710)</u>	<u>(154,710)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (220,444)</u></u>	<u><u>\$ (220,444)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(59,277)	
Expenditure accruals (net)			<u>(6,457)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (65,734)</u></u>	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 18,044	\$ 31,899	\$ 18,303	\$ (13,596)
Expenditures:				
Current:				
Instruction	\$ 7,504	\$ 20,453	\$ 6,262	\$ 14,191
Support services - Students	9,883	10,304	10,189	115
General administration	657	1,142	588	554
School administration				-
Capital outlay				-
Total expenditures	\$ 18,044	\$ 31,899	\$ 17,039	\$ 14,860
Net change in fund balance	\$ -	\$ -	\$ 1,264	\$ 1,264
Fund balance, July 1, 2014	-	-	(4,103)	(4,103)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (2,839)	\$ (2,839)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			3,035	
Expenditure accruals (net)			(1,771)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,264	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 28,800	\$ 34,655	\$ 45,621	\$ 10,966
Expenditures:				
Current:				
Instruction	\$ 1,922	\$ 6,525	\$ 6,525	\$ -
Support services - Students	26,378	26,378	25,434	944
General administration		1,175	1,175	-
Support services - Schools				-
Operational plant maintenance	500	500	286	214
Transportation		77	77	-
Community services				-
Total expenditures	\$ 28,800	\$ 34,655	\$ 33,497	\$ 1,158
Net change in fund balance	\$ -	\$ -	\$ 12,124	\$ 12,124
Fund balance, July 1, 2014	-	-	(17,651)	(17,651)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (5,527)	\$ (5,527)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			12,573	
Expenditure accruals (net)			(449)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 12,124	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 77,072	\$ 26,245	\$ (50,827)
Expenditures:				
Current:				
Instruction	\$ -	\$ 74,945	\$ 65,190	\$ 9,755
General administration		2,127	2,127	-
School administration				-
Total expenditures	\$ -	\$ 77,072	\$ 67,317	\$ 9,755
Net change in fund balance	\$ -	\$ -	\$ (41,072)	\$ (41,072)
Fund balance, July 1, 2014	-	-	15,466	15,466
Fund balance, June 30, 2015	\$ -	\$ -	\$ (25,606)	\$ (25,606)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(40,245)	
Expenditure accruals (net)			(827)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (41,072)	

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, 2015

	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, 2014	-	-	28,806	28,806
Fund balance, June 30, 2015	\$ -	\$ -	\$ 28,806	\$ 28,806
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, 2015

	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, 2014	-	-	(23,044)	(23,044)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(6,596)</u>	<u>(6,596)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (6,596)</u></u>	<u><u>\$ (6,596)</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 FIRST
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<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, 2014	<u>-</u>	<u>-</u>	<u>(54,503)</u>	<u>(54,503)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (54,503)</u></u>	<u><u>\$ (54,503)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - INNOVATIVE PROGRAMS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	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, 2014	-	-	(115)	(115)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 125,132	\$ 182,146	\$ 128,892	\$ (53,254)
 Expenditures:				
Current:				
Instruction	\$ 123,094	\$ 178,967	\$ 117,385	\$ 61,582
Support services - Students				-
General administration	2,038	3,179	2,349	830
School administration				-
Total expenditures	<u>\$ 125,132</u>	<u>\$ 182,146</u>	<u>\$ 119,734</u>	<u>\$ 62,412</u>
Net change in fund balance	\$ -	\$ -	\$ 9,158	\$ 9,158
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,198</u></u>	<u><u>\$ 9,198</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			10,929	
Expenditure accruals (net)			<u>(1,771)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 9,158</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - TEACHER TRAINING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 299,100	\$ 472,975	\$ 222,392	\$ (250,583)
Expenditures:				
Current:				
Instruction	\$ 288,213	\$ 455,759	\$ 217,442	\$ 238,317
Support services - Students				-
General administration	10,887	17,216	7,915	9,301
Operation of plant				-
Total expenditures	\$ 299,100	\$ 472,975	\$ 225,357	\$ 247,618
Net change in fund balance	\$ -	\$ -	\$ (2,965)	\$ (2,965)
Fund balance, July 1, 2014	-	-	(244,921)	(244,921)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (247,886)	\$ (247,886)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,965)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,965)	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 103,560	\$ 101,654	\$ 109,515	\$ 7,861
Expenditures:				
Current:				
Instruction	\$ 99,790	\$ 97,884	\$ 97,883	\$ 1
General administration	3,770	3,770	3,563	207
Total expenditures	\$ 103,560	\$ 101,654	\$ 101,446	\$ 208
Net change in fund balance	\$ -	\$ -	\$ 8,069	\$ 8,069
Fund balance, July 1, 2014	-	-	(23,555)	(23,555)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (15,486)	\$ (15,486)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			8,069	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 8,069	

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, 2015

	<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, 2014	-	-	(3,564)	(3,564)
Fund balance, June 30, 2015	<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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 113,475	\$ 166,849	\$ 53,374
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students		113,475	110,877	2,598
General administration				-
Operational plant maintenance				-
Total expenditures	\$ -	\$ 113,475	\$ 110,877	\$ 2,598
Net change in fund balance	\$ -	\$ -	\$ 55,972	\$ 55,972
Fund balance, July 1, 2014	-	-	1,435	1,435
Fund balance, June 30, 2015	\$ -	\$ -	\$ 57,407	\$ 57,407
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 24,521	
Revenue accruals (net)			31,451	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 55,972	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 53,453	\$ 53,453	\$ -
Expenditures:				
Current:				
Instruction	-	53,453	53,452	1
Net change in fund balance	\$ -	\$ -	\$ 1	\$ 1
Fund balance, July 1, 2014	-	-	(20,490)	(20,490)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (20,489)	\$ (20,489)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>4,716</u>	<u>4,716</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,716</u></u>	<u><u>\$ 4,716</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 - 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 2,750	\$ 6,250	\$ 3,500
Expenditures:				
Current:				
Support services - Students	-	2,750	2,750	-
Net change in fund balance	\$ -	\$ -	\$ 3,500	\$ 3,500
Fund balance, July 1, 2014	-	-	-	-
Fund balance, June 30, 2015	\$ -	\$ -	\$ 3,500	\$ 3,500
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			3,500	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 3,500	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	(51,515)	(51,515)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (51,515)	\$ (51,515)
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Deming Public Schools
SPECIAL REVENUE FUND - CHILD AND ADULT FOOD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<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, 2014	<u> </u>	<u> </u>	<u>6,968</u>	<u>6,968</u>
Fund balance, June 30, 2015	<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)				
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - GOALS 2000
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	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, 2014	-	-	2,843	2,843
Fund balance, June 30, 2015	\$ -	\$ -	\$ 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	619	619
Fund balance, June 30, 2015	\$ -	\$ -	\$ 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, 2015

	<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, 2014	<u>-</u>	<u>-</u>	<u>1,253</u>	<u>1,253</u>
Fund balance, June 30, 2015	<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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	2,023	2,023
Fund balance, June 30, 2015	\$ -	\$ -	\$ 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	3	3
Fund balance, June 30, 2015	\$ -	\$ -	\$ 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -		\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	(13,358)	(13,358)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (13,358)	\$ (13,358)
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 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, 2015

	<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, 2014	<u>-</u>	<u>-</u>	<u>(19,279)</u>	<u>(19,279)</u>
Fund balance, June 30, 2015	<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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 998,478	\$ 1,455,715	\$ 896,293	\$ (559,422)
Expenditures:				
Current:				
Instruction	\$ 539,184	\$ 934,477	\$ 461,744	\$ 472,733
Support services - Students	398,731	437,731	395,191	42,540
General administration	36,345	53,345	31,409	21,936
Central services	8,118	11,832		11,832
Operational plant maintenance	16,100	18,330	7,964	10,366
Capital outlay				-
Total expenditures	<u>\$ 998,478</u>	<u>\$ 1,455,715</u>	<u>\$ 896,308</u>	<u>\$ 559,407</u>
Net change in fund balance	\$ -	\$ -	\$ (15)	\$ (15)
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(222,029)</u>	<u>(222,029)</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (222,044)</u>	<u>\$ (222,044)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			3,004	
Expenditure accruals (net)			<u>(3,019)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (15)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - FRESH FRUITS AND VEGETABLES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 130,555	\$ 112,572	\$ (17,983)
Expenditures:				
Current:				
Food services	\$ -	\$ 130,555	\$ 123,543	\$ 7,012
Capital outlay				-
Total expenditures	\$ -	\$ 130,555	\$ 123,543	\$ 7,012
Net change in fund balance	\$ -	\$ -	\$ (10,971)	\$ (10,971)
Fund balance, July 1, 2014	-	-	(8,583)	(8,583)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (19,554)	\$ (19,554)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,040)	
Revenue accruals (net)			(6,931)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (10,971)	

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, 2015

	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, 2014	-	-	(1,245)	(1,245)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 222,184	\$ 284,544	\$ 62,360
Expenditures:				
Current:				
Instruction	\$ -	\$ 212,130	\$ 137,296	\$ 74,834
Support services - Instruction		2,184	1,997	187
General administration		7,870	4,816	3,054
Total expenditures	<u>\$ -</u>	<u>\$ 222,184</u>	<u>\$ 144,109</u>	<u>\$ 78,075</u>
Net change in fund balance	\$ -	\$ -	\$ 140,435	\$ 140,435
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(202,372)</u>	<u>(202,372)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (61,937)</u></u>	<u><u>\$ (61,937)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			140,435	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 140,435</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
Support services - Instruction				-
General administration				-
Operational plant maintenance				-
Transportation				-
Capital outlay				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	(4,819)	(4,819)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (4,819)	\$ (4,819)
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 - 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, 2015

	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, 2014	-	-	26,244	26,244
Fund balance, June 30, 2015	\$ -	\$ -	\$ 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, 2015

	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, 2014	-	-	68,132	68,132
Fund balance, June 30, 2015	\$ -	\$ -	\$ 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	(79,062)	(79,062)
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79,062)</u>	<u>\$ (79,062)</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ 3,477	\$ 3,477
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
Support services - Instruction				-
General administration				-
School administration				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 3,477	\$ 3,477
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(114,677)</u>	<u>(114,677)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (111,200)</u></u>	<u><u>\$ (111,200)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			3,477	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 3,477</u></u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - SENATE BILL 9
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 1,078,275	\$ 1,078,275	\$ 1,090,804	\$ 12,529
State sources	1,346,334	1,801,566	116,461	(1,685,105)
Earnings on investments	<u>20,000</u>	<u>20,000</u>		<u>(20,000)</u>
Total revenues	<u>\$ 2,444,609</u>	<u>\$ 2,899,841</u>	<u>\$ 1,207,265</u>	<u>\$ (1,692,576)</u>
Expenditures:				
Current:				
General administration	\$ 20,000	\$ 30,000	\$ 10,854	\$ 19,146
Operational plant maintenance	2,118,664	2,563,896	2,470,591	93,305
Capital outlay	<u>3,124,141</u>	<u>3,124,141</u>	<u>863,498</u>	<u>2,260,643</u>
Total expenditures	<u>\$ 5,262,805</u>	<u>\$ 5,718,037</u>	<u>\$ 3,344,943</u>	<u>\$ 2,373,094</u>
Net change in fund balance	\$ (2,818,196)	\$ (2,818,196)	\$ (2,137,678)	\$ 680,518
Fund balance, July 1, 2014	<u>2,818,196</u>	<u>2,818,196</u>	<u>3,642,959</u>	<u>824,763</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,505,281</u>	<u>\$ 1,505,281</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (2,127,501)	
Revenue accruals (net)			(6,510)	
Expenditure accruals (net)			(3,667)	
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (2,137,678)</u>	

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

Deming Public Schools
SPECIAL REVENUE FUND - USJJS/CDC SCHOOL HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 7,500	\$ -	\$ (7,500)
Expenditures:				
Current:				
Instruction	\$ -	\$ 7,500	\$ 1,499	\$ 6,001
Capital outlay	-	-	-	-
Total expenditures	\$ -	\$ 7,500	\$ 1,499	\$ 6,001
Net change in fund balance	\$ -	\$ -	\$ (1,499)	\$ (1,499)
Fund balance, July 1, 2014	-	-	-	-
Fund balance, June 30, 2015	\$ -	\$ -	\$ (1,499)	\$ (1,499)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,499)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,499)	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 1,913,032	\$ 1,913,832	\$ 3,185,435	\$ 1,271,603
Earnings on investments	2,000	2,000	1,557	(443)
Total revenues	\$ 1,915,032	\$ 1,915,832	\$ 3,186,992	\$ 1,271,160
Expenditures:				
Current:				
Administration	\$ 21,000	\$ 36,000	\$ 30,817	\$ 5,183
Principal	1,450,000	1,450,000	1,450,000	-
Interest	463,032	463,832	463,794	38
Special revenue bonds reserve	1,732,517	1,717,517		1,717,517
Total expenditures	\$ 3,666,549	\$ 3,667,349	\$ 1,944,611	\$ 1,722,738
Net change in fund balance	\$ (1,751,517)	\$ (1,751,517)	\$ 1,242,381	\$ 2,993,898
Fund balance, July 1, 2014	1,751,517	1,751,517	1,873,652	122,135
Fund balance, June 30, 2015	\$ -	\$ -	\$ 3,116,033	\$ 3,116,033
Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ 1,173,540	
Revenue accruals (net)			(34,999)	
Expenditure accruals (net)			103,840	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,242,381	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 200,000	\$ 200,000	\$ 92,092	\$ (107,908)
Earnings on investments				-
 Total revenues	 <u>\$ 200,000</u>	 <u>\$ 200,000</u>	 <u>\$ 92,092</u>	 <u>\$ (107,908)</u>
Expenditures:				
Current:				
Administration	\$ 12,745	\$ 12,745	\$ 921	\$ 11,824
Principal	1,265,000	1,265,000	1,265,000	-
Interest	9,488	9,488	9,487	1
Special revenue bonds reserve	34,979	34,979		34,979
 Total expenditures	 <u>\$ 1,322,212</u>	 <u>\$ 1,322,212</u>	 <u>\$ 1,275,408</u>	 <u>\$ 46,804</u>
Net change in fund balance	\$ (1,122,212)	\$ (1,122,212)	\$ (1,183,316)	\$ (61,104)
Fund balance, July 1, 2014	<u>1,122,212</u>	<u>1,122,212</u>	<u>1,331,173</u>	<u>208,961</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,857</u>	<u>\$ 147,857</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP			\$ (1,199,517)	
Revenue accruals (net)			16,201	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (1,183,316)</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Earnings on investments		110	31,029	30,919
Total revenues	\$ -	\$ 110	\$ 31,029	\$ 30,919
Expenditures:				
Current:				
Operation of plant	\$ -	\$ -	\$ -	\$ -
Bond issue costs				-
Capital outlay	9,668,762	9,668,872	530,204	9,138,668
Total expenditures	\$ 9,668,762	\$ 9,668,872	\$ 530,204	\$ 9,138,668
Revenues over (under) expenditures	\$ (9,668,762)	\$ (9,668,762)	\$ (499,175)	\$ 9,169,587
Other financing sources (uses):				
Bond proceeds	-	-		-
Net change in fund balance	\$ (9,668,762)	\$ (9,668,762)	\$ (499,175)	\$ 9,169,587
Fund balance, July 1, 2014	9,668,762	9,668,762	10,153,612	484,850
Fund balance, June 30, 2015	\$ -	\$ -	\$ 9,654,437	\$ 9,654,437
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (300,648)	
Revenue accruals (net)			(757,062)	
Expenditure accruals (net)			558,535	
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (499,175)	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Earnings on investments				-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Operation of plant	\$ 2,038,791	\$ 1,943,291	\$ 411,376	\$ 1,531,915
Bond issue costs				-
Capital outlay		95,500	90,514	4,986
	<u>\$ 2,038,791</u>	<u>\$ 2,038,791</u>	<u>\$ 501,890</u>	<u>\$ 1,536,901</u>
Total expenditures				
	<u>\$ 2,038,791</u>	<u>\$ 2,038,791</u>	<u>\$ 501,890</u>	<u>\$ 1,536,901</u>
Revenues over (under) expenditures	\$ (2,038,791)	\$ (2,038,791)	\$ (501,890)	\$ 1,536,901
Other financing sources (uses):				
Bond proceeds			189,700	189,700
			<u>189,700</u>	<u>189,700</u>
Net change in fund balance	\$ (2,038,791)	\$ (2,038,791)	\$ (312,190)	\$ 1,726,601
Fund balance, July 1, 2014	<u>2,038,791</u>	<u>2,038,791</u>	<u>2,046,119</u>	<u>7,328</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,733,929</u>	<u>\$ 1,733,929</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (569,479)	
Revenue accruals (net)				
Expenditure accruals (net)			67,589	
Other financing sources (net)			189,700	
			<u>189,700</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (312,190)</u>	

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

Deming Public Schools
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF
 THE EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
 LAST 10 FISCAL YEARS***

	2015
Deming Public Schools' proportion of the net pension liability	.98886%
Deming Public Schools' proportionate share of the net pension liability	\$ 56,421,681
Deming Public Schools' covered employee payroll	\$ 27,836,551
Deming Public Schools' proportionate share of the net pension liability as a percentage of its covered-employee payroll	203%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

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

Deming Public Schools
SCHEDULE OF CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN
***LAST 10 FISCAL YEARS**

	2015
Contractually required contributions	\$ 3,869,274
Contributions in relation to contractually required contribution	(3,869,274)
Contribution deficiency (excess)	\$ -
Deming Public Schools' covered-employee payroll	\$ 27,836,551
Contributions as a percentage of covered-employee payroll	13.90%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Deming Public Schools will present information for those years for which information is available.

Deming Public Schools
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015

Changes in benefit terms – The Cola and retirement eligibility benefits changes in recent years are described in the **Benefits Provided** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

Changes of Assumptions

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for the fiscal years 2014 and 2013:

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.5%
 - c. Minor changes in demographic assumptions
 - d. Population growth per year from 075% to .50%

2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%

See also the **Actuarial Assumptions** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

Deming Public Schools
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets				
Cash and investments:				
Deming High School	\$ 66,040	\$ 292,298	\$ 250,568	\$ 107,770
Hofacket Mid High School	17,364	6,251	17,931	5,684
Red Mountain Middle School	44,930	168,681	159,600	54,011
Deming Middle School	<u>4,126</u>	<u>-</u>	<u>4,126</u>	<u>-</u>
Total assets	<u>\$ 132,460</u>	<u>\$ 467,230</u>	<u>\$ 432,225</u>	<u>\$ 167,465</u>
Liabilities				
Deposits held for others:				
Deming High School	\$ 66,040	\$ 292,298	\$ 250,568	\$ 107,770
Hofacket Mid High School	17,364	6,251	17,931	5,684
Red Mountain Middle School	44,930	168,681	159,600	54,011
Deming Middle School	<u>4,126</u>	<u>-</u>	<u>4,126</u>	<u>-</u>
Total liabilities	<u>\$ 132,460</u>	<u>\$ 467,230</u>	<u>\$ 432,225</u>	<u>\$ 167,465</u>

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

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2015

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
Checking and CD's	\$ 1,918,310	\$ 3,224,743	\$ 9,783,005	\$ 10,085,220
Total on deposit	\$ 1,918,310	\$ 3,224,743	\$ 9,783,005	\$ 10,085,220
Less: FDIC insurance	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(10,085,220)</u>
Total uninsured public funds	<u>\$ 1,668,310</u>	<u>\$ 2,974,743</u>	<u>\$ 9,533,005</u>	<u>\$ -</u>
102% collateralization requirement	\$ -	\$ -	\$ -	\$ -
50% collateralization requirement (Section 6-10-17 NMSA)	<u>834,155</u>	<u>1,487,372</u>	<u>4,766,503</u>	<u>-</u>
Total collateralization requirement	<u>\$ 834,155</u>	<u>\$ 1,487,372</u>	<u>\$ 4,766,503</u>	<u>\$ -</u>

Pledged Securities:

Gallup 364010PJ1 8-1-22	\$ -	\$ 592,312	\$ -
Roswell 778550FS7 8-1-18		401,488	
Dulce 264430JT7 6-1-17		205,361	
Hobbs 433866CN8 7-15-17		529,550	
Dulce 264430JS9 6-1-16		150,335	
FFCB 31331XNQ1 2-6-17		2,147,830	
Pena 706593AP5 9-1-24		164,810	
FFCB 3133EC4Q4 11-23-22		1,910,682	
FFCB 31331VMG8 5-3-16		2,079,826	
USBK 504516BE4 12-15-15	462,489		
FED 3136FPKH9 12-30-15	201,767		
USBK 660113BG5 5-1-16	636,454		
FED 31404NHR0 7-1-19	157,537		
FED 31403CXG1 12-1-20	218,363		
FED 31417ATN9 1-1-22	253,995		
FED 31307BJW1 3-1-23	49,225		
USBK 778550JG9 8-1-23	213,398		

	<u>Total</u>
\$	<u>25,011,278</u>
\$	25,011,278
	<u>(10,835,220)</u>
\$	<u>14,176,058</u>
\$	-
	<u>7,088,029</u>
\$	<u>7,088,029</u>

\$	592,312
	401,488
	205,361
	529,550
	150,335
	2,147,830
	164,810
	1,910,682
	2,079,826
	462,489
	201,767
	636,454
	157,537
	218,363
	253,995
	49,225
	213,398

Deming Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL (Concluded)
June 30, 2015

	<u>1st Savings Bank</u>	<u>Wells Fargo</u>	<u>1st NM Bank</u>	<u>Wells Fargo Brokerage</u>
FED 38376YEL1 3-16-38	\$ 595,142	\$ -	\$ -	\$ -
FED 38374VPS2 6-20-39	11,266			
FED 31398SN66 4-25-40	119,546			
FED 38377U5F1 10-20-40	44,873			
FED 38377UMA3 12-20-40	200,774			
FN AH6783 3-1-41		1,083,717		
FN AH6993 2-1-41		50,768		
FN AI7778 7-1-41		34,437		
FN AJ2416 11-1-26		228,557		
FN AJ3224 10-1-41		169,998		
FN AR9199 3-1-43		72,870		
FN MA1525 8-1-43		70,692		
	<hr/>	<hr/>	<hr/>	<hr/>
Total pledged securities	\$ 3,164,829	\$ 1,711,039	\$ 8,182,194	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
Pledged securities over (under) requirement	<u>\$ 2,330,674</u>	<u>\$ 223,668</u>	<u>\$ 3,415,692</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

\$	595,142
	11,266
	119,546
	44,873
	200,774
	1,083,717
	50,768
	34,437
	228,557
	169,998
	72,870
	70,692

\$ 13,058,062

\$ 5,970,033

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
June 30, 2015

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>First Savings Bank</u>			
Operational	Checking	\$ 1,918,310	\$ 1,776,060
Total First Savings Bank		<u>\$ 1,918,310</u>	<u>\$ 1,776,060</u>
<u>Wells Fargo</u>			
Payroll	Checking	\$ 1,658,234	\$ -
Building fund	Checking	<u>1,566,509</u>	<u>1,296,014</u>
Total Wells Fargo		<u>\$ 3,224,743</u>	<u>\$ 1,296,014</u>
<u>First NM Bank</u>			
Debt service	Checking	\$ 3,263,890	\$ 3,263,890
SB-9 savings	Savings	1,457,304	1,457,304
SB-9	Checking	124,229	47,977
Transportation	Checking	162,926	57,361
Special grants	Checking	1,137,161	(654,821)
Cafeteria	Checking	2,702,945	2,978,282
Gate receipts	Checking	375,735	357,116
General activity	Checking	174,391	167,465
Federal projects	Checking	<u>384,424</u>	<u>(3,037,142)</u>
Total First NM Bank		<u>\$ 9,783,005</u>	<u>\$ 4,637,432</u>
<u>NM Local Government Investment Pool</u>			
Operational	Investment	\$ 698,160	\$ 698,160
Operational	Investment	-	-
Bond building	Investment	9,769	9,769
Bond building	Investment	<u>-</u>	<u>-</u>
Total NM Local Government Investment Pool		<u>\$ 707,929</u>	<u>\$ 707,929</u>

Deming Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
 June 30, 2015

	Type of Account	Bank Balance	Reconciled Balance
<u>Wells Fargo Brokerage Services</u>			
Bond building	Money Mkt	\$ 585,220	\$ 585,220
Bond building	CD's	9,500,000	9,500,000
Total Wells Fargo Brokerage Services		\$ 10,085,220	\$ 10,085,220
Total cash and investments		\$ 25,719,207	\$ 18,502,655

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2015

	<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, 2014	\$ 2,539,224	\$ 8,809	\$ 34,977	\$ 2,320,261	\$ -
Add: Current year receipts	37,994,901	2,173,631	335,668	4,108,037	34,480
Chargebacks					
Voided warrants					
Less: Current year expenditures	(38,179,877)	(2,178,035)	(199,290)	(3,449,832)	(34,087)
Outstanding loans					
Chargebacks					
Reversions		(4,404)			
Adjustments	2,731			(184)	
	<u>2,731</u>	<u></u>	<u></u>	<u>(184)</u>	<u></u>
Total cash and investments as of June 30, 2015 per cash report	\$ 2,356,979	\$ 1	\$ 171,355	\$ 2,978,282	\$ 393
Audit adjustment	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Cash and investments per audit report	<u>\$ 2,356,979</u>	<u>\$ 1</u>	<u>\$ 171,355</u>	<u>\$ 2,978,282</u>	<u>\$ 393</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2015

	Non Instructional Support	Federal Flowthrough	Federal Direct	Local Grants	State Flowthrough
Total cash and investments as of July 1, 2014	\$ 423,211	\$ (1,904,553)	\$ (230,985)	\$ 294	\$ (602,695)
Add: Current year receipts	176,152	4,925,497	511,095		1,944,798
Chargebacks					
Voided warrants					
Less: Current year expenditures	(242,551)	(6,018,580)	(311,187)		(2,544,212)
Outstanding loans					
Chargebacks					
Reversions					
Adjustments	(88)	(2,546)			
Total cash and investments as of June 30, 2015 per cash report	\$ 356,724	\$ (3,000,182)	\$ (31,077)	\$ 294	\$ (1,202,109)
	<u>\$ 356,724</u>	<u>\$ (3,000,182)</u>	<u>\$ (31,077)</u>	<u>\$ 294</u>	<u>\$ (1,202,109)</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2015

	<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, 2014	\$ (943)	\$ 565,401	\$ 10,152,909	\$ -	\$ 1,331,173
Add: Current year receipts	22,500	387,477	31,029		92,092
Chargebacks					
Voided warrants					
Less: Current year expenditures	(12,610)	(414,832)	(529,501)		(1,275,408)
Outstanding loans					
Chargebacks					
Reversions					
Adjustments					
Total cash and investments as of June 30, 2015 per cash report	\$ 8,947	\$ 538,046	\$ 9,654,437	\$ -	\$ 147,857
Audit adjustment					
Cash and investments per audit report	\$ 8,947	\$ 538,046	\$ 9,654,437	\$ -	\$ 147,857

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2015

	Capital Improvements SB-9	Ed Tech Equip Act	PSCOC	Debt Service	Agency
Total cash and investments as of July 1, 2014	3,640,531	2,046,119	-	1,873,652	\$ 132,460
Add: Current year receipts	1,209,693	189,700		3,186,992	467,230
Chargebacks					
Voided warrants					
Less: Current year expenditures	(3,344,943)	(501,890)		(1,944,611)	(432,225)
Outstanding loans					
Chargebacks					
Reversions					
Adjustments					
Total cash and investments as of June 30, 2015 per cash report	\$ 1,505,281	\$ 1,733,929	\$ -	\$ 3,116,033	\$ 167,465
Audit adjustment					
Cash and investments per audit report	<u>\$ 1,505,281</u>	<u>\$ 1,733,929</u>	<u>\$ -</u>	<u>\$ 3,116,033</u>	<u>\$ 167,465</u>

Deming Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2015

	Total
Total cash and investments as of July 1, 2014	\$ 22,329,845
Add: Current year receipts	57,790,972
Chargebacks	-
Voided warrants	-
Less: Current year expenditures	(61,613,671)
Outstanding loans	-
Chargebacks	-
Reversions	(4,404)
Adjustments	(87)
	\$ 18,502,655
Total cash and investments as of June 30, 2015 per cash report	\$ 18,502,655
Audit adjustment	-
Cash and investments per audit report	\$ 18,502,655

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2015

<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	144,109
Passed through Utah State University Preschool Development Grants	84.419	101008009	52,884
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	4,183,229
Migrant Education-Basic State Grant Program	84.011	24.103	232,397
Special Education-Grants to States	84.027	24.106	893,289
Special Education-Preschool Grants	84.173	24.109	15,268
Vocational Education	84.048	24.174	66,490
Education of the Homeless	84.196	24.113	33,048
English Language Acquisition grants	84.365	24.153	117,963
Teacher Quality State Grants	84.367	24.154	225,357
Rural Education	84.358	24.160	<u>101,446</u>
 Total U.S. Department of Education			 <u>\$ 6,065,480</u>

U.S. DEPARTMENT OF AGRICULTURE

Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	\$ 2,468,477
School Breakfast Program	10.553	N/A	1,174,753
Summer Food Service Program for Children	10.559	N/A	399,795
Child and Adult Food	10.558	25.171	
Fresh Fruits and Vegetables Program	10.582	24.118	123,543
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>242,964</u>
 Total U.S. Department of Agriculture			 <u>\$ 4,409,532</u>

Deming Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
For The Fiscal Year Ended June 30, 2015

<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	\$ 135,398
USHHS/CDC School Health	93.079	24.186	<u>1,499</u>
Medical Assistance Program	93.778	24.253	<u>\$ 136,897</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Programs:			
Emergency Food and Shelter National Board	97.024	25.246	<u>\$ 2,750</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct:			
Highway Planning and Construction	20.205	M01080	<u>\$ 23,262</u>
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Direct Programs:			
ROTC	12.100	25.200	<u>\$ 53,452</u>
Total expenditures of federal awards			<u><u>\$ 10,691,373</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, 2015

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 \$242,964 in food commodities during the 2014-2015 fiscal year.

Note 3 The District had the following insurance coverage during the year ended June 30, 2015:

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

Deming Public Schools
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Erin Lopez Title: Chief Procurement Officer Date 10-12-2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
15-01	RFP	Mesilla Valley Therapy Svc & Focus Therapy Group	Mesilla Valley Therapy - \$271,817.91	n/a	Focus Therapy Group 4929 Skyview Lane, Las Cruces, NM 88007	N	N	Speech/Language Therapy Services
			Focus Therapy Group \$406,565.25	n/a	Mesilla Valley Therapy Services 6870 Alhambra Court, Las Cruces, NM 88007	N	N	Speech/Language Therapy Services
					Soliant Health 1979 Lakeside Parkway, Suite 800, Tucker, GA 30084	N		
					Ardor Health Solutions 5830 Coral Ridge Dr., Ste. 120, Coral Springs, FL 33076	N		
					Core Medical Group 2 Keewaydin Dr. Salem, NH 03079	N		

Deming Public Schools
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Erin Lopez Title: Chief Procurement Officer Date 10-12-2015

15-02	RFP	Amplified Therapy	\$226,405.55	n/a	Amplified Therapy PO Box 86 Cliff, NM 88028	N	N	Occupational Therapy Services
					Soliant Health 1979 Lakeside Parkway, Suite 800, Tucker, GA 30084	N	N	
					Core Medical Group 2 Keewaydin Dr. Salem, NH 03079	N	N	
					Ardor Health Solutions 5830 Coral Ridge Dr., Ste. 120, Coral Springs, FL 33076			
15-03	RFP	Desert Rain LLC	\$110,053.12	n/a	Desert Rain LLC 2525 Hwy 418 SW, Deming, NM 88030	N	N	Physical Therapy Services
					Ardor Health Solutions 5830 Coral Ridge Dr., Ste. 120, Coral Springs, FL 33076	N	N	
					Core Medical Group 2 Keewaydin Dr. Salem, NH 03079	N	N	
					Soliant Health 1979 Lakeside Parkway, Suite 800, Tucker, GA 30084	N	N	
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Deming Public Schools
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Erin Lopez Title: Chief Procurement Officer Date 10-12-2015

15-04	RFP	Soliant Health, Miles Diller, Myra Kershaw	Soliant Health \$308,148.75 / Miles Diller \$139,400.62/ Myra Kershaw \$132,601.21	n/a	Myra Kershaw 4299 Tellbrook Rd, Las Cruces, NM 88011	N	N	Psychological Services
					Soliant Health 1979 Lakeside Parkway, Ste 800, Tucker, GA 30084	N	N	
					Miles Diller, PhD, 405A Horseshoe Dr., Deming, NM 88030	N	N	
					Ardor Health Solutions 5830 Coral Ridge Dr, Ste 120, Coral Springs, FL 33076	N	N	
15-05	RFP	Dekker/Perich/ Sabatini LTD	\$279,666.18	n/a	Dekker/Perich/Sabat ini LTD 7601 Jefferson NE, Ste 100, Alb., NM 87109	Y	Y	Design Professionals for Deming Intermediate School
					The Design Group 120 Vassar Dr. SE, Ste. 100, Alb., NM 87106	Y	Y	
					SMPC Architects 115 Amherst Dr SE, Alb., NM 87106	Y	Y	
					ASA Architects 201 N Alameda PO Box 146, Las Cruces, NM 88011	Y	Y	
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Deming Public Schools
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Erin Lopez Title: Chief Procurement Officer Date 10-12-2015

					Greer Stafford/SJCF Architecture 1717 Louisiana Blvd NE, Ste 205, Alb., NM 87110	Y	Y	
15-06	RFP	Desert Communication s	\$105,083.53	n/a	Desert Communications, Inc 7100 Westwind Dr, Ste 300, El Paso, TX 79912	N	N	Wireless Upgrades
					ITConnect 3900 Paseo Del Sol, Santa Fe, NM 87507	N	N	
					Gov Connection 730 Milford Rd, Merrimack, NH 03054	N	N	
					Advanced Network 4601 Columbine Ave NE, Alb., NM 87113	Y	N	
					Plan B Networks 11395 James Watt Dr, El Paso, TX 79936	N	N	

Deming Public Schools
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 For the Fiscal Year Ended June 30, 2015

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.	Resolved
2013-003(2013-3) Per Diem and mileage reimbursements not made at allowable rates.	Revised & Repeated
2014-001 State withholding not paid timely.	Repeated
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
2013-003(2013-3) Travel reimbursements not made at the approved rates.	Resolved
2013-004(2013-4) Expenditures incurred in excess of budgetary authority.	Repeated

Findings and Questioned Costs – Major Federal Award programs

U.S. Department of Education
 Gaining Early Awareness and Readiness for Undergraduate Programs, CFDA No. 84.334, Grant I.D. No. 25.205, for the year ended June 30, 2014.

This was a finding indicating that the District has expended funds for travel costs in excess of those allowed by law. The amounts expended from this federal program in excess of those allowable were \$1,968.

During the current year, no over-expenditure of federal funds was noted during the audit.

MIKE STONE, C.P.A.
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REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, 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, 2015, 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 5, 2015.

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 and 2013-003; and for the component unit as items 2013-001 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 5, 2015

Stone, McGee & Co.
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, 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, 2015. 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, 2015.

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 5, 2015

Stone, McGee & Co.
Certified Public Accountants

Deming Public Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Deming Public Schools.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Deming Public Schools, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance With Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Deming Public Schools expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: Title I Grants to LEAs, CFDA No. 84.010.
8. The threshold for distinguishing types A and B programs was \$320,741.
9. Deming Public Schools was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

2014-001 Payment of State Withholding (Other Noncompliance)

Condition – The District remitted its July, 2014 and November, 2014 employee state withholdings after the due dates for the remittances. This resulted in \$1,453 in penalties and interest that the District was required to pay.

The District implemented its corrective action plan upon learning of the late payments in the prior fiscal year. However, these instances occurred before the corrective action plan was initiated.

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 corrected the situation as soon as it was brought to our attention, and there have been no further occurrences.

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

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 on one occasion, without prior approval from either the Superintendent or the Board of Education, resulting in an over-expenditure of \$10. In addition, we noted instances where procurement cards were used for travel expenses by District personnel, and in some cases, the receipts provided did not provide the necessary detail, resulting in \$212 in expenditures which could not be verified. Finally, we noted one instance where \$550 was paid for room damage, and \$246 was paid for motel rooms for which the occupant never showed.

The District implemented its corrective action plan as it related to motel rooms in excess of \$215, however, the expenditure noted above occurred prior to implementation.

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, as well as the definitions of reimbursable events. The District has adopted these rates and definitions 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. Further, reimbursements cannot be made without proper documentation of expenditures, and room damage and no show charges are not allowed.

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

Cause – The District has not monitored procurement card usage as it relates to travel costs.

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. Finally, we recommend that the District monitor procurement card charges to ensure that travel charges are eligible and allowable. Payments required for damages to motel rooms should be charged back to the students involved.

Agency response – The District is now obtaining prior approval from either the Superintendent or the Board of Education prior to reimbursing for out-of-State motel rooms

in excess of \$215. In addition, procurement cards will be monitored to ensure compliance with the Per Diem and Mileage Act.

Findings related to the Component Unit

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

Condition – The School’s actual cash in bank was \$38,745 more than that reported to the New Mexico Public Education Department on the School’s year-end cash report. Although the reconciled balance was accurately reflected on the cash report, it did not agree to the cash balances by fund in that same report.

The District’s corrective action plan included making adjustments to the individual fund balances at June 30, 2014, to accurately reflect cash balances by individual funds coming forward to June 30, 2015. That adjustment was not made.

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. We further recommend that the audit adjustment provided to the School be posted to the general ledger, and that adjusted cash balances be provided to the New Mexico Public Education Department.

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 by fund 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.

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

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

General Fund instructional materials	\$1,109
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The School implemented its corrective action plan, and has shown significant improvement. However, this individual over-expenditure was not corrected at June 30, 2015.

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

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

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

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

Agency Response – The over-expenditure of the function was an oversight, because we did not make the appropriate budget adjustments at year end. In the future, we will review expenditures periodically to ensure adherence to budget constraints.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s, with substantial assistance from District personnel, who have acknowledged and accepted responsibility for the financial statements.

EXIT CONFERENCE

The contents of this report were discussed October 29, 2015. Present at these exit conferences were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
<u>Deming Public Schools</u>		
Bayne Anderson	Board Secretary	Deming Public Schools
Matt Robinson	Board Member	Deming Public Schools
Lloyd Valentine	Audit Committee Member	Deming Public Schools
Ray Trejo	Ass. 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 Secretary	Deming Public Schools
Matt Robinson	Board Member	Deming Public Schools
Stan Lyons	Principal	Cesar Chavez High School
Ray Trejo	Ass. Superintendent	Deming Public Schools
Ted Burr	Assoc. Supt. of Finance	Deming Public Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA's