

**STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2008**



**Roy Woodward & Associates**  
Certified Public Accountants

1030



## OFFICE OF THE STATE AUDITOR

Hector H. Balderas

February 6, 2009

SAO Ref. No. 7030

Dwain Haynes, Superintendent  
Eunice Public Schools  
PO Box 129  
Eunice, NM 88231-0129

SUBJECT: Audit Report—Eunice Public Schools—2007-2008 Fiscal Year—Prepared by Roy Woodard & Associates

The audit report for your agency was received by the Office of the State Auditor (Office) on November 17, 2008. The State Auditor's review of the audit report required by Section 12-6-14 (D) NMSA 1978 and 2.2.2.13 NMAC has been completed. This letter is your authorization to make the final payment to the independent public accountant (IPA) who contracted to perform your agency's financial and compliance audit. In accordance with the Section 2 of the audit contract, the IPA will deliver the specified number of copies of the audit to the agency.

Per Section 12-6-5 (A) NMSA 1978, the audit report does not become public record until ten days after the date of this letter. Once the ten day waiting period has passed, the audit report shall be:

- released by the Office of the State Auditor to the Legislative Finance Committee, and the Public Education Department; and
- presented by your agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) NMAC, *Requirements for Contracting and Conducting Audits of Agencies*.

The independent public accountant's findings and comments are included in the audit report on pages 71 - 74. It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.

HECTOR H. BALDERAS  
STATE AUDITOR

cc: Legislative Finance Committee  
Public Education Department  
Roy Woodard & Associates

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**JAN 23 2009**

**STATE AUDITOR**



STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 JUNE 30, 2008

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STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
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STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
JUNE 30, 2008

OFFICIAL ROSTER

BOARD OF EDUCATION

|                |                |
|----------------|----------------|
| Bill Anderson  | President      |
| David Gallegos | Vice President |
| Don Jones      | Secretary      |
| Heath Dean     | Member         |
| Don Gladden    | Member         |

SCHOOL OFFICIALS

|              |                  |
|--------------|------------------|
| Dwain Haynes | Superintendent   |
| Cynthia Sims | Business Manager |

# Roy Woodard & Associates

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Hector Balderas, State Auditor  
The Board of Education  
Eunice Public Schools  
Eunice, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons of the general fund and the major special revenue funds and the aggregate remaining fund information of the Eunice Public Schools, as of and the year ended June 30, 2008, which collectively comprise the Eunice Public Schools' basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Eunice Public Schools' nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Eunice Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Eunice Public Schools, as of June 30, 2008, and the respective changes in financial position and the budgetary comparisons for the General Fund, Senate Bill 9, 21<sup>st</sup> Century Learning and Title I for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Eunice Public Schools as of June 30, 2008 and the respective changes in financial position and the respective budgetary comparisons for the major capital project funds and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2008, on our consideration of Eunice Public Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Eunice Public Schools has not presented the managements discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Government, and Non-Profit Organizations. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Eunice Public Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

*Roy Woodard & Associates*

November 4, 2008  
Portales, New Mexico



**FINANCIAL SECTION**

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 STATEMENT OF NET ASSETS

June 30, 2008

|                            | Governmental<br>Activities |
|----------------------------|----------------------------|
| <u>ASSETS</u>              |                            |
| Cash and cash equivalents  | \$ 5,489,544               |
| Property Taxes Receivable  | 272,317                    |
| Due From Other Agencies    | 104,457                    |
| Due from External Funds    | 4,500                      |
| Inventory                  | 269                        |
| Non-current:               |                            |
| Capital assets, net        | <u>5,779,000</u>           |
| Total Assets               | <u>11,650,087</u>          |
| <u>LIABILITIES</u>         |                            |
| Accounts payable           | 236,777                    |
| Deferred Revenue           | 18,317                     |
| Compensated Absences       | <u>24,083</u>              |
| Total Liabilities          | <u>279,177</u>             |
| <u>NET ASSETS</u>          |                            |
| Invested in capital assets | 5,779,000                  |
| Restricted for:            |                            |
| Capital Projects           | 3,106,698                  |
| Inventory                  | 269                        |
| Unrestricted               | <u>2,484,943</u>           |
| Total Net Assets           | <u>\$ 11,370,910</u>       |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

| Functions/Programs                      | Primary government: | Program Revenues |                         |   |  | Net (Expenses)<br>Revenue & Changes<br>in Net Assets |
|---|---------------------|------------------|-------------------------|---|--|--|
|   |                     | Expenses         | Charges for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital Grants<br>and<br>Contributions |  |
| Governmental activities:                | \$                  | \$               | \$                      | \$  | \$                                     |  |
| Instruction                             | 3,017,262           | 43,439           | 476,117                 | -   | (2,497,706)                            |  |
| Support Services                        |                     |                  |                         |   |  |  |
| Support Services-Students               | 304,259             | -                | 39,655                  | -   | (264,604)                              |  |
| Support Services-Instruction            | 97,974              | -                | 20,245                  | -   | (77,729)                               |  |
| Support Services-General Administration | 175,194             | -                | -                       | -   | (175,194)                              |  |
| Support Services-School Administration  | 242,487             | -                | 40,337                  | -   | (202,150)                              |  |
| Central Services                        | 121,418             | -                | -                       | -   | (121,418)                              |  |
| Operation & Maintenance of Plant        | 1,603,011           | -                | -                       | -   | (1,603,011)                            |  |
| Student Transportation                  | 215,246             | -                | 212,396                 | -   | (2,850)                                |  |
| Other Support Services                  | -                   | 57,109           | -                       | -   | -                                      |  |
| Food Services-Operations                | 260,676             | -                | 187,400                 | -   | (16,167)                               |  |
| Community Services-operations           | -                   | -                | -                       | -   | -                                      |  |
| Depreciation-unallocated                | 585,059             | -                | -                       | -   | (585,059)                              |  |
| Unallocated                             | -                   | 948              | -                       | 15,851                                      | 16,799                                 |  |
| Total governmental activities           | \$ 6,622,586        | \$ 101,496       | \$ 976,150              | \$ 15,851                                   | \$ (5,529,089)                         |  |
| General revenues:                       |                     |                  |                         |   |  |  |
| Property taxes:                         |                     |                  |                         |   | \$                                     |  |
| Levied for General purpose              |                     |                  |                         |   | 335,595                                |  |
| Levied for Capital Projects             |                     |                  |                         |   | 2,916,714                              |  |
| Rent                                    |                     |                  |                         |   | 12,800                                 |  |
| PEDEqualization Guarantee               |                     |                  |                         |   | 3,898,913                              |  |
| Unrestricted Interest Income            |                     |                  |                         |   | 124,218                                |  |
| Miscellaneous                           |                     |                  |                         |   | 26,728                                 |  |
| Donations                               |                     |                  |                         |   | 100,000                                |  |
| Total general revenues                  |                     |                  |                         |   | 7,414,968                              |  |
| Change in net assets                    |                     |                  |                         |   | 1,885,879                              |  |
| Net assets - beginning                  |                     |                  |                         |   | 10,141,530                             |  |
| Restatement                             |                     |                  |                         |   | (656,499)                              |  |
| Restated Balance                        |                     |                  |                         |   | 9,485,031                              |  |
| Net assets - ending                     |                     |                  |                         |   | 11,370,910                             |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2008

|   | GENERAL           | TITLE I          | 21ST<br>CENTURY<br>LIVING<br>CENTERS | HB33                |
|---|-------------------|------------------|--------------------------------------|---------------------|
| <b>ASSETS</b>                             |                   |                  |                                      |                     |
| Cash on Deposit                           | \$ 587,225        | \$ -             | \$ -                                 | \$ 2,797,797        |
| Due from Other Funds                      | 91,063            | -                | -                                    | -                   |
| Due from Other Governments                | -                 | 34,154           | 32,270                               | -                   |
| Due From External Funds                   | 4,500             | -                | -                                    | -                   |
| Property Taxes Receivable                 | 29,595            | -                | -                                    | 118,583             |
| Inventory                                 | -                 | -                | -                                    | -                   |
| <b>TOTAL ASSETS</b>                       | <b>\$ 712,383</b> | <b>\$ 34,154</b> | <b>\$ 32,270</b>                     | <b>\$ 2,916,380</b> |
| <b>LIABILITIES AND FUND BALANCE</b>       |                   |                  |                                      |                     |
| Accounts Payable                          | \$ 236,777        | \$ -             | \$ -                                 | \$ -                |
| Deferred Revenue                          | -                 | -                | -                                    | -                   |
| Due to Other Funds                        | 3,495             | 34,154           | 32,270                               | -                   |
| <b>TOTAL LIABILITIES</b>                  | <b>240,272</b>    | <b>34,154</b>    | <b>32,270</b>                        | <b>-</b>            |
| <b>FUND BALANCE</b>                       |                   |                  |                                      |                     |
| Reserved for:                             |                   |                  |                                      |                     |
| Inventory                                 | -                 | -                | -                                    | -                   |
| Capital Projects Fund                     | -                 | -                | -                                    | 2,916,380           |
| Unreserved reported in:                   |                   |                  |                                      |                     |
| General Fund                              | 472,111           | -                | -                                    | -                   |
| Special Revenue Funds                     | -                 | -                | -                                    | -                   |
| <b>TOTAL FUND BALANCE</b>                 | <b>472,111</b>    | <b>-</b>         | <b>-</b>                             | <b>2,916,380</b>    |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 712,383</b> | <b>\$ 34,154</b> | <b>\$ 32,270</b>                     | <b>\$ 2,916,380</b> |

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



|                     | OTHER<br>GOVERNMENTAL<br>FUNDS | Total<br>GOVERNMENTAL<br>FUNDS |
|---------------------|--------------------------------|--------------------------------|
| SB-9                |                                |                                |
| \$ 1,903,553        | \$ 200,969                     | \$ 5,489,544                   |
| -                   | 19,346                         | 110,409                        |
| -                   | 38,033                         | 104,457                        |
| -                   | -                              | 4,500                          |
| 118,583             | -                              | 266,761                        |
| -                   | 269                            | 269                            |
| <u>\$ 2,022,136</u> | <u>\$ 258,617</u>              | <u>\$ 5,975,940</u>            |
| \$ -                | \$ -                           | \$ 236,777                     |
| -                   | 12,761                         | 12,761                         |
| -                   | 40,490                         | 110,409                        |
| -                   | 53,251                         | 359,947                        |
| -                   | 269                            | 269                            |
| -                   | 190,318                        | 3,106,698                      |
| -                   | -                              | 472,111                        |
| 2,022,136           | 14,779                         | 2,036,915                      |
| -                   | -                              | -                              |
| <u>2,022,136</u>    | <u>205,366</u>                 | <u>5,615,993</u>               |
| <u>\$ 2,022,136</u> | <u>\$ 258,617</u>              | <u>\$ 5,975,940</u>            |

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS

June 30, 2008

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

|  |                             |
|--|-----------------------------|
| Fund Balances - total governmental funds   | \$ 5,615,993                |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds                           | 5,779,000                   |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds are as follows: |                             |
| Liabilities not due and payable in the current period and therefore are not reported as liabilities in the funds.                                |                             |
| Compensated Absences   | <u>(24,083)</u>             |
| Net assets of governmental activities  | <u><u>\$ 11,370,910</u></u> |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2008

|   | GENERAL    | TITLE I | 21ST<br>CENTURY<br>LIVING<br>CENTERS | HB33         |
|---|------------|---------|--------------------------------------|--------------|
| REVENUE   |            |         |                                      |              |
| Residential/Non-Residential Taxes                   | \$ 336,290 | \$ -    | \$ -                                 | \$ 1,458,357 |
| Fees - Educational                                  | 948        | -       | -                                    | -            |
| Rent and Leases                                     | 12,800     | -       | -                                    | -            |
| Fees Activities                                     | -          | -       | -                                    | -            |
| Fees-Users  | -          | -       | -                                    | -            |
| Interest Income                                     | 16,926     | -       | -                                    | 53,627       |
| State Equalization                                  | 3,898,913  | -       | -                                    | -            |
| State Programs                                      | 304,079    | -       | -                                    | -            |
| Donations   | -          | -       | -                                    | 100,000      |
| Federal Program                                     | -          | 106,269 | 114,413                              | -            |
| TOTAL REVENUES                                      | 4,569,956  | 106,269 | 114,413                              | 1,611,984    |
| EXPENDITURES  |            |         |                                      |              |
| Current   |            |         |                                      |              |
| Instruction   | 2,566,578  | 90,527  | 114,413                              | -            |
| Support Services-Students                           | 264,604    | -       | -                                    | -            |
| Support Services-Instruction                        | 77,729     | -       | -                                    | -            |
| Support Services-General Administration             | 157,188    | 15,742  | -                                    | 1,132        |
| Support Services-School Administration              | 217,892    | -       | -                                    | -            |
| Central Services                                    | 121,418    | -       | -                                    | -            |
| Operation & Maintenance of Plant                    | 731,618    | -       | -                                    | -            |
| Student Transportation                              | 215,246    | -       | -                                    | -            |
| Food Services-Operations                            | -          | -       | -                                    | -            |
| Acquisition & Construction                          | 1,967      | -       | -                                    | 1,338,168    |
| TOTAL EXPENDITURES                                  | 4,354,240  | 106,269 | 114,413                              | 1,339,300    |
| EXCESS (DEFICIENCY) OF<br>REVENUE OVER EXPENDITURES | 215,716    | -       | -                                    | 272,684      |
| Other Financing Sources                             |            |         |                                      |              |
| Transfers In<Out>                                   | -          | -       | -                                    | -            |
| Total Other Financial Sources                       | -          | -       | -                                    | -            |
| Net Change In Fund Balances                         | 215,716    | -       | -                                    | 272,684      |
| FUND BALANCE<br>June 30, 2007                       | 256,395    | -       | -                                    | 2,643,696    |
| FUND BALANCE<br>June 30, 2008                       | \$ 472,111 | \$ -    | \$ -                                 | \$ 2,916,380 |

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





|              | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--------------|--------------------------------|--------------------------------|
| SB-9         |                                |                                |
| \$ 1,458,357 | \$ -                           | \$ 3,253,004                   |
| -            | -                              | 948                            |
| -            | -                              | 12,800                         |
| -            | 43,439                         | 43,439                         |
| -            | 57,109                         | 57,109                         |
| 53,640       | 25                             | 124,218                        |
| -            | -                              | 3,898,913                      |
| -            | 154,373                        | 458,452                        |
| -            | -                              | 100,000                        |
| -            | 339,595                        | 560,277                        |
| 1,511,997    | 594,541                        | 8,509,160                      |
| -            | 246,165                        | 3,017,683                      |
| -            | 39,655                         | 304,259                        |
| -            | 20,245                         | 97,974                         |
| 1,132        | -                              | 175,194                        |
| -            | 24,595                         | 242,487                        |
| -            | -                              | 121,418                        |
| -            | -                              | 731,618                        |
| -            | -                              | 215,246                        |
| -            | 260,676                        | 260,676                        |
| 1,224,982    | 15,886                         | 2,581,003                      |
| 1,226,114    | 607,222                        | 7,747,558                      |
| 285,883      | (12,681)                       | 761,602                        |
| -            | -                              | -                              |
| -            | -                              | -                              |
| 285,883      | (12,681)                       | 761,602                        |
| 1,736,253    | 218,047                        | 4,854,391                      |
| \$ 2,022,136 | \$ 205,366                     | \$ 5,615,993                   |

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

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

|  |                            |
|--|----------------------------|
| Net change in fund balance - total governmental funds  | \$ 761,602                 |
| 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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year | 1,124,551                  |
| Decrease in Delinquent Property Tax Receivable   | (695)                      |
| Decrease in Long term Compensated Absences   | <u>421</u>                 |
| Change in Net Assets   | <u><u>\$ 1,885,879</u></u> |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET  
 (NON-GAAP) AND ACTUAL-GENERAL FUND  
 Year Ended June 30 2008

|   | General Fund        |                     |                     |  |
|---|---------------------|---------------------|---------------------|--|
|   | ORIGINAL<br>BUDGET  | BUDGET              | ACTUAL              | VARIANCE<br>Favorable<br>(Unfavorable) |
| <b>REVENUE</b>  |                     |                     |                     |  |
| Residential/Non-Residential Taxes   | \$ 304,699          | \$ 304,699          | \$ 353,841          | \$ 49,142                              |
| Fees - Educational  | 100                 | 100                 | 948                 | 848                                    |
| Rent and Leases   | 6,800               | 6,800               | 8,300               | 1,500                                  |
| Interest Income   | 31,173              | 31,173              | 16,926              | (14,247)                               |
| State Equalization  | 3,896,132           | 3,928,364           | 3,898,913           | (29,451)                               |
| State Flow Through Grants   | 254,719             | 321,564             | 281,879             | (39,685)                               |
| <b>TOTAL REVENUE</b>  | <u>4,493,623</u>    | <u>4,592,700</u>    | <u>4,560,807</u>    | <u>\$(31,893)</u>                      |
| Cash Balance Budgeted   | 311,530             | 311,530             |                     |  |
| <b>TOTAL REVENUE &amp; CASH</b>   | <u>\$ 4,805,153</u> | <u>\$ 4,904,230</u> |                     |  |
| <b>EXPENDITURES</b>   |                     |                     |                     |  |
| Current   |                     |                     |                     |  |
| Instruction   | \$ 2,794,092        | \$ 2,813,188        | \$ 2,668,994        | \$ 144,194                             |
| Support Services  |                     |                     |                     |  |
| Support Services-Students   | 328,143             | 328,143             | 264,604             | 63,539                                 |
| Support Services-Instruction  | 89,053              | 89,704              | 77,728              | 11,976                                 |
| Support Services-General Administration   | 165,111             | 184,477             | 157,188             | 27,289                                 |
| Support Services-School Administration  | 220,189             | 220,189             | 217,892             | 2,297                                  |
| Central Services  | 174,863             | 174,863             | 121,418             | 53,445                                 |
| Operation & Maintenance of Plant  | 773,584             | 773,584             | 733,584             | 40,000                                 |
| Student Transportation  | 200,059             | 260,023             | 217,816             | 42,207                                 |
| Other Support Services  | 18,219              | 18,219              | -                   | 18,219                                 |
| Acquisition & Construction  | 10,516              | 10,516              | -                   | 10,516                                 |
| <b>TOTAL EXPENDITURES</b>   | <u>\$ 4,773,829</u> | <u>\$ 4,872,906</u> | <u>\$ 4,459,224</u> | <u>\$ 413,682</u>                      |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                     |                     |                     |  |
| <b>Sources/Inflows of resources</b>   |                     |                     |                     |  |
| Actual amounts (budgetary basis)  |                     |                     | \$ 4,560,807        |  |
| Differences-Budget to GAAP  |                     |                     | 29,595              |  |
| Property tax Receivable   |                     |                     | (20,419)            |  |
| Prior Year Tax Receivables  |                     |                     | (4,528)             |  |
| Prior Year Receivable   |                     |                     | 4,565,455           |  |
| Total Revenues (GAAP Basis)   |                     |                     | <u>\$ 4,565,455</u> |  |
| <b>Uses/outflows of resources</b>   |                     |                     |                     |  |
| Actual amounts (budgetary basis)  |                     |                     | \$ 4,459,224        |  |
| Differences-budget to GAAP  |                     |                     | 4,456,654           |  |
| Total Expenditures (GAAP Basis)   |                     |                     | <u>\$ 4,456,654</u> |  |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--21ST CENTURY LIVING CENTERS

Year Ended June 30 2008

|                       | ORIGINAL<br>BUDGET | BUDGET            | ACTUAL         | VARIANCE<br>Favorable<br>(Unfavorable) |
|-----------------------|--------------------|-------------------|----------------|--|
| REVENUE               |                    |                   |                |  |
| Federal Program       | \$ 174,000         | \$ 179,318        | \$ 109,469     | \$ (69,849)                            |
| TOTAL REVENUE         | <u>174,000</u>     | <u>179,318</u>    | <u>109,469</u> | <u>(69,849)</u>                        |
| Cash Balance Budgeted | -                  | -                 |                |  |
| TOTAL REVENUE & CASH  | <u>\$ 174,000</u>  | <u>\$ 179,318</u> |                |  |
| EXPENDITURES          |                    |                   |                |  |
| Current               | \$ 174,000         | \$ 179,318        | \$ 126,199     | \$ 53,119                              |
| Instruction           | <u>174,000</u>     | <u>179,318</u>    | <u>126,199</u> | <u>53,119</u>                          |
| TOTAL EXPENDITURES    |                    |                   |                |  |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

|                                     |    |                |
|-------------------------------------|----|----------------|
| <b>Sources/Inflows of resources</b> | \$ | 109,469        |
| Actual amounts (budgetary basis)    |    |                |
| Differences-Budget to GAAP          |    | 32,270         |
| Current Year Receivable             |    | (27,326)       |
| Prior Year Receivable               |    | <u>114,413</u> |
| Total Revenues (GAAP Basis)         |    |                |

|                                   |    |                |
|-----------------------------------|----|----------------|
| <b>Uses/outflows of resources</b> | \$ | 126,199        |
| Actual amounts (budgetary basis)  |    |                |
| Differences-budget to GAAP        |    | (11,786)       |
| Prior Year Accounts Payable       |    | <u>114,413</u> |
| Total Expenditures (GAAP Basis)   |    |                |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND-SB9-

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET  | BUDGET              | ACTUAL              | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
| REVENUE                                 |                     |                     |                     |  |
| Residential/Non-Residential Taxes       | \$ 1,224,518        | \$ 1,224,518        | \$ 1,421,620        | \$ 197,102                             |
| Interest Income                         | 58,360              | 58,360              | 53,640              | (4,720)                                |
| State Flow Through Grants               | 12,478              | 12,478              | 12,478              | (12,478)                               |
| TOTAL REVENUE                           | <u>1,295,356</u>    | <u>1,295,356</u>    | <u>1,475,260</u>    | <u>179,904</u>                         |
| Cash Balance Budgeted                   | -                   | -                   |                     |  |
| TOTAL REVENUE & CASH                    | <u>\$ 1,295,356</u> | <u>\$ 1,295,356</u> |                     |  |
| EXPENDITURES                            |                     |                     |                     |  |
| Current                                 |                     |                     |                     |  |
| Support Services-General Administration | \$ 800              | \$ 1,100            | \$ 1,131            | \$ (31)                                |
| Acquisition & Construction              | 2,999,259           | 3,011,437           | 1,243,861           | 1,767,576                              |
| TOTAL EXPENDITURES                      | <u>\$ 3,000,059</u> | <u>\$ 3,012,537</u> | <u>\$ 1,244,992</u> | <u>\$ 1,767,545</u>                    |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of resources

|                                  |                     |
|----------------------------------|---------------------|
| Actual amounts (budgetary basis) | \$ 1,475,260        |
| Differences-Budget to GAAP       | (81,846)            |
| Prior Year Tax Receivables       | 118,584             |
| Current Year Receivable          |                     |
| Total Revenues (GAAP Basis)      | <u>\$ 1,511,998</u> |

Uses/outflows of resources

|                                  |                     |
|----------------------------------|---------------------|
| Actual amounts (budgetary basis) | \$ 1,244,992        |
| Differences-budget to GAAP       | (18,879)            |
| Prior Year Accounts Payable      |                     |
| Total Expenditures (GAAP Basis)  | <u>\$ 1,226,113</u> |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30 2008

|  | ORIGINAL<br>BUDGET | BUDGET            | ACTUAL            | VARIANCE<br>Favorable<br>(Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| REVENUE                                |                    |                   |                   |  |
| Federal Revenue                        | \$ 109,065         | \$ 116,183        | \$ 74,585         | \$ (41,598)                            |
| TOTAL REVENUE                          | <u>109,065</u>     | <u>116,183</u>    | <u>74,585</u>     | <u>(41,598)</u>                        |
| Cash Balance Budgeted                  | -                  | -                 |                   |  |
| TOTAL REVENUE & CASH                   | <u>\$ 109,065</u>  | <u>\$ 116,183</u> |                   |  |
| EXPENDITURES                           |                    |                   |                   |  |
| Current                                |                    |                   |                   |  |
| Instruction                            | \$ 92,980          | \$ 100,098        | \$ 92,998         | \$ 7,100                               |
| Support Services-School Administration | 16,085             | 16,085            | 15,742            | 343                                    |
| TOTAL EXPENDITURES                     | <u>\$ 109,065</u>  | <u>\$ 116,183</u> | <u>\$ 108,740</u> | <u>\$ 7,443</u>                        |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

|                                  |                   |            |
|----------------------------------|-------------------|------------|
| Sources/Inflows of resources     |                   | \$ 74,585  |
| Actual amounts (budgetary basis) |                   |            |
| Differences-Budget to GAAP       |                   |            |
| Current Year Receivable          | 34,154            |            |
| Prior Year Receivable            | (2,470)           |            |
| Total Revenues (GAAP Basis)      | <u>\$ 106,269</u> |            |
| Uses/outflows of resources       |                   | \$ 108,740 |
| Actual amounts (budgetary basis) |                   |            |
| Differences-budget to GAAP       |                   |            |
| Prior Year Accounts Payable      | (2,471)           |            |
| Total Expenditures (GAAP Basis)  | <u>\$ 106,269</u> |            |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2008

|                       | AGENCY<br>FUNDS   |
|-----------------------|-------------------|
| ASSETS                |                   |
| Cash on Hand          | \$ 250            |
| Cash on Deposit       | 163,180           |
| TOTAL ASSETS          | <u>\$ 163,430</u> |
| LIABILITIES           |                   |
| Due To Student Groups | \$ 158,930        |
| Due to Operational    | 4,500             |
| TOTAL LIABILITIES     | <u>\$ 163,430</u> |

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



**NOTES TO FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

I. Summary of Significant Accounting Policies

A. Reporting Entity

Eunice Public School District is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Eunice and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

There were no component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Eunice Public School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

I. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash. Grant revenues and deferrals are recognized in accordance with GASB 33.

The district reports the following major governmental funds:

General Funds - The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SB-9 (Special Revenue Fund) - to account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

HB-33 (Capital Projects) – This fund is used to account for funds received from a 2 mill levy, restricted for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expenses. Authority for this fund is Section 22-26-1, NMSA 1978.

21st Century Community Living Centers (Special Revenue Fund) – To create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools. Authority for this fund is the Elementary and Secondary Education Act of 1965, as amended, Title IV, Part B.

TITLE I – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The Federal Government through the New Mexico State Department of Education under the Elementary funds the project and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 et seq. Reported as a special revenue fund.

The district also reports the following Nonmajor governmental funds:

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

Capital Projects Funds – These funds are used to account for the acquisition and construction of all major governmental general fixed assets.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The State Board of Finance shall set the rate of interest in non-demand interest-bearing accounts, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2007 fiscal year was \$648,412,748. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB - 9, and HB-33 Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

1. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The district is including qualifying Software and Library Books in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>            | <u>Years</u> |
|--------------------------|--------------|
| Buildings & Improvements | 25 to 50     |
| Equipment                | 5 to 10      |

5. Compensated absences

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon termination, resignation, retirement, or death, a twelve-month employee is entitled to be paid for their accrued unused annual leave up to 20 hours. During the fiscal year ended June 30, 2007, the annual leave liability decreased \$421 to \$24,083.

6. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

7. Comparative data/reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

8. Indirect Costs

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

9. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

10. Estimates

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

11. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost".

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$3,898,913 in state equalization guarantee distributions during the year ended June 30, 2008.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to and from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$212,396 in transportation distributions during the year ended June 30, 2008.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "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 and reported as depreciation expense." The details of this \$1,124,551 difference are as follows:

|   |                     |
|---|---------------------|
| Capital Outlay  | \$ 1,709,610        |
| Depreciation expense  | <u>(585,059)</u>    |
| Net adjustment to increase net changes in fund balances -- total government funds to arrive at changes in net assets of governmental activities | \$ <u>1,124,551</u> |

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

III. Stewardship, compliance, and accountability

A. Budgetary information

Budgets for the General, Special Revenue, and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

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

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

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, the school board and the State of New Mexico Department of Education must approve any revisions that alter the total expenditures of any fund.
- Budgets for the General, Special Revenue, and Capital Projects, are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

June 30, 2008

III. Stewardship, compliance, and accountability (continued)

A. Budgetary information (continued)

- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2008 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

|                       | <u>Original Budget</u> | <u>Final Budget</u>  |
|-----------------------|------------------------|----------------------|
| General Fund          | \$ 4,773,829           | \$ 4,872,906         |
| Special Revenue Fund  | 4,198,580              | 4,142,340            |
| Capital Projects Fund | 3,216,376              | 3,216,376            |
| Totals                | <u>\$ 12,188,785</u>   | <u>\$ 12,231,622</u> |

B. Deficit fund equity

There were no deficit fund balances at June 30, 2008.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2008, the carrying amount of the District's deposits was \$5,652,974 and the bank balance was \$6,278,215. Of this balance \$200,000 was covered by federal depository insurance and \$5,914,794 was covered by collateral held in joint safekeeping by a third party in the entity's name.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution.

The collateral pledged is shown as listed in the table of contents of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing Now accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, 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 fund amounts were invested. Participation in the local government investment pool is voluntary.

For the year ended June 30, 2008, the investments held in the LGIP had an interest risk (WAM) of 46 days and a Standard and Poor's Rating of AAA.



STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

June 30, 2007

IV. Detailed notes on all funds (continued)

B. Custodial Credit Risk - Deposits

The State Treasurer monitors pledged collateral related to most state agency bank accounts. Pledged collateral information specific to the District is not available because the bank commingles pledged collateral for all state funds it holds.

Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2007, \$3,270,911 of the government's deposits totaling \$5,591,456 was exposed to custodial credit risk.

Uninsured and Uncollateralized \$3,270,911

C. Due To and From Other Funds

Interfund loans as of year end for the government's individual major funds and non-major funds in the aggregate, including the following:

Interfund Payables:

|  |    |                |
|--|----|----------------|
| Due to Operational Fund                      | \$ | 34,154         |
| Title I                                      |    | 32,270         |
| 21 <sup>st</sup> Century Living              |    | 1,995          |
| Entitlement                                  |    | 799            |
| Discretionary                                |    | 743            |
| English Language Acquisition                 |    | 9,008          |
| Pre K Initiative                             |    | 1,816          |
| 21 <sup>st</sup> Century                     |    | 7,821          |
| Libraries SB 301                             |    | <u>2,457</u>   |
| PSCO 20 %                                    |    | 91,063         |
| Total due to Operational Fund                | \$ | 151,316        |
| Due from Operational Fund PSCO 20%           |    | 3,495          |
| Due to PSCO 20% Special Capital Outlay State |    | 15,851         |
| Total Due from other funds                   | \$ | <u>110,409</u> |

The balance of \$45,288 resulted from loans made to establish working capital for the individual funds. All loans are considered to be repaid within one year.

Governmental funds reported *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

|   |                    |
|---|--------------------|
|   | <u>Unavailable</u> |
| Grant draw downs prior to meeting<br>All eligibility requirements | \$ 12,761          |
| Delinquent Property Taxes   | 5,556              |
| Total deferred/unearned revenue<br>For governmental funds         | <u>\$ 18,317</u>   |

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

June 30, 2008

IV. Detailed notes on all funds (continued)

D. Receivables

|                                  |    |                |                |
|----------------------------------|----|----------------|----------------|
| Due from other governments:      |    |                |                |
| English Language Acquisition     |    | \$             | 743            |
| 21 <sup>st</sup> Century Living  |    |                | 32,270         |
| Title I                          |    |                | 34,154         |
| Pre K Initiative                 |    |                | 9,008          |
| Entitlement                      |    |                | 1,995          |
| Discretionary                    |    |                | 799            |
| 21 <sup>st</sup> Century         |    |                | 1,816          |
| Special Capital Outlay State     |    |                | 15,851         |
| Liabilities SB 301 GO Bonds      |    |                | 7,821          |
| Total due from other governments |    | \$             | <u>104,457</u> |
| Due from local taxes             |    |                |                |
| General                          | \$ | 29,595         |                |
| Senate Bill Nine                 |    | 118,583        |                |
| HB-33                            |    | 118,583        |                |
| Total Property Tax Receivable    | \$ | <u>266,761</u> |                |

E. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

EUNICE PUBLIC SCHOOLS

|  | Beginning Balance | Prior Year Corrections | Increases    | Decreases | Ending Balance |
|--|-------------------|------------------------|--------------|-----------|----------------|
| Governmental Activities                      |                   |                        |              |           |                |
| Capital assets, not being depreciated        | \$ 1,670,096      | -                      | -            | -         | \$ 1,670,096   |
| Land   | -                 | -                      | -            | -         | -              |
| Construction in Progress                     | -                 | -                      | -            | -         | -              |
| Total Capital Assets not being depreciated   | 1,670,096         | -                      | -            | -         | 1,670,096      |
| Capital assets, being depreciated            |                   |                        |              |           |                |
| Buildings & Improvements                     | 24,028,876        | (802,635)              | 1,671,273    | -         | 24,897,514     |
| Equipment                                    | 1,943,876         | 145,892                | 38,337       | 210       | 1,437,871      |
| Total Capital assets being depreciated       | 25,282,728        | (656,743)              | 1,709,610    | 210       | 26,335,385     |
| Less accumulated depreciation for:           |                   |                        |              |           |                |
| Buildings & Improvements                     | 21,100,873        | 4                      | 481,706      | -         | 21,582,579     |
| Equipment                                    | 540,755           | 4                      | 103,353      | 210       | 643,902        |
| Total accumulated depreciation               | 21,641,628        | 4                      | 585,059      | 210       | 22,226,481     |
| Total Capital assets, being depreciated, net | 3,641,100         | (656,747)              | 1,124,551    | -         | 4,108,904      |
| Governmental activities capital assets, net  | \$ 5,311,196      | \$ (656,747)           | \$ 1,124,551 | \$ -      | \$ 5,779,000   |

The Schedule of Capital Assets by Function and Activity, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

June 30, 2008

IV. Detailed notes on all funds (continued)

E. Capital Assets (continued)

The adjustments to the capital assets are a result of an extensive inventory of capital assets performed by district personnel. Additional information may be found in the footnote on the net asset restatement on page 23.

Depreciation expense was not charged to function/programs of the School District because the detail information was not available.

F. Long-Term Debt

The District's 12-month employees are allowed to accrue unused annual leave and are paid up to 20 hours of accrued annual upon their separation from the district. Activity for the fiscal year ended June 30, 2008 was as follows:

| Beginning<br><u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | Ending<br><u>Balance</u> | Amount Due in<br><u>one year</u> |
|-----------------------------|------------------|------------------|--------------------------|----------------------------------|
| \$24,504                    | \$17,689         | (\$18,110)       | \$24,083                 | \$24,083                         |

In past periods, payment of accrued annual leave has been made from the General Fund.

V. Other information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMPSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2008.

B. Contingent liabilities

Amounts received or receivable from grant 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 that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

June 30, 2008

V. Other information (continued)

C. Employee retirement plan

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

*Funding Policy:* Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$353,101, \$342,751, and \$322,700, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-retirement health care benefits

*Plan Description.* The District 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 RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the 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; 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, NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

June 30, 2008

V. Other information (continued)

D. Post-retirement health care benefits (continued)

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

The District's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$42,794, \$43,579 and \$44,724, respectively, which equal the required contributions for each year.

E. Restatement of Beginning Net Assets for Governmental Funds

|   |                            |
|---|----------------------------|
|   | Governmental<br>Activities |
| Net Assets – Governmental Funds at July 1, 2007         | \$ 10,141,530              |
| Less Capital Asset adjustments:                         |                            |
| Decrease in capital assets after completed inventory.   | (657,190)                  |
| Increase in accumulated depreciation.                   | (4)                        |
| Depreciation adjustment on a prior year disposed asset. | 695                        |
| Restated balance at July 1, 2006                        | <u>\$ 9,485,031</u>        |

F. Restatement of Beginning Capital Asset Balance

The District made final adjustments to its capital asset beginning balance. These adjustments were recorded in the District's accounting software. The adjustments resulted in \$656,743 in capital assets being removed that had been previously disposed and \$4 in accumulated depreciation correction which was a rounding adjustment. The remaining \$695 is depreciation previously recorded on a prior year disposed asset.



**NON-MAJOR FUNDS**

CAPITAL PROJECTS FUNDS

Public School Capital Outlay 20% — To account for monies that are restricted out of Impact Aid, Forest Reserve, and Local taxes for capital improvements in public schools. Authority for the creation of this fund is Section 22-8-5 NMSA 1978.

Special Capital Outlay State -- To account funds restricted for the financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

NON-MAJOR SPECIAL REVENUE FUNDS

FOOD SERVICES – to account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS – to account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Authority for this fund is the New Mexico Administrative Code 6.20.2.

IDEA B – ENTITLEMENT BUDGET – P.L. 94-142, Individuals with Disabilities Education Act--to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA B-DISCRETIONARY – P.L. 94-142, individuals with Disabilities Education Act--to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

ENHANCING EDUCATION THRU EDUCATION - to provide grants to State Education Agencies on a formula basis to improve student academic achievement through the use of technology in schools, assist all students in becoming technologically literate by the end of the eighth grade and encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title 11, Part D, Subparts 1 and 2, as amended.

IDEA B PRESCHOOL -- P.L. 94-142, Individuals with Disabilities Education Act--to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

EARLY READING FIRST – to support local efforts to enhance the early language, literacy, and prereading development of preschool age children, particularly those from low-income families, through instructional strategies and professional development based on scientifically based reading research. The authority for the creating of this fund is the Elementary and Secondary Education Act of 1965 as amended; Title I, Part B, Subpart 2; Public Law 107110.

CLASS SIZE REDUCTION ACT – to account for funds distributed for the purpose of helping schools improve student achievement by reducing class size through the hiring of fully qualified teachers to ensure class size is decreased to no more than 18 students per class. Authority for the creation of this program is Section 310 of the Department of Education Appropriations Act 2000 as enacted by Section 1000 (a)(4) of Division B of P.L. 106-113, Public Law 106554.

ENGLISH LANGUAGE ACQUISITION – To ensure that limited English proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet. The authority for the creation of this fund is the Elementary and Secondary Education Act, as amended, Title 111, Part A, Sections 3101, 3129.

TEACHER/PRINCIPAL TRAINING – To provide grants to State Education Agencies on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title I, Part A, Public Law 107-110.

READING FIRST – To account for the federal grant assistance to provide support for high quality, scientifically based classroom reading instruction from kindergarten through grade three. Authority for this fund comes from the No Child Left Behind Act.



NON-MAJOR SPECIAL REVENUE FUNDS (continued)

EARLY READING FIRST — to support local efforts to enhance the early language, literacy, and prereading development of preschool age children, particularly those from low-income families, through instructional strategies and professional development based on scientifically based reading research. The authority for the creating of this fund is the Elementary and Secondary Education Act of 1965 as amended; Title I, Part B, Subpart 2; Public Law 107-110.

JTPA — To Account for funds provided by the New Mexico Department of Labor. The objective of the program is to provide individualized remedial instruction in math; reading and writing for each participant based on assessed needs and is restricted to expenditure by the applicant.

TECHNOLOGY FOR EDUCATION -- To account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENT — To account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

PRE K INITIATIVE — To account for state program used to provide center-based education services to four-year-olds within the district. This state fund initiative was established in 2005.

BEGINNING TEACHER MENTORING PROGRAM — To account for funds used to pay stipends to teachers as mentors and to hire new teachers. This fund was created by the authority of the State Legislature.

21<sup>st</sup> CENTURY COMMUNITY LEARNING CENTERS — To account for state funds used to establish or expand community learning centers that provide academic enrichment opportunities for children, particularly those attending high-poverty and low-performing schools, to meet state and local standards in core academic subjects. This fund is funded by the State of New Mexico through the Title I program.

LIBRARIES SB301 G. O. BONDS — To account for funds received to update and to expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by election of SB301.

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

COMBINING BALANCE SHEET--CAPITAL PROJECT FUNDS  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2008

|  | CAPITAL<br>OUTLAY<br>20% | SPECIAL<br>CAPITAL<br>OUTLAY<br>STATE | TOTAL<br>NONMAJOR<br>CAPITAL<br>PROJECTS | TOTAL<br>NONMAJOR<br>SPECIAL<br>REVENUE | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|--|--------------------------|---------------------------------------|--|---|--|
| <b>ASSETS</b>  |                          |                                       |  |   |  |
| Cash on Deposit  | \$ 173,429               | \$ -                                  | \$ 173,429                               | \$ 27,540                               | \$ 200,969                                 |
| Due from Other Governments                                 | -                        | 15,851                                | 15,851                                   | 22,182                                  | 38,033                                     |
| Due from other Funds                                       | 19,346                   | -                                     | 19,346                                   | -                                       | 19,346                                     |
| Inventory  | -                        | -                                     | -  | 269                                     | 269  |
| <b>TOTAL ASSETS</b>  | <u>\$ 192,775</u>        | <u>\$ 15,851</u>                      | <u>\$ 208,626</u>                        | <u>\$ 49,991</u>                        | <u>\$ 258,617</u>                          |
| <b>LIABILITIES AND FUND BALANCE</b>                        |                          |                                       |  |   |  |
| Due to Other Funds   | \$ 2,457                 | \$ 15,851                             | \$ 18,308                                | \$ 22,182                               | \$ 40,490                                  |
| Accounts Payable   | -                        | -                                     | -  | -                                       | -  |
| Deferred Revenue   | 2,457                    | 15,851                                | 18,308                                   | 12,761                                  | 12,761                                     |
| <b>TOTAL LIABILITIES</b>                                   | <u>2,457</u>             | <u>15,851</u>                         | <u>18,308</u>                            | <u>34,943</u>                           | <u>53,251</u>                              |
| <b>FUND BALANCE</b>  |                          |                                       |  |   |  |
| Reserved for Inventory                                     | -                        | -                                     | -  | 269                                     | 269  |
| Reserved for capital projects                              | 190,318                  | -                                     | 190,318                                  | -                                       | 190,318                                    |
| Unreserved-Designated for Subsequent<br>Years Expenditures | -                        | -                                     | -  | 14,779                                  | 14,779                                     |
| <b>TOTAL FUND BALANCE</b>                                  | <u>190,318</u>           | <u>-</u>                              | <u>190,318</u>                           | <u>15,048</u>                           | <u>205,366</u>                             |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b>                  | <u>\$ 192,775</u>        | <u>\$ 15,851</u>                      | <u>\$ 208,626</u>                        | <u>\$ 49,991</u>                        | <u>\$ 258,617</u>                          |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE --CAPITAL PROJECT FUNDS  
 NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2008

|  | CAPITAL<br>OUTLAY<br>20% | SPECIAL<br>CAPITAL<br>OUTLAY<br>STATE | TOTAL<br>NONMAJOR<br>CAPITAL<br>PROJECTS | TOTAL<br>NONMAJOR<br>SPECIAL<br>REVENUE | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|--|--------------------------|---------------------------------------|--|---|--|
| <b>REVENUE</b>   |                          |                                       |  |   |  |
| Fees Activities  | \$ -                     | \$ -                                  | \$ -                                     | \$ 43,439                               | \$ 43,439                                  |
| Fees-Users   | -                        | -                                     | -  | 57,109                                  | 57,109                                     |
| Interest Income  | -                        | -                                     | -  | 25                                      | 25   |
| State Programs   | -                        | 15,851                                | 15,851                                   | 138,522                                 | 154,373                                    |
| Federal Program  | -                        | -                                     | -  | 339,595                                 | 339,595                                    |
| <b>TOTAL REVENUES</b>  | -                        | <u>221,914</u>                        | <u>15,851</u>                            | <u>578,690</u>                          | <u>753,051</u>                             |
| <b>EXPENDITURES</b>  |                          |                                       |  |   |  |
| Current  |                          |                                       |  |   |  |
| Instruction  | -                        | -                                     | -  | 246,165                                 | 246,165                                    |
| Support Services-Students                                    | -                        | -                                     | -  | 39,655                                  | 39,655                                     |
| Support Services-Instruction                                 | -                        | -                                     | -  | 20,245                                  | 20,245                                     |
| Support Services-School Administration                       | -                        | -                                     | -  | 24,595                                  | 24,595                                     |
| Food Services-Operations                                     | -                        | -                                     | -  | 260,676                                 | 260,676                                    |
| Community Services-operations                                | -                        | -                                     | -  | -                                       | -  |
| Acquisition & Construction                                   | -                        | 15,886                                | 15,886                                   | -                                       | 15,886                                     |
| <b>TOTAL EXPENDITURES</b>                                    | -                        | <u>15,886</u>                         | <u>15,886</u>                            | <u>591,336</u>                          | <u>607,222</u>                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | \$ -                     | \$ 206,028                            | \$ (35)                                  | \$ (12,646)                             | \$ 145,829                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                          |                                       |  |   |  |
| Transfers In (Out)   |                          |                                       |  |   |  |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                      | -                        | -                                     | -  | -                                       | -  |
| Net Change In Fund Balance                                   | \$ -                     | \$ 206,028                            | \$ (35)                                  | \$ (12,646)                             | \$ (12,681)                                |
| <b>FUND BALANCE</b>  |                          |                                       |  |   |  |
| June 30, 2007  | 190,318                  | 35                                    | 190,353                                  | 27,694                                  | 218,047                                    |
| <b>FUND BALANCE</b>  | <u>\$ 190,318</u>        | <u>\$ 206,063</u>                     | <u>\$ 190,318</u>                        | <u>\$ 15,048</u>                        | <u>\$ 205,366</u>                          |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

|   | CAFETERIA       | ATHLETICS       | ENTITLEMENT     | DISCRETIONARY |
|---|-----------------|-----------------|-----------------|---------------|
| <b>ASSETS</b>                             |                 |                 |                 |               |
| Cash on Deposit                           | \$ 8,545        | \$ 6,234        | \$ -            | \$ -          |
| Due from Other Governments                | -               | -               | 1,995           | 799           |
| Inventory                                 | 269             | -               | -               | -             |
| <b>TOTAL ASSETS</b>                       | <u>\$ 8,814</u> | <u>\$ 6,234</u> | <u>\$ 1,995</u> | <u>\$ 799</u> |
| <b>LIABILITIES AND FUND BALANCE</b>       |                 |                 |                 |               |
| Due to other Funds                        | \$ -            | \$ -            | \$ 1,995        | \$ 799        |
| Accounts Payable                          | -               | -               | -               | -             |
| Deferred Revenue                          | -               | -               | 1,995           | -             |
| <b>TOTAL LIABILITIES</b>                  | <u>-</u>        | <u>-</u>        | <u>1,995</u>    | <u>799</u>    |
| <b>FUND BALANCE</b>                       |                 |                 |                 |               |
| Reserved for Inventory                    | 269             | -               | -               | -             |
| Unreserved-Designated for Subsequent      | -               | -               | -               | -             |
| Years Expenditures                        | 8,545           | 6,234           | -               | -             |
| <b>TOTAL FUND BALANCE</b>                 | <u>8,814</u>    | <u>6,234</u>    | <u>-</u>        | <u>-</u>      |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <u>\$ 8,814</u> | <u>\$ 6,234</u> | <u>\$ 1,995</u> | <u>\$ 799</u> |

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



| ENHANCING<br>ED THRU ED | IDEA B<br>PRESCHOOL<br>COMPETITIVE | CLASS SIZE<br>REDUCTION | ENGLISH<br>LANGUAGE<br>ACQUISITION | TEACHER<br>PRINCIPAL<br>TRAINING | READING<br>FIRST | EARLY<br>READING<br>FIRST |
|-------------------------|------------------------------------|-------------------------|------------------------------------|----------------------------------|------------------|---------------------------|
| \$ -                    | \$ 2                               | 170                     | \$ 743                             | -                                | \$ 5,270         | -                         |
| -                       | -                                  | -                       | -                                  | -                                | -                | -                         |
| <u>\$ -</u>             | <u>\$ 2</u>                        | <u>170</u>              | <u>\$ -</u>                        | <u>\$ -</u>                      | <u>\$ 5,270</u>  | <u>\$ -</u>               |
| \$ -                    | \$ -                               | -                       | \$ 743                             | -                                | -                | -                         |
| -                       | -                                  | 170                     | -                                  | -                                | 5,270            | -                         |
| -                       | 2                                  | 170                     | 743                                | -                                | 5,270            | -                         |
| -                       | -                                  | -                       | -                                  | -                                | -                | -                         |
| -                       | -                                  | -                       | -                                  | -                                | -                | -                         |
| -                       | -                                  | -                       | -                                  | -                                | -                | -                         |
| <u>\$ -</u>             | <u>\$ 2</u>                        | <u>170</u>              | <u>\$ 743</u>                      | <u>\$ -</u>                      | <u>\$ 5,270</u>  | <u>\$ -</u>               |

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

|  | JTPA         | TECH FOR ED  | INCENTIVES<br>FOR SCHOOL<br>IMPROVEMENT | PRE K<br>INITIATIVE |
|--|--------------|--------------|---|---------------------|
| <b>ASSETS</b>  |              |              |   |                     |
| Cash on Deposit  | \$ 68        | \$ 77        | \$ 6,694                                | \$ -                |
| Due from Other Governments<br>Inventory                    | -            | -            | -                                       | 9,008               |
| <b>TOTAL ASSETS</b>  | <u>\$ 68</u> | <u>\$ 77</u> | <u>\$ 6,694</u>                         | <u>\$ -</u>         |
| <b>LIABILITIES AND FUND BALANCE</b>                        |              |              |   |                     |
| Due to other Funds   | \$ -         | \$ -         | \$ -                                    | \$ 9,008            |
| Accounts Payable   | 68           | 77           | 6,694                                   | -                   |
| Deferred Revenue   | 68           | 77           | 6,694                                   | 9,008               |
| <b>TOTAL LIABILITIES</b>                                   | <u>68</u>    | <u>77</u>    | <u>6,694</u>                            | <u>9,008</u>        |
| <b>FUND BALANCE</b>  |              |              |   |                     |
| Reserved for Inventory                                     | -            | -            | -                                       | -                   |
| Unreserved-Designated for Subsequent<br>Years Expenditures | -            | -            | -                                       | -                   |
| <b>TOTAL FUND BALANCE</b>                                  | <u>-</u>     | <u>-</u>     | <u>-</u>                                | <u>-</u>            |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b>                  | <u>\$ 68</u> | <u>\$ 77</u> | <u>\$ 6,694</u>                         | <u>\$ 9,008</u>     |

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





| BEGINNING<br>TEACHER<br>MENTORING | 21ST<br>CENTURY | LIBRARIES<br>SB301 GO<br>BONDS | TOTAL<br>NONMAJOR<br>SPECIAL<br>REVENUE<br>FUNDS |
|-----------------------------------|-----------------|--------------------------------|--|
| \$ 480                            | \$ -            | \$ -                           | \$ 27,540  |
| -                                 | 1,816           | 7,821                          | 22,182   |
| -                                 | -               | -                              | 269  |
| <u>\$ 480</u>                     | <u>\$ 1,816</u> | <u>\$ 7,821</u>                | <u>\$ 49,991</u>                                 |
| \$ -                              | \$ 1,816        | \$ 7,821                       | \$ 22,182  |
| -                                 | -               | -                              | -  |
| 480                               | -               | -                              | 12,761   |
| <u>480</u>                        | <u>1,816</u>    | <u>7,821</u>                   | <u>34,943</u>                                    |
| -                                 | -               | -                              | 269  |
| -                                 | -               | -                              | -  |
| -                                 | -               | -                              | 14,779   |
| -                                 | -               | -                              | 15,048   |
| <u>\$ 480</u>                     | <u>\$ 1,816</u> | <u>\$ 7,821</u>                | <u>\$ 49,991</u>                                 |



STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2008

|  | CAFETERIA       | ATHLETICS       | ENTITLEMENT   | DISCRETIONARY |
|--|-----------------|-----------------|---------------|---------------|
| <b>REVENUE</b>   |                 |                 |               |               |
| Fees Activities  | \$ -            | \$ 43,439       | \$ -          | \$ -          |
| Fees-Users   | 57,109          | -               | -             | -             |
| Interest Income  | 25              | -               | -             | -             |
| State Programs   | -               | -               | -             | -             |
| Federal Program  | 187,400         | -               | 92,996        | 26,532        |
| <b>TOTAL REVENUES</b>  | <u>244,534</u>  | <u>43,439</u>   | <u>92,996</u> | <u>26,532</u> |
| <b>EXPENDITURES</b>  |                 |                 |               |               |
| Current  |                 |                 |               |               |
| Instruction  | -               | 39,943          | 41,871        | 13,647        |
| Support Services-Students  | -               | -               | 26,530        | 12,885        |
| Support Services-Instruction   | -               | -               | -             | -             |
| Support Services-School Administration   | -               | -               | 24,595        | -             |
| Food Services-Operations   | 260,676         | -               | -             | -             |
| <b>TOTAL EXPENDITURES</b>  | <u>260,676</u>  | <u>39,943</u>   | <u>92,996</u> | <u>26,532</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>   | \$ (16,142)     | \$ 3,496        | \$ -          | \$ -          |
| <b>OTHER FINANCING SOURCES (USES)<br/>TRANSFERS IN/ TRANSFERS OUT<br/>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b> | -               | -               | -             | -             |
|  | -               | -               | -             | -             |
|  | -               | -               | -             | -             |
| <b>Net Change In Fund Balance</b>  | \$ (16,142)     | \$ 3,496        | \$ -          | \$ -          |
| <b>FUND BALANCE</b>  |                 |                 |               |               |
| June 30, 2007  | 24,956          | 2,738           | -             | -             |
| <b>FUND BALANCE</b>  |                 |                 |               |               |
| June 30, 2008  | <u>\$ 8,814</u> | <u>\$ 6,234</u> | <u>\$ -</u>   | <u>\$ -</u>   |

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



STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2008

|   | JTPA        | TECH FOR<br>ED | INCENTIVES<br>FOR SCHOOL<br>IMPROVEMENT | PRE K<br>INITIATIVE |
|---|-------------|----------------|---|---------------------|
| <b>REVENUE</b>  |             |                |   |                     |
| Fees Activities   | \$ -        | \$ -           | \$ -                                    | \$ -                |
| Fees-Users  | -           | -              | -                                       | -                   |
| Interest Income   | -           | -              | -                                       | -                   |
| State Programs  | -           | 10,526         | 2,083                                   | 52,499              |
| Federal Program   | -           | -              | -                                       | -                   |
| <b>TOTAL REVENUES</b>   | <u>-</u>    | <u>10,526</u>  | <u>2,083</u>                            | <u>52,499</u>       |
| <b>EXPENDITURES</b>   |             |                |   |                     |
| Current   |             |                |   |                     |
| Instruction   | -           | -              | 2,083                                   | 52,499              |
| Support Services-Students   | -           | -              | -                                       | -                   |
| Support Services--Instruction   | -           | 10,526         | -                                       | -                   |
| Support Services--School Administration                               | -           | -              | -                                       | -                   |
| Food Services--Operations   | -           | -              | -                                       | -                   |
| <b>TOTAL EXPENDITURES</b>   | <u>-</u>    | <u>10,526</u>  | <u>2,083</u>                            | <u>52,499</u>       |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>          | \$ -        | \$ -           | \$ -                                    | \$ -                |
| <b>OTHER FINANCING SOURCES (USES)<br/>TRANSFERS IN/ TRANSFERS OUT</b> |             |                |   |                     |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                       | <u>-</u>    | <u>-</u>       | <u>-</u>                                | <u>-</u>            |
| Net Change In Fund Balance  | \$ -        | \$ -           | \$ -                                    | \$ -                |
| <b>FUND BALANCE</b>   |             |                |   |                     |
| June 30, 2007   | -           | -              | -                                       | -                   |
| <b>FUND BALANCE</b>   | <u>\$ -</u> | <u>\$ -</u>    | <u>\$ -</u>                             | <u>\$ -</u>         |
| June 30, 2008   | -           | -              | -                                       | -                   |

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



| BEGINNING<br>TEACHER<br>MENTORING | 21ST<br>CENTURY | LIBRARIES<br>SB301 GO<br>BONDS | TOTAL<br>NONMAJOR<br>SPECIAL<br>REVENUE<br>FUNDS |
|-----------------------------------|-----------------|--------------------------------|--|
| -                                 | -               | -                              | 43,439   |
| -                                 | -               | -                              | 57,109   |
| -                                 | -               | -                              | 25   |
| 4,165                             | 59,530          | 9,719                          | 138,522  |
| -                                 | -               | -                              | 339,595  |
| <u>4,165</u>                      | <u>59,530</u>   | <u>9,719</u>                   | <u>578,690</u>                                   |
| 4,165                             | 59,530          | -                              | 246,165  |
| -                                 | -               | -                              | 39,665   |
| -                                 | -               | 9,719                          | 20,245   |
| -                                 | -               | -                              | 24,595   |
| -                                 | -               | -                              | 260,676  |
| <u>4,165</u>                      | <u>59,530</u>   | <u>9,719</u>                   | <u>591,336</u>                                   |
| \$ -                              | \$ -            | \$ -                           | \$ (12,646)                                      |
| -                                 | -               | -                              | -  |
| -                                 | -               | -                              | -  |
| -                                 | -               | -                              | (12,646)   |
| \$ -                              | \$ -            | \$ -                           | \$ (12,646)                                      |
| -                                 | -               | -                              | 27,694   |
| -                                 | -               | -                              | 15,048   |
| <u>\$ -</u>                       | <u>\$ -</u>     | <u>\$ -</u>                    | <u>\$ 15,048</u>                                 |

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET            | ACTUAL         | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-------------------|----------------|--|
| REVENUE   |                    |                   |                |  |
| Fees-Users  | 38,250             | 38,250            | 57,109         | 18,859                                 |
| Interest Income   | 25                 | 25                | 26             | 1                                      |
| Federal Revenue   | 199,182            | 199,182           | 173,791        | (25,391)                               |
| TOTAL REVENUE   | <u>237,457</u>     | <u>237,457</u>    | <u>230,926</u> | <u>(6,531)</u>                         |
| Cash Balance Budgeted   | -                  | -                 |                |  |
| TOTAL REVENUE & CASH  | <u>\$ 237,457</u>  | <u>\$ 237,457</u> |                |  |
| EXPENDITURES  |                    |                   |                |  |
| Current   |                    |                   |                |  |
| Food Services-Operations  | \$ 243,436         | \$ 245,436        | \$ 244,963     | \$ 473                                 |
| TOTAL EXPENDITURES  | <u>243,436</u>     | <u>245,436</u>    | <u>244,963</u> | <u>473</u>                             |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                   |                |  |
| <b>Sources/inflows of resources</b>   |                    |                   |                |  |
| Actual amounts (budgetary basis)  |                    |                   | \$ 230,926     |  |
| Differences-Budget to GAAP  |                    |                   | 13,609         |  |
| Commodities Received  |                    |                   | <u>244,535</u> |  |
| Total Revenues (GAAP Basis)   |                    |                   |                |  |
| <b>Uses/outflows of resources</b>   |                    |                   |                |  |
| Actual amounts (budgetary basis)  |                    |                   | \$ 244,963     |  |
| Differences-budget to GAAP  |                    |                   | 13,609         |  |
| Cost of Commodities Used  |                    |                   | (90)           |  |
| Prior Year payable  |                    |                   | 2,194          |  |
| Inventory Adjustment  |                    |                   |                |  |
| Total Expenditures (GAAP Basis)   |                    |                   | <u>260,676</u> |  |

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



STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET           | ACTUAL           | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|------------------|------------------|--|
| REVENUE   |                    |                  |                  |  |
| Fees Activities   | \$ 39,325          | \$ 39,325        | \$ 43,438        | \$ 4,113                               |
| Interest Income   | 50                 | 50               | (50)             | (50)                                   |
| Donations   | 3,000              | 3,000            | (3,000)          | (3,000)                                |
| TOTAL REVENUE   | <u>42,375</u>      | <u>42,375</u>    | <u>43,438</u>    | <u>1,063</u>                           |
| Cash Balance Budgeted   | -                  | -                |                  |  |
| TOTAL REVENUE & CASH  | <u>\$ 42,375</u>   | <u>\$ 42,375</u> |                  |  |
| EXPENDITURES  |                    |                  |                  |  |
| Current   | \$ 42,888          | \$ 42,888        | \$ 39,943        | \$ 2,945                               |
| Instruction   | <u>42,888</u>      | <u>42,888</u>    | <u>39,943</u>    | <u>2,945</u>                           |
| TOTAL EXPENDITURES  | <u>\$ 42,888</u>   | <u>\$ 42,888</u> | <u>\$ 39,943</u> | <u>\$ 2,945</u>                        |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                  |                  |  |
| Sources/inflows of resources  |                    |                  |                  |  |
| Actual amounts (budgetary basis)  |                    |                  | \$ 43,438        |  |
| Differences-Budget to GAAP  |                    |                  |                  |  |
| Total Revenues (GAAP Basis)   |                    |                  | <u>\$ 43,438</u> |  |
| Uses/outflows of resources  |                    |                  |                  |  |
| Actual amounts (budgetary basis)  |                    |                  | \$ 39,943        |  |
| Differences-budget to GAAP  |                    |                  |                  |  |
| Total Expenditures (GAAP Basis)   |                    |                  | <u>\$ 39,943</u> |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND -- ENTITLEMENT

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET    | ACTUAL    | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------|-----------|--|
| REVENUE   |                    |           |           |  |
| Federal Program   | \$ 143,655         | \$ 95,165 | \$ 92,167 | \$ (2,998)                             |
| TOTAL REVENUE   | 143,655            | 95,165    | 92,167    | (2,998)                                |
| Cash Balance Budgeted   | -                  | -         | -         |  |
| TOTAL REVENUE & CASH  | \$ 143,655         | \$ 95,165 |           |  |
| EXPENDITURES  |                    |           |           |  |
| Current   |                    |           |           |  |
| Instruction   | \$ 55,338          | \$ 43,638 | \$ 43,038 | \$ 600                                 |
| Support Services--Students  | 61,090             | 26,900    | 26,530    | 370                                    |
| Support Services--School Administration   | 27,227             | 24,627    | 24,595    | 32                                     |
| TOTAL EXPENDITURES  | \$ 143,655         | \$ 95,165 | \$ 94,163 | \$ 1,002                               |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |           |           |  |
| <b>Sources/inflows of resources</b>   |                    |           |           |  |
| Actual amounts (budgetary basis)  |                    |           | \$ 92,167 |  |
| Differences--Budget to GAAP   |                    |           | (1,167)   |  |
| Prior Year Tax Receivables  |                    |           | 1,996     |  |
| Current Year Receivable   |                    |           | 92,996    |  |
| Total Revenues (GAAP Basis)   |                    |           | \$ 92,996 |  |
| <b>Uses/outflows of resources</b>   |                    |           |           |  |
| Actual amounts (budgetary basis)  |                    |           | \$ 94,163 |  |
| Differences--budget to GAAP   |                    |           | (1,167)   |  |
| Prior Year Accounts Payable   |                    |           | 92,996    |  |
| Total Expenditures (GAAP Basis)   |                    |           | \$ 92,996 |  |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--DISCRETIONARY

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET           | ACTUAL           | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|------------------|------------------|--|
| REVENUE   |                    |                  |                  |  |
| Federal Program   | \$ 70,807          | \$ 39,101        | \$ 26,813        | \$ (12,288)                            |
| TOTAL REVENUE   | <u>70,807</u>      | <u>39,101</u>    | <u>26,813</u>    | <u>(12,288)</u>                        |
| Cash Balance Budgeted   | -                  | -                | -                | -                                      |
| TOTAL REVENUE & CASH  | <u>\$ 70,807</u>   | <u>\$ 39,101</u> |                  |  |
| EXPENDITURES  |                    |                  |                  |  |
| Current   |                    |                  |                  |  |
| Instruction   | \$ 29,944          | \$ 14,773        | \$ 14,726        | \$ 47                                  |
| Support Services-Students   | 40,863             | 24,328           | 12,885           | 11,443                                 |
| TOTAL EXPENDITURES  | <u>70,807</u>      | <u>39,101</u>    | <u>27,611</u>    | <u>11,490</u>                          |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                  |                  |  |
| Sources/Inflows of resources  |                    |                  |                  |  |
| Actual amounts (budgetary basis)  |                    |                  | \$ 26,813        |  |
| Differences-Budget to GAAP  |                    |                  | 798              |  |
| Current Year Receivable   |                    |                  | (1,079)          |  |
| Prior Year Receivable   |                    |                  |                  |  |
| Total Revenues (GAAP Basis)   |                    |                  | <u>\$ 26,532</u> |  |
| Uses/outflows of resources  |                    |                  |                  |  |
| Actual amounts (budgetary basis)  |                    |                  | \$ 27,611        |  |
| Differences-budget to GAAP  |                    |                  | (1,079)          |  |
| Prior Year Accounts payable   |                    |                  |                  |  |
| Total Expenditures (GAAP Basis)   |                    |                  | <u>\$ 26,532</u> |  |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--ENHANCING ED THRU ED

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET          | ACTUAL          | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|-----------------|--|
| REVENUE   |                    |                 |                 |  |
| Federal Revenue   | \$ 1,247           | \$ 1,247        | \$ 1,200        | \$ (47)                                |
| TOTAL REVENUE   | <u>1,247</u>       | <u>1,247</u>    | <u>1,200</u>    | <u>(47)</u>                            |
| Cash Balance Budgeted   | -                  | -               |                 |  |
| TOTAL REVENUE & CASH  | <u>\$ 1,247</u>    | <u>\$ 1,247</u> |                 |  |
| EXPENDITURES  |                    |                 |                 |  |
| Current   |                    |                 |                 |  |
| Instruction   | \$ 1,247           | \$ 1,247        | \$ 1,200        | \$ 47                                  |
| TOTAL EXPENDITURES  | <u>\$ 1,247</u>    | <u>\$ 1,247</u> | <u>\$ 1,200</u> | <u>\$ 47</u>                           |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                 |                 |  |
| Sources/inflows of resources  |                    |                 |                 |  |
| Actual amounts (budgetary basis)  |                    |                 |                 |  |
| Differences-budget to GAAP  |                    |                 |                 |  |
| Differences-Budget to GAAP  |                    |                 | \$ 1,200        |  |
| Total Revenues (GAAP Basis)   |                    |                 | <u>\$ 1,200</u> |  |
| Uses/outflows of resources  |                    |                 |                 |  |
| Actual amounts (budgetary basis)  |                    |                 |                 |  |
| Differences-budget to GAAP  |                    |                 |                 |  |
| Total Expenditures (GAAP Basis)   |                    |                 | <u>\$ 1,200</u> |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--ENGLISH LANGUAGE ACQUISITION

Year Ended June 30, 2008

|                       | ORIGINAL<br>BUDGET | BUDGET | ACTUAL | VARIANCE<br>Favorable<br>(Unfavorable) |
|-----------------------|--------------------|--------|--------|--|
| REVENUE               |                    |        |        |  |
| Federal Program       | \$ 3,708           | \$ 750 | \$ -   | \$ (750)                               |
| TOTAL REVENUE         | 3,708              | 750    | -      | (750)                                  |
| Cash Balance Budgeted |                    |        |        |  |
| TOTAL REVENUE & CASH  | \$ 3,708           | \$ 750 |        |  |
| EXPENDITURES          |                    |        |        |  |
| Current               |                    |        |        |  |
| Instruction           | \$ 3,708           | \$ 750 | \$ 743 | \$ 7                                   |
| TOTAL EXPENDITURES    | 3,708              | 750    | 743    | 7                                      |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

|                                  |      |
|----------------------------------|------|
| Actual amounts (budgetary basis) | \$ - |
| Differences-Budget to GAAP       | 743  |
| Current Year Receivable          | 743  |
| Total Revenues (GAAP Basis)      | 743  |

**Uses/outflows of resources**

|                                  |        |
|----------------------------------|--------|
| Actual amounts (budgetary basis) | \$ 743 |
| Differences-budget to GAAP       |        |
| Total Expenditures (GAAP Basis)  | 743    |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TEACHER/PRINCIPAL TRAINING

Year Ended June 30 2008

|                           | ORIGINAL<br>BUDGET | BUDGET           | ACTUAL          | VARIANCE<br>Favorable<br>(Unfavorable) |
|---------------------------|--------------------|------------------|-----------------|--|
| REVENUE                   |                    |                  |                 |  |
| Federal Revenue           | \$ 10,000          | \$ 10,000        | \$ 5,276        | \$ (4,724)                             |
| TOTAL REVENUE             | <u>\$ 10,000</u>   | <u>\$ 10,000</u> | <u>\$ 5,276</u> | <u>\$ (4,724)</u>                      |
| Cash Balance Budgeted     | -                  | -                |                 |  |
| TOTAL REVENUE & CASH      | <u>\$ 10,000</u>   | <u>\$ 10,000</u> |                 |  |
| EXPENDITURES              |                    |                  |                 |  |
| Current                   |                    |                  |                 |  |
| Instruction               | \$ 7,191           | \$ 7,191         | \$ 5,036        | \$ 2,155                               |
| Support Services-Students | 2,809              | 2,809            | 240             | 2,569                                  |
| TOTAL EXPENDITURES        | <u>\$ 10,000</u>   | <u>\$ 10,000</u> | <u>\$ 5,276</u> | <u>\$ 4,724</u>                        |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

|                                  |                 |
|----------------------------------|-----------------|
| Actual amounts (budgetary basis) | \$ 5,276        |
| Differences--Budget to GAAP      | <u>\$ 5,276</u> |
| Total Revenues (GAAP Basis)      | <u>\$ 5,276</u> |

**Uses/outflows of resources**

|                                  |                 |
|----------------------------------|-----------------|
| Actual amounts (budgetary basis) | \$ 5,276        |
| Differences--budget to GAAP      | <u>\$ 5,276</u> |
| Total Expenditures (GAAP Basis)  | <u>\$ 5,276</u> |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--READING FIRST

Year Ended June 30 2008

|                       | ORIGINAL<br>BUDGET | BUDGET    | ACTUAL    | VARIANCE<br>Favorable<br>(Unfavorable) |
|-----------------------|--------------------|-----------|-----------|--|
| REVENUE               |                    |           |           |  |
| Federal Program       | \$ 47,497          | \$ 47,497 | \$ 14,702 | \$ (32,795)                            |
| TOTAL REVENUE         | \$ 47,497          | \$ 47,497 | \$ 14,702 | \$ (32,795)                            |
| Cash Balance Budgeted |                    |           |           |  |
| TOTAL REVENUE & CASH  | \$ 47,497          | \$ 47,497 |           |  |
| EXPENDITURES          |                    |           |           |  |
| Current               |                    |           |           |  |
| Instruction           | \$ 47,497          | \$ 47,497 | \$ 14,983 | \$ 32,514                              |
| TOTAL EXPENDITURES    | \$ 47,497          | \$ 47,497 | \$ 14,983 | \$ 32,514                              |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of resources**

|                                  |           |
|----------------------------------|-----------|
| Actual amounts (budgetary basis) | \$ 14,702 |
| Differences-Budget to GAAP       | (5,270)   |
| Current Year Deferral            | 4,879     |
| Prior Year Deferral              |           |
| Total Revenues (GAAP Basis)      | \$ 14,311 |

**Uses/outflows of resources**

|                                  |           |
|----------------------------------|-----------|
| Actual amounts (budgetary basis) | \$ 14,983 |
| Differences-budget to GAAP       | (672)     |
| Prior Year Accounts Payable      |           |
| Total Expenditures (GAAP Basis)  | \$ 14,311 |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND-EARLY READING FIRST

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET           | ACTUAL           | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|------------------|------------------|--|
| <b>REVENUE</b>  |                    |                  |                  |  |
| Federal Revenue   | \$ 13,000          | \$ 13,000        | \$ 13,000        | \$ -                                   |
| <b>TOTAL REVENUE</b>  | <u>13,000</u>      | <u>13,000</u>    | <u>13,000</u>    | <u>-</u>                               |
| Cash Balance Budgeted   | -                  | -                | -                |  |
| <b>TOTAL REVENUE &amp; CASH</b>   | <u>\$ 13,000</u>   | <u>\$ 13,000</u> |                  |  |
| <b>EXPENDITURES</b>   |                    |                  |                  |  |
| Current   | \$ 13,000          | \$ 13,000        | \$ 13,000        | \$ -                                   |
| Instruction   | <u>13,000</u>      | <u>13,000</u>    | <u>13,000</u>    | <u>-</u>                               |
| <b>TOTAL EXPENDITURES</b>   |                    |                  |                  |  |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                  |                  |  |
| <b>Sources/inflows of resources</b>   |                    |                  |                  |  |
| Actual amounts (budgetary basis)  |                    |                  | \$ 13,000        |  |
| Differences-Budget to GAAP  |                    |                  | (1,863)          |  |
| Prior Year Receivable   |                    |                  | <u>11,137</u>    |  |
| Total Revenues (GAAP Basis)   |                    |                  | <u>\$ 11,137</u> |  |
| <b>Uses/outflows of resources</b>   |                    |                  |                  |  |
| Actual amounts (budgetary basis)  |                    |                  | \$ 13,000        |  |
| Differences-budget to GAAP  |                    |                  | (1,863)          |  |
| Prior Year Accounts Payable   |                    |                  | <u>11,137</u>    |  |
| Total Expenditures (GAAP Basis)   |                    |                  | <u>\$ 11,137</u> |  |

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



STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET    | ACTUAL    | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------|-----------|--|
| REVENUE   |                    |           |           |  |
| State Flow Through Grants   | \$ 10,526          | \$ 10,526 | \$ 10,526 | \$ -                                   |
| TOTAL REVENUE   | 10,526             | 10,526    | 10,526    | -                                      |
| Cash Balance Budgeted   | -                  | -         | -         | -                                      |
| TOTAL REVENUE & CASH  | \$ 10,526          | \$ 10,526 |           |  |
| EXPENDITURES  |                    |           |           |  |
| Current   |                    |           |           |  |
| Support Services-Instruction  | 10,526             | 10,526    | 10,526    | -                                      |
| TOTAL EXPENDITURES  | 10,526             | 10,526    | 10,526    | \$ -                                   |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |           |           |  |
| Sources/Inflows of resources  |                    |           |           |  |
| Actual amounts (budgetary basis)  |                    |           | \$ 10,526 |  |
| Differences-Budget to GAAP  |                    |           |           |  |
| Total Revenues (GAAP Basis)   |                    |           | \$ 10,526 |  |
| Uses/outflows of resources  |                    |           |           |  |
| Actual amounts (budgetary basis)  |                    |           | \$ 10,526 |  |
| Differences-budget to GAAP  |                    |           |           |  |
| Total Expenditures (GAAP Basis)   |                    |           | \$ 10,526 |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--INCENTIVES FOR SCHOOL IMPROVEMENT

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET          | ACTUAL          | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|-----------------|--|
| REVENUE   |                    |                 |                 |  |
| State Flow Through Grants   | \$ 2,039           | \$ 2,039        | \$ 6,619        | \$ 4,580                               |
| TOTAL REVENUE   | <u>2,039</u>       | <u>2,039</u>    | <u>6,619</u>    | <u>4,580</u>                           |
| Cash Balance Budgeted   | -                  | -               | -               | -                                      |
| TOTAL REVENUE & CASH  | <u>\$ 2,039</u>    | <u>\$ 2,039</u> |                 |  |
| EXPENDITURES  |                    |                 |                 |  |
| Current   |                    |                 |                 |  |
| Instruction   | \$ 2,039           | \$ 2,039        | \$ 2,038        | \$ 1                                   |
| TOTAL EXPENDITURES  | <u>2,039</u>       | <u>2,039</u>    | <u>2,038</u>    | <u>1</u>                               |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                 |                 |  |
| <b>Sources/Inflows of resources</b>   |                    |                 |                 |  |
| Actual amounts (budgetary basis)  |                    |                 | \$ 6,619        |  |
| Differences-Budget to GAAP  |                    |                 | (6,695)         |  |
| Current Year Deferral   |                    |                 | 2,114           |  |
| Prior Year Deferral   |                    |                 |                 |  |
| Total Revenues (GAAP Basis)   |                    |                 | <u>\$ 2,038</u> |  |
| <b>Uses/outflows of resources</b>   |                    |                 |                 |  |
| Actual amounts (budgetary basis)  |                    |                 | \$ 2,038        |  |
| Differences-budget to GAAP  |                    |                 |                 |  |
| Total Expenditures (GAAP Basis)   |                    |                 | <u>\$ 2,038</u> |  |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--PRE K INITIATIVE

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET    | ACTUAL    | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------|-----------|--|
| REVENUE   |                    |           |           |  |
| State Flow Through Grants   | \$ 52,499          | \$ 52,499 | \$ 43,491 | \$ (9,008)                             |
| TOTAL REVENUE   | \$ 52,499          | \$ 52,499 | \$ 43,491 | \$ (9,008)                             |
| Cash Balance Budgeted   | -                  | -         |           |  |
| TOTAL REVENUE & CASH  | \$ 52,499          | \$ 52,499 |           |  |
| EXPENDITURES  |                    |           |           |  |
| Current   |                    |           |           |  |
| Instruction   | \$ 52,499          | \$ 52,499 | \$ 52,499 | \$ -                                   |
| TOTAL EXPENDITURES  | \$ 52,499          | \$ 52,499 | \$ 52,499 | \$ -                                   |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |           |           |  |
| <b>Sources/Inflows of resources</b>   |                    |           |           |  |
| Actual amounts (budgetary basis)  |                    |           | \$ 43,491 |  |
| Differences-Budget to GAAP  |                    |           | 9,008     |  |
| Current Year Receivable   |                    |           | \$ 52,499 |  |
| Total Revenues (GAAP Basis)   |                    |           | \$ 52,499 |  |
| <b>Uses/outflows of resources</b>   |                    |           |           |  |
| Actual amounts (budgetary basis)  |                    |           | \$ 52,499 |  |
| Differences-budget to GAAP  |                    |           |           |  |
| Total Expenditures (GAAP Basis)   |                    |           | \$ 52,499 |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--BEGINNING TEACHER MENTORING

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET          | ACTUAL          | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|-----------------|--|
| REVENUE   |                    |                 |                 |  |
| State Flow Through Grants   | \$ 4,645           | \$ 4,645        | \$ 4,645        | \$ -                                   |
| TOTAL REVENUE   | <u>4,645</u>       | <u>4,645</u>    | <u>4,645</u>    | <u>-</u>                               |
| Cash Balance Budgeted   | -                  | -               | -               | -                                      |
| TOTAL REVENUE & CASH  | <u>\$ 4,645</u>    | <u>\$ 4,645</u> |                 |  |
| EXPENDITURES  |                    |                 |                 |  |
| Current   |                    |                 |                 |  |
| Instruction   | \$ 4,645           | \$ 4,645        | \$ 4,165        | \$ 480                                 |
| TOTAL EXPENDITURES  | <u>\$ 4,645</u>    | <u>\$ 4,645</u> | <u>\$ 4,165</u> | <u>\$ 480</u>                          |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                 |                 |  |
| Sources/Inflows of resources  |                    |                 |                 |  |
| Actual amounts (budgetary basis)  |                    |                 | \$ 4,645        |  |
| Differences-Budget to GAAP  |                    |                 | (480)           |  |
| Current Year Deferral   |                    |                 | <u>4,165</u>    |  |
| Total Revenues (GAAP Basis)   |                    |                 |                 |  |
| Uses/outflows of resources  |                    |                 |                 |  |
| Actual amounts (budgetary basis)  |                    |                 | \$ 4,165        |  |
| Differences-budget to GAAP  |                    |                 |                 |  |
| Total Expenditures (GAAP Basis)   |                    |                 | <u>\$ 4,165</u> |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND -- 21ST CENTURY

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET            | ACTUAL           | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-------------------|------------------|--|
| REVENUE   |                    |                   |                  |  |
| State Flow Through Grants   | \$ 59,568          | \$ 59,568         | \$ 57,714        | \$ (1,854)                             |
| TOTAL REVENUE   | <u>\$ 59,568</u>   | <u>\$ 59,568</u>  | <u>\$ 57,714</u> | <u>\$ (1,854)</u>                      |
| Cash Balance Budgeted   | <u>          </u>  | <u>          </u> |                  |  |
| TOTAL REVENUE & CASH  | <u>\$ 59,568</u>   | <u>\$ 59,568</u>  |                  |  |
| EXPENDITURES  |                    |                   |                  |  |
| Current   |                    |                   |                  |  |
| Instruction   | \$ 59,568          | \$ 59,568         | \$ 59,530        | \$ 38                                  |
| TOTAL EXPENDITURES  | <u>\$ 59,568</u>   | <u>\$ 59,568</u>  | <u>\$ 59,530</u> | <u>\$ 38</u>                           |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                   |                  |  |
| <b>Sources/inflows of resources</b>   |                    |                   |                  |  |
| Actual amounts (budgetary basis)  |                    |                   | \$ 57,714        |  |
| Differences-Budget to GAAP  |                    |                   | <u>1,816</u>     |  |
| Current Year Receivable   |                    |                   | <u>59,530</u>    |  |
| Total Revenues (GAAP Basis)   |                    |                   | <u>\$ 59,530</u> |  |
| <b>Uses/outflows of resources</b>   |                    |                   |                  |  |
| Actual amounts (budgetary basis)  |                    |                   | \$ 59,530        |  |
| Differences-budget to GAAP  |                    |                   |                  |  |
| Total Expenditures (GAAP Basis)   |                    |                   | <u>\$ 59,530</u> |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--LIBRARIES SB301 GO BONDS

Year Ended June 30, 2008

|                              | ORIGINAL<br>BUDGET | BUDGET          | ACTUAL          | VARIANCE<br>Favorable<br>(Unfavorable) |
|------------------------------|--------------------|-----------------|-----------------|--|
| REVENUE                      |                    |                 |                 |  |
| State Flow Through Grants    | \$ 9,906           | \$ 9,906        | \$ 1,898        | \$ (8,008)                             |
| TOTAL REVENUE                | <u>9,906</u>       | <u>9,906</u>    | <u>1,898</u>    | <u>(8,008)</u>                         |
| Cash Balance Budgeted        |                    |                 |                 |  |
| TOTAL REVENUE & CASH         | <u>\$ 9,906</u>    | <u>\$ 9,906</u> |                 |  |
| EXPENDITURES                 |                    |                 |                 |  |
| Current                      |                    |                 |                 |  |
| Support Services-Instruction | 9,906              | 9,906           | 9,719           | 187                                    |
| TOTAL EXPENDITURES           | <u>\$ 9,906</u>    | <u>\$ 9,906</u> | <u>\$ 9,719</u> | <u>\$ 187</u>                          |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of resources**

|                                  |           |              |
|----------------------------------|-----------|--------------|
| Actual amounts (budgetary basis) | \$        | 1,898        |
| Differences-Budget to GAAP       |           | 7,821        |
| Current Year Receivable          |           | 9,719        |
| Total Revenues (GAAP Basis)      | <u>\$</u> | <u>9,719</u> |

**Uses/outflows of resources**

|                                  |           |              |
|----------------------------------|-----------|--------------|
| Actual amounts (budgetary basis) | \$        | 9,719        |
| Differences-budget to GAAP       |           |              |
| Total Expenditures (GAAP Basis)  | <u>\$</u> | <u>9,719</u> |

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

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2008

|   | OPERATIONAL       |                |               |            | INSTRUCTIONAL |           | TEACHERAGE    |           | TOTALS         |
|---|-------------------|----------------|---------------|------------|---------------|-----------|---------------|-----------|----------------|
|   | OPERATIONAL       | TRANSPORTATION | MATERIALS     | TEACHERAGE | TOTALS        | TOTALS    | TOTALS        |           |                |
| <b>ASSETS</b>                             |                   |                |               |            |               |           |               |           |                |
| Cash on Deposit                           | \$ 490,646        | \$             | 42,207        | \$         | 4,159         | \$        | 50,213        | \$        | 587,225        |
| Due From Other Governments                |                   |                |               |            | -             |           |               |           | -              |
| Due from Other Funds                      | 91,063            |                | -             |            | -             |           |               |           | 91,063         |
| Due From External Funds                   | 4,500             |                |               |            |               |           |               |           | 4,500          |
| Taxes Receivable                          | 29,595            |                |               |            |               |           |               |           | 29,595         |
| <b>TOTAL ASSETS</b>                       | <b>\$ 615,804</b> | <b>\$</b>      | <b>42,207</b> | <b>\$</b>  | <b>4,159</b>  | <b>\$</b> | <b>50,213</b> | <b>\$</b> | <b>712,383</b> |
| <b>Liabilities</b>                        |                   |                |               |            |               |           |               |           |                |
| Due to Other Funds                        | \$ 3,495          | \$             |               | \$         |               | \$        |               | \$        | 3,495          |
| Accounts Payable                          | 236,777           |                |               |            |               |           |               |           | 236,777        |
|   | 240,272           |                | -             |            | -             |           |               |           | 240,272        |
| <b>FUND BALANCE</b>                       |                   |                |               |            |               |           |               |           |                |
| Fund Balance                              |                   |                |               |            |               |           |               |           |                |
| Unreserved-Designated for Subsequent      | 375,532           |                | 42,207        |            | 4,159         |           | 50,213        |           | 472,111        |
| Years Expenditures                        | 375,532           |                | 42,207        |            | 4,159         |           | 50,213        |           | 472,111        |
| <b>TOTAL FUND BALANCE</b>                 | <b>615,804</b>    | <b>\$</b>      | <b>42,207</b> | <b>\$</b>  | <b>4,159</b>  | <b>\$</b> | <b>50,213</b> | <b>\$</b> | <b>712,383</b> |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 615,804</b> | <b>\$</b>      | <b>42,207</b> | <b>\$</b>  | <b>4,159</b>  | <b>\$</b> | <b>50,213</b> | <b>\$</b> | <b>712,383</b> |

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



STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE -- GENERAL FUND

| Year Ended   | June 30, 2008    |             |                |                         |               | TOTALS           |
|--|------------------|-------------|----------------|-------------------------|---------------|------------------|
|  |                  | OPERATIONAL | TRANSPORTATION | INSTRUCTIONAL MATERIALS | TEACHERAGE    |                  |
| <b>REVENUE</b>   |                  |             |                |                         |               |                  |
| Residential/Non-Residential Taxes  | \$ 336,290       | \$          | -              | \$                      | \$            | \$ 336,290       |
| Fees - Educational   | 948              |             | -              | -                       | -             | 948              |
| Rent and Leases  | 4,500            |             | -              | -                       | 8,300         | 12,800           |
| Interest Income  | 14,846           |             | -              | -                       | 2,080         | 16,926           |
| State Equalization   | 3,898,913        |             | -              | -                       | -             | 3,898,913        |
| State Programs   | 26,728           |             | 212,396        | 64,955                  | -             | 304,079          |
| <b>TOTAL REVENUES</b>  | <b>4,282,225</b> |             | <b>212,396</b> | <b>64,955</b>           | <b>10,380</b> | <b>4,569,956</b> |
| <b>EXPENDITURES</b>  |                  |             |                |                         |               |                  |
| Instruction  | 2,510,147        |             |                | 56,431                  |               | 2,566,578        |
| Support Services-Students  | 264,604          |             |                | 4,365                   |               | 264,604          |
| Support Services-Instruction   | 73,364           |             |                |                         |               | 77,729           |
| Support Services-General Administration  | 157,188          |             |                |                         |               | 157,188          |
| Support Services-School Administration   | 217,892          |             |                |                         |               | 217,892          |
| Central Services   | 121,418          |             |                |                         |               | 121,418          |
| Operation & Maintenance of Plant   | 731,618          |             | 215,246        |                         | -             | 731,618          |
| Student Transportation   |                  |             | 215,246        |                         |               | 215,246          |
| Acquisition & Construction   |                  |             |                | 60,796                  | 1,967         | 1,967            |
| <b>TOTAL EXPENDITURES</b>  | <b>4,076,231</b> |             | <b>215,246</b> | <b>60,796</b>           | <b>1,967</b>  | <b>4,354,240</b> |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>   |                  |             |                |                         |               |                  |
|  | 205,994          |             | (2,850)        | 4,159                   | 8,413         | 215,716          |
| <b>OTHER FINANCING SOURCES (USES) TRANSFERS IN/ TRANSFERS OUT TOTAL OTHER FINANCING SOURCES (USES)</b> |                  |             |                |                         |               |                  |
| Net Change in Fund Balance   | 205,994          |             | (2,850)        | 4,159                   | 8,413         | 215,716          |
| <b>FUND BALANCE</b>  |                  |             |                |                         |               |                  |
| June 30, 2007  | 169,538          |             | 45,057         | -                       | 41,800        | 256,395          |
| <b>FUND BALANCE</b>  | <b>375,532</b>   |             | <b>42,207</b>  | <b>4,159</b>            | <b>50,213</b> | <b>472,111</b>   |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2008

|   | ORIGINAL<br>BUDGET  | BUDGET              | ACTUAL              | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
| <b>REVENUE</b>                          |                     |                     |                     |  |
| Residential/Non-Residential Taxes       | \$ 304,699          | \$ 304,699          | \$ 353,841          | \$ 49,142                              |
| Fees - Educational                      | 100                 | 100                 | 948                 | 848                                    |
| Interest Income                         | 28,285              | 28,285              | 14,845              | (13,440)                               |
| State Equalization                      | 3,896,132           | 3,928,364           | 3,898,913           | (29,451)                               |
| <b>TOTAL REVENUE</b>                    | <u>4,229,216</u>    | <u>4,261,448</u>    | <u>4,268,547</u>    | <u>7,099</u>                           |
| Cash Balance Budgeted                   | -                   | -                   | -                   | -                                      |
| <b>TOTAL REVENUE &amp; CASH</b>         | <u>\$ 4,229,216</u> | <u>\$ 4,261,448</u> |                     |  |
| <b>EXPENDITURES</b>                     |                     |                     |                     |  |
| Current                                 |                     |                     |                     |  |
| Instruction                             | \$ 2,743,858        | \$ 2,756,724        | \$ 2,612,563        | \$ 144,161                             |
| Support Services-Students               | 328,143             | 328,143             | 264,604             | 63,539                                 |
| Support Services-Instruction            | 84,627              | 84,627              | 73,364              | 11,263                                 |
| Support Services-General Administration | 165,111             | 184,477             | 157,188             | 27,289                                 |
| Support Services-School Administration  | 220,189             | 220,189             | 217,892             | 2,297                                  |
| Central services                        | 174,863             | 174,863             | 121,418             | 53,445                                 |
| Operation & Maintenance of Plant        | 754,896             | 754,896             | 731,618             | 23,278                                 |
| Other Support Services                  | 18,219              | 18,219              |                     | 18,219                                 |
| <b>TOTAL EXPENDITURES</b>               | <u>\$ 4,489,906</u> | <u>\$ 4,522,138</u> | <u>\$ 4,178,647</u> | <u>\$ 343,491</u>                      |

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures  
**Sources/Inflows of resources**

|                                  |                     |
|----------------------------------|---------------------|
| Actual amounts (budgetary basis) | \$ 4,268,547        |
| Differences-Budget to GAAP       | 29,595              |
| Property tax Receivable          | (20,419)            |
| Prior Year Tax Receivables       | 4,500               |
| Due from External Funds          |                     |
| Total Revenues (GAAP Basis)      | <u>\$ 4,282,223</u> |

**Uses/outflows of resources**

|                                  |                     |
|----------------------------------|---------------------|
| Actual amounts (budgetary basis) | \$ 4,178,647        |
| Differences-budget to GAAP       | (102,416)           |
| Prior Year Payables              |                     |
| Total Expenditures (GAAP Basis)  | <u>\$ 4,076,231</u> |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--TRANSPORTATION

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET | BUDGET            | ACTUAL            | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|--------------------|-------------------|-------------------|--|
| REVENUE   |                    |                   |                   |  |
| State Flow Through Grants   | \$ 200,059         | \$ 260,023        | \$ 212,396        | \$ (47,627)                            |
| TOTAL REVENUE   | <u>\$ 200,059</u>  | <u>260,023</u>    | <u>\$ 212,396</u> | <u>\$ (47,627)</u>                     |
| Cash Balance Budgeted   | -                  | -                 |                   |  |
| TOTAL REVENUE & CASH  | <u>\$ 200,059</u>  | <u>\$ 260,023</u> |                   |  |
| EXPENDITURES  |                    |                   |                   |  |
| Current   |                    |                   |                   |  |
| Student Transportation  | \$ 200,059         | \$ 260,023        | \$ 217,816        | \$ 42,207                              |
| TOTAL EXPENDITURES  | <u>\$ 200,059</u>  | <u>260,023</u>    | <u>\$ 217,816</u> | <u>\$ 42,207</u>                       |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                    |                   |                   |  |
| <b>Sources/Inflows of resources</b>   |                    |                   |                   |  |
| Actual amounts (budgetary basis)  |                    |                   | \$ 212,396        |  |
| Differences-Budget to GAAP  |                    |                   |                   |  |
| Total Revenues (GAAP Basis)   |                    |                   | <u>\$ 212,396</u> |  |
| <b>Uses/outflows of resources</b>   |                    |                   |                   |  |
| Actual amounts (budgetary basis)  |                    |                   | \$ 217,816        |  |
| Differences-budget to GAAP  |                    |                   | (2,570)           |  |
| Prior Year Payable  |                    |                   |                   |  |
| Total Expenditures (GAAP Basis)   |                    |                   | <u>\$ 215,246</u> |  |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2008

|  | ORIGINAL<br>BUDGET | BUDGET           | ACTUAL           | VARIANCE<br>Favorable<br>(Unfavorable) |
|--|--------------------|------------------|------------------|--|
| <b>REVENUE</b>   |                    |                  |                  |  |
| State Flow Through Grants  | \$ 54,660          | \$ 61,541        | \$ 69,483        | \$ 7,942                               |
| <b>TOTAL REVENUE</b>   | <u>54,660</u>      | <u>61,541</u>    | <u>69,483</u>    | <u>7,942</u>                           |
| Cash Balance Budgeted  | -                  | -                | -                | -                                      |
| <b>TOTAL REVENUE &amp; CASH</b>  | <u>\$ 54,660</u>   | <u>\$ 61,541</u> |                  |  |
| <b>EXPENDITURES</b>  |                    |                  |                  |  |
| Current  |                    |                  |                  |  |
| Instruction  | \$ 50,234          | \$ 56,464        | \$ 56,431        | \$ 33                                  |
| Support Services-Instruction   | 4,426              | 5,077            | 4,364            | 713                                    |
| <b>TOTAL EXPENDITURES</b>  | <u>\$ 54,660</u>   | <u>\$ 61,541</u> | <u>\$ 60,795</u> | <u>\$ 746</u>                          |
| <b>Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</b> |                    |                  |                  |  |
| <b>Sources/inflows of resources</b>  |                    |                  |                  |  |
| Actual amounts (budgetary basis)   |                    |                  | \$ 69,483        |  |
| Differences-Budget to GAAP   |                    |                  | (4,528)          |  |
| Prior Year Receivable  |                    |                  | 64,955           |  |
| <b>Total Revenues (GAAP Basis)</b>   |                    |                  | <u>\$ 60,795</u> |  |
| <b>Uses/outflows of resources</b>  |                    |                  |                  |  |
| Actual amounts (budgetary basis)   |                    |                  | \$ 60,795        |  |
| Differences-budget to GAAP   |                    |                  |                  |  |
| <b>Total Expenditures (GAAP Basis)</b>   |                    |                  | <u>\$ 60,795</u> |  |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND-TEACHERAGE FUND

Year Ended June 30, 2008

|  | ORIGINAL<br>BUDGET | BUDGET           | ACTUAL           | VARIANCE<br>Favorable<br>(Unfavorable) |
|--|--------------------|------------------|------------------|--|
| <b>REVENUE</b>   |                    |                  |                  |  |
| Rent and Leases  | \$ 6,800           | \$ 6,800         | \$ 8,300         | \$ 1,500                               |
| Interest Income  | 2,888              | 2,888            | 2,081            | (807)                                  |
| <b>TOTAL REVENUE</b>   | <u>9,688</u>       | <u>9,688</u>     | <u>10,381</u>    | <u>693</u>                             |
| Cash Balance Budgeted  | -                  | -                |                  |  |
| <b>TOTAL REVENUE &amp; CASH</b>  | <u>\$ 9,688</u>    | <u>\$ 9,688</u>  |                  |  |
| <b>EXPENDITURES</b>  |                    |                  |                  |  |
| Current  |                    |                  |                  |  |
| Operation & Maintenance of Plant   | \$ 18,688          | \$ 18,688        | \$ 1,966         | \$ 16,722                              |
| Acquisition & Construction   | 10,516             | 10,516           |                  | 10,516                                 |
| <b>TOTAL EXPENDITURES</b>  | <u>\$ 29,204</u>   | <u>\$ 29,204</u> | <u>\$ 1,966</u>  | <u>\$ 27,238</u>                       |
| <b>Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</b> |                    |                  |                  |  |
| <b>Sources/inflows of resources</b>  |                    |                  |                  |  |
| Actual amounts (budgetary basis)   |                    |                  | \$ 10,381        |  |
| Differences-Budget to GAAP   |                    |                  |                  |  |
| Total Revenues (GAAP Basis)  |                    |                  | <u>\$ 10,381</u> |  |
| <b>Uses/outflows of resources</b>  |                    |                  |                  |  |
| Actual amounts (budgetary basis)   |                    |                  | \$ 1,966         |  |
| Differences-budget to GAAP   |                    |                  |                  |  |
| Total Expenditures (GAAP Basis)  |                    |                  | <u>\$ 1,966</u>  |  |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--CAPITAL PROJECTS FUND--HOUSE BILL 33

Year Ended June 30 2008

|   | ORIGINAL<br>BUDGET  | BUDGET              | ACTUAL              | VARIANCE<br>Favorable<br>(Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
| <b>REVENUE</b>  |                     |                     |                     |  |
| Residential/Non-Residential Taxes   | \$ 1,224,518        | \$ 1,224,518        | \$ 1,421,620        | \$ 197,102                             |
| Interest Income   | 72,137              | 72,137              | 53,627              | (18,510)                               |
| Insurance Recoveries  | -                   | -                   | 100,000             | 100,000                                |
| <b>TOTAL REVENUE</b>  | <u>1,296,655</u>    | <u>1,296,655</u>    | <u>1,575,247</u>    | <u>278,592</u>                         |
| Cash Balance Budgeted   | 2,561,850           | 2,561,850           |                     |  |
| <b>TOTAL REVENUE &amp; CASH</b>   | <u>\$ 3,858,505</u> | <u>\$ 3,858,505</u> |                     |  |
| <b>EXPENDITURES</b>   |                     |                     |                     |  |
| Current   |                     |                     |                     |  |
| Support Services-General Administration   | \$ 800              | \$ 1,100            | \$ 1,131            | \$ (31)                                |
| Acquisition & Construction  | 3,216,376           | 3,216,076           | 1,338,168           | 1,877,908                              |
| <b>TOTAL EXPENDITURES</b>   | <u>\$ 3,217,176</u> | <u>\$ 3,217,176</u> | <u>\$ 1,339,299</u> | <u>\$ 1,877,877</u>                    |
| Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures |                     |                     |                     |  |
| <b>Sources/Inflows of resources</b>   |                     |                     |                     |  |
| Actual amounts (budgetary basis)  |                     |                     | \$ 1,575,247        |  |
| Differences-Budget to GAAP  |                     |                     | 118,583             |  |
| Property tax Receivable   |                     |                     | (81,846)            |  |
| Prior Year Tax Receivables  |                     |                     | <u>1,611,984</u>    |  |
| Total Revenues (GAAP Basis)   |                     |                     |                     |  |
| <b>Uses/outflows of resources</b>   |                     |                     |                     |  |
| Actual amounts (budgetary basis)  |                     |                     | \$ 1,339,299        |  |
| Differences-budget to GAAP  |                     |                     |                     |  |
| Total Expenditures (GAAP Basis)   |                     |                     | <u>\$ 1,339,299</u> |  |

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

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES--AGENCY FUNDS

Year Ended June 30, 2008

|                                     | Balance<br>6/30/2007 | ADDITIONS         | DEDUCTIONS        | Balance<br>6/30/2008 |
|-------------------------------------|----------------------|-------------------|-------------------|----------------------|
| Annual                              | \$ 16,077            | \$ 20,172         | \$ 14,241         | \$ 22,006            |
| Arts Club                           | 1,180                | -                 | -                 | 1,180                |
| Band                                | 55                   | -                 | -                 | 55                   |
| Chorus                              | 1,048                | 1,139             | 1,048             | 1,139                |
| Drama Club                          | 18                   | -                 | -                 | 18                   |
| Scholarship Fund                    | 3,580                | 2,001             | 1,379             | 4,202                |
| High School Shop                    | 641                  | -                 | 298               | 343                  |
| High School Student Activity        | 7,774                | 12,946            | 10,623            | 10,097               |
| High School Student Council         | 678                  | 12,963            | 13,358            | 283                  |
| Middle School General Activity      | 2,496                | 9,380             | 10,006            | 1,870                |
| Middle School Shop                  | 362                  | -                 | -                 | 362                  |
| Library                             | 5,411                | 7,630             | 5,165             | 7,876                |
| Miscellaneous                       | 5,410                | 4,889             | 5,489             | 4,810                |
| Natorium                            | 13,274               | -                 | 13,274            | -                    |
| Pep Club                            | 1,085                | 27,331            | 28,009            | 407                  |
| Spanish Club                        | 1,082                | -                 | -                 | 1,082                |
| Textbooks                           | 6,368                | 1,828             | 281               | 7,915                |
| Senior Class                        | 719                  | -                 | 719               | -                    |
| Senior Class                        | 361                  | 50                | 21                | 390                  |
| Junior Class                        | 463                  | 17,285            | 14,020            | 3,728                |
| Sophomore Class                     | 180                  | 4,150             | 2,086             | 2,244                |
| Freshman Class                      | -                    | 11                | 11                | -                    |
| Graduating Class                    | 1,758                | 719               | 2,300             | 177                  |
| Activity Interest                   | 156                  | 163               | -                 | 319                  |
| National Honor Society              | 415                  | 2,406             | 2,558             | 263                  |
| Café A La Carte                     | 6,729                | 10,021            | 11,087            | 5,663                |
| Elementary General                  | 6,216                | 571               | 211               | 6,576                |
| Tech Lab                            | 2,562                | -                 | -                 | 2,562                |
| RCC Activity                        | -                    | -                 | -                 | -                    |
| Reading Renaissance                 | 6,209                | -                 | -                 | 6,209                |
| MS Activity Band                    | 239                  | -                 | -                 | 239                  |
| FCA                                 | 200                  | -                 | -                 | 200                  |
| PowerAde Account                    | 118                  | -                 | -                 | 118                  |
| Pre AP fund                         | 3,021                | -                 | -                 | 3,021                |
| AR Math Club                        | 194                  | -                 | -                 | 194                  |
| NMPSIA                              | 1,138                | 661,429           | 661,469           | 1,098                |
| Elementary Inlet Grant              | 17                   | -                 | -                 | 17                   |
| Eunice Reading Program              | 50                   | -                 | -                 | 50                   |
| District 7AA Fund                   | 2,399                | 8,486             | 6,933             | 3,952                |
| Band Instrument Rental              | 75                   | -                 | -                 | 75                   |
| Permian Basin Grant                 | 358                  | -                 | -                 | 358                  |
| REC Reimbursement                   | 806                  | 19,117            | 24,533            | (5,416)              |
| Baseball/Basketball Fund            | -                    | 4,455             | 4,439             | 822                  |
| Drug Free Money                     | -                    | -                 | -                 | -                    |
| Tech Needs Donations                | 220                  | 78                | -                 | 220                  |
| Volleyball Fund                     | 3,765                | -                 | 1,942             | 1,921                |
| Elementary Science Project          | 2,255                | -                 | -                 | 2,255                |
| NEF Reading & Math Donation         | 40                   | -                 | -                 | 40                   |
| Football Qtr. Finals                | 15                   | -                 | -                 | 15                   |
| 21st Century Reimbursement          | 8,448                | 900               | -                 | 9,348                |
| Boys Basketball Fundraiser          | 254                  | 176               | -                 | 430                  |
| Softball Account                    | 181                  | 2,674             | 1,437             | 1,418                |
| Freddie Mitchell Memorial Golf Acct | 1,507                | 4,897             | 1,582             | 4,822                |
| Welding Shop Acct                   | 11,199               | -                 | 1,068             | 10,131               |
| EHS Science Dept                    | 140                  | -                 | -                 | 140                  |
| ITV Textbooks                       | -                    | -                 | -                 | -                    |
| CMS Library Fund                    | 1,504                | 2,567             | 1,938             | 2,133                |
| EHS Library Fund                    | 500                  | 76                | 500               | 76                   |
| Girls Basketball Fundraiser         | 332                  | 1,982             | 1,143             | 1,171                |
| Instructional Material Donation     | 23,708               | 2,041             | 11,352            | 14,397               |
| Special Ed Activity Fund            | 500                  | -                 | -                 | 500                  |
| Drug Testing                        | -                    | 7,000             | 4,953             | 2,047                |
| Consortium Distribution             | 5,624                | 5,624             | -                 | 5,624                |
| EHS Math & Chess Club               | 1,195                | 1,195             | 1,110             | 85                   |
| Alumni Volleyball                   | 650                  | 650               | -                 | 650                  |
| Alumni Girls Basketball             | 650                  | 650               | 295               | 355                  |
| Alumni Boys Basketball              | 650                  | 650               | 650               | -                    |
| Alumni Track                        | 905                  | 905               | 905               | -                    |
| Alumni Golf                         | 150                  | 150               | -                 | 150                  |
| Alumni Baseball                     | 1,250                | 1,250             | 741               | 509                  |
| Alumni Softball                     | 500                  | 500               | 349               | 151                  |
| Alumni Cheer                        | 40                   | 250               | -                 | 250                  |
| ID Tag Replacement                  | 1,136                | 1,136             | -                 | 1,136                |
| Shop Rental                         | 4,500                | 4,500             | -                 | 4,500                |
| Summer Strength Program             | 3,624                | 3,624             | 3,624             | -                    |
| PNM Resource Grant                  | 2,200                | 2,200             | -                 | 2,200                |
| Cash On Hand                        | 250                  | -                 | -                 | 250                  |
| Total                               | <u>\$ 155,760</u>    | <u>\$ 874,817</u> | <u>\$ 867,147</u> | <u>\$ 163,430</u>    |

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

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2008

|  | FEDERAL<br>CFDA<br>NUMBER | PASS-THROUGH<br>ENTITY IDENTIFYING<br>NUMBER | PROGRAM<br>EXPENDITURES |
|--|---------------------------|--|-------------------------|
| <u>US DEPARTMENT OF EDUCATION</u>  |                           |  |                         |
| Early Reading First<br>Passed through the State Department<br>of Education | 84.359A                   | 25114  | \$ 11,137               |
| Title I  | 84.010                    | 24101  | 106,269                 |
| Reading First  | 84.357                    | 24167  | 14,311                  |
| English Language Acquisition   | 84.365                    | 24153  | 743                     |
| Teacher/Principal Training   | 84.367                    | 24154  | 5,276                   |
| IDEA-B Entitlement   | 84.352                    | 24106  | 92,996                  |
| IDEA-B Discretionary   | <1> 84.0270               | 24107  | 26,532                  |
| Enhancing Ed Thru Ed   | 84.318X                   | 24133  | 1,200                   |
| 21st Century Community Living  | <1> 84.287                | 24159  | 114,413                 |
| TOTAL PASS THROUGH GRANTS  |                           |  | \$ 361,740              |
|  |                           |  | =====                   |
| TOTAL DEPARTMENT OF EDUCATION  |                           |  | \$ 372,877              |
|  |                           |  | =====                   |

|   |        |       |            |
|---|--------|-------|------------|
| <u>US DEPARTMENT OF AGRICULTURE</u>                   |        |       |            |
| Passed Through State Department<br>of Education       | 10.555 | 21000 | 173,791    |
| National School Lunch Program<br>Commodities Received | 10.555 | 21000 | 13,609     |
| TOTAL DEPARTMENT OF AGRICULTURE                       |        |       | \$ 187,400 |
|   |        |       | =====      |
| TOTAL FEDERAL AWARDS EXPENDITURES                     |        |       | \$ 560,277 |
|   |        |       | =====      |

<1> Major Program

Note 1 This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 Non-Monetary assistance is reported in the schedule at the fair market value of the commodities received.

See Independent Auditor's Report



STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2008

|                        | TOTAL<br>DEPOSITS | FDIC<br>INSURANCE | UNINSURED<br>DEPOSITS | COLLATERAL<br>REQUIRED |
|------------------------|-------------------|-------------------|-----------------------|------------------------|
| WELLS FARGO BANK       | \$ 6,246,052      | \$ 200,000        | \$ 6,046,052          | \$ 3,023,026           |
| COLLATERAL             |                   | MATURES           |                       |                        |
| FNCL867437-31409CV69   | 324,199           | 5/1/36            |                       |                        |
| GNSF781278-36225BM39   | 117,759           | 4/15/31           |                       |                        |
| GNSF781278-3625BM39    | 281,984           | 4/15/31           |                       |                        |
| FNCL00878603-31409JDG7 | 4,219,430         | 3/1/36            |                       |                        |
| FNCL00972598-31414PK9  | 516,846           | 1/1/38            |                       |                        |
| FNCL00968974-31414K6K1 | 422,413           | 1/1/38            |                       |                        |
|                        | \$ 5,882,631      |                   |                       |                        |

COLLATERAL IS HELD AT MINNEAPOLIS, MINNESOTA

NEW MEXICO STATE TREASURER \$ 32,163 \$ - \$ 32,163 \$ 32,163

SECURITIES HELD BY CHASE BANK, NEW YORK CITY

See Independent Auditor's Report



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STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

BANK SUMMARY

JUNE 30, 2008

| Bank                   | ACCT<br>TYPE | FUND                   | NET                 |                       |                     |
|------------------------|--------------|------------------------|---------------------|-----------------------|---------------------|
|                        |              |                        | BANK<br>BALANCE     | OUTSTANDING<br>CHECKS |                     |
|                        |              |                        | BANK                | OUTSTANDING           | NET                 |
|                        |              |                        | BALANCE             | CHECKS                | CASH<br>BALANCE     |
| Wells Fargo Bank       | Checking     | Operational            | * \$ 410,463        | \$ 79,111             | \$ 331,352          |
|                        | Checking     | Capital Improvement    | * 5,118,098         | 243,625               | 4,874,473           |
|                        | Checking     | Cafeteria              | * 29,958            | 21,459                | 8,499               |
|                        | Checking     | Activities & Athletics | * 178,794           | 9,380                 | 169,414             |
|                        | Checking     | Federal Programs       | -                   | -                     | -                   |
|                        | Checking     | Payroll Clearing       | 508,739             | 271,961               | 236,778             |
| Total Wells Fargo Bank |              |                        | <u>6,246,052</u>    | <u>625,536</u>        | <u>5,620,516</u>    |
| New Mexico State Treas | C.D.         |                        | * 31,857            |                       | 31,857              |
| New Mexico State Treas | C.D.         |                        | * 306               |                       | 306                 |
| Total New Mexico Treas |              |                        | <u>32,163</u>       |                       | <u>32,163</u>       |
| Cash On Hand           |              |                        |                     |                       | 295                 |
| Total All Accounts     |              |                        | <u>\$ 6,278,215</u> | <u>\$ 625,536</u>     | <u>\$ 5,652,974</u> |

\* Interest Bearing

See Independent Auditor's Report

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS

BANK RECONCILIATION

June 30, 2008

|                             | OPERATIONAL | TRANSP.   | FOOD SERVICES | ATHLETICS | FEDERAL PROJECTS | LOCAL/STATE ACCOUNT |
|-----------------------------|-------------|-----------|---------------|-----------|------------------|---------------------|
| Audited Net Cash            |             |           |               |           |                  |                     |
| JUNE 30, 2007               | \$ 252,575  | \$ 47,627 | \$ 22,537     | \$ 2,738  | \$ (9,748)       | \$ (13,976)         |
| Investments                 | -           | -         | -             | -         | -                | -                   |
| TOTAL CASH BALANCE          | 252,575     | 47,627    | 22,537        | 2,738     | (9,748)          | (13,976)            |
| JUNE 30, 2007               | -           | -         | -             | -         | -                | -                   |
| Add: Prior year void checks | 4,268,547   | 212,396   | 230,926       | 43,438    | 337,211          | 141,059             |
| 2007-2008 Revenue           | -           | -         | -             | -         | -                | -                   |
| Transfers In                | -           | -         | -             | -         | -                | -                   |
| TOTAL AVAILABLE CASH        | 4,521,122   | 260,023   | 253,463       | 46,176    | 327,463          | 127,083             |
| Prior year void checks      | -           | -         | -             | -         | -                | -                   |
| 2007-2008 Expenditures      | 4,178,647   | 217,816   | 244,963       | 39,942    | 391,914          | 138,477             |
| Transfers Out               | 4,178,647   | 217,816   | 244,963       | 39,942    | 391,914          | 138,477             |
| NET CASH, JUNE 30, 2008     | 342,475     | 42,207    | 8,500         | 6,234     | (64,451)         | (11,394)            |
| Cash On hand                | -           | -         | 45            | -         | -                | -                   |
| TOTAL CASH, JUNE 30, 2008   | \$ 342,475  | \$ 42,207 | \$ 8,545      | \$ 6,234  | \$ (64,451)      | \$ (11,394)         |

See Independent Auditor's Report



| SB-9                | ACTIVITIES        | INSTRUCTIONAL MATERIALS | PSCO 20%          | CAP/OUT STATE      | PAYROLL CLEARING  | HB-33               | TEACHERAGE       |
|---------------------|-------------------|-------------------------|-------------------|--------------------|-------------------|---------------------|------------------|
| \$ 1,672,992        | \$ 155,510        | \$ (4,528)              | \$ 189,280        | \$ 35              | \$ -              | \$ 2,561,850        | \$ 11,328        |
| 293                 | -                 | -                       | -                 | -                  | -                 | -                   | 30,470           |
| 1,673,285           | 155,510           | (4,528)                 | 189,280           | 35                 | -                 | 2,561,850           | 41,798           |
| 1,475,260           | 872,912           | 69,482                  | -                 | -                  | -                 | 1,575,247           | 10,381           |
| 3,148,545           | 1,028,422         | 64,954                  | 189,280           | 35                 | -                 | 4,137,097           | 52,179           |
| 1,244,992           | 865,242           | 60,795                  | -                 | 15,886             | -                 | 1,339,300           | 1,966            |
| 1,244,992           | 865,242           | 60,795                  | -                 | 15,886             | -                 | -                   | 1,966            |
| 1,903,553           | 163,180           | 4,159                   | 189,280           | (15,851)           | -                 | 2,797,797           | 50,213           |
| 250                 | -                 | -                       | -                 | -                  | -                 | -                   | -                |
| <u>\$ 1,903,553</u> | <u>\$ 163,430</u> | <u>\$ 4,159</u>         | <u>\$ 189,280</u> | <u>\$ (15,851)</u> | <u>\$ 236,777</u> | <u>\$ 2,797,797</u> | <u>\$ 50,213</u> |



**SINGLE AUDIT SECTION**



## 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

Mr. Hector H Balderas, State Auditor  
The Board of Directors  
Eunice Public Schools  
Eunice, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons of the general fund and major special revenue fund and the aggregate remaining fund information of Eunice Public Schools, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated November 4, 2008. We also have audited the financial statements of each of Eunice Public Schools' non major governmental funds and the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. We conducted our audit in accordance with auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Eunice Public Schools' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Eunice Public Schools' financial statements that is more than inconsequential will not be prevented or detected by the Eunice Public Schools' internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting. 07-3 and 07-5

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Eunice Public Schools' internal control.

Our consideration of the internal control over financial reporting was for the limited purpose of described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eunice 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* and which are described in the accompanying schedule of findings and questioned cost as items 07-3 and 07-5.

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

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

*Ray Woodward is Assessor*

Portales, New Mexico  
November 4, 2008

# Roy Woodard & Associates

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Hector H. Balderas, State Auditor  
The Board of Directors,  
Eunice Public Schools  
Eunice, New Mexico

### Compliance

We have audited the compliance of Eunice Public Schools with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Eunice Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Eunice Public Schools' management. Our responsibility is to express an opinion on Eunice Public Schools' compliance based on our audit.

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

In our opinion, Eunice Public Schools complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of Eunice Public Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Eunice Public Schools' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion the effectiveness of internal control over compliance

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, Management, the Office of the New Mexico State Auditor, the New Mexico Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Portales, New Mexico

November 4, 2008

*Roy Woodard & Associates*

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2008

PRIOR YEAR AUDIT FINDINGS

REPORTING OF CAPITAL ASSETS IN ACCORDANCE TO GASB 34 06-1

Statement of Condition:

The District has not included land and fiscal year 06 construction in process in its inventory of capital assets. Therefore the ending inventory is incomplete and does not agree with the financial statements which include land and fiscal year 06 construction in progress.

Recommendation:

The District should add the appropriate land cost to the capital asset inventory. Also, the District needs to record the prior year construction in process to the capital asset inventory and calculate the depreciation from the time the project was put into service.

Response:

The district has completed an extensive inventory of capital assets owned by the district and made the adjustment to remove old and previously discarded capital assets, namely furniture and equipment. District personnel will add the land and prior construction in progress.

Current Status:

Resolved

EXPENDITURES IN THE ATHLETIC FUND LACK PURCHASE ORDERS 07-2

Statement of Condition:

Expenditures paid through the athletic fund did not have a properly authorized purchase order. All athletic expenditures reviewed lacked an approved purchase order.

Recommendation:

The athletic department should use the District's purchase order system for all expenditures.

Response:

Management concurs with recommendation.

Current Status:

Resolved

OVERSPENT BUDGETS 07-3

Statement of Condition:

The District had four funds with overspent budget line items. Title I Support Services – Students and Support Services – School Administration were overspent by \$2,700 and \$23,673 respectively. Idea B – Entitlement Support Services – Students and Support Services – School Admin were overspent by \$60,404 and \$25,689 respectively. Idea B – Discretionary Support Services Students was overspent by \$2,382 and English Language Acquisition Instruction was overspent by \$750.

Recommendation:

The District should follow up on disallowed budget adjustment request to insure budget adjustments are appropriately processed.

Response:

Management concurs with recommendation.

Current Status:

Revised and Repeated

NO RECEIPTS TO STUDENTS FOR ACTIVITY FUND COLLECTIONS 07-4

Statement of Condition:

Funds received in various activity accounts are not being receipted to the students by the teacher/sponsor.

Recommendation:

All activity fund account collection should be documented by receipt at the student level.

Response:

Management concurs with recommendation.

Current Status:

Resolved

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2008

PRIOR YEAR AUDIT FINDINGS (continued)

ACTIVITY FUND DEPOSIT HELD IN VIOLATION OF THE 24-HOUR RULE – 07-5

Statement of Condition:

Recommendation:

Response:

Current Status:

LATE REPORT 06-6 (Revised & Repeated)

Statement of Condition:

Recommendation:

Response:

Current Status:

Through interviewing district personnel, the District is not depositing activity fund monies within 24 hours of receipt.

Fundraiser money collected should be deposited with the bank the day it is collected and receipted. Teachers and sponsors should submit all money the day it is collected to the campus secretary to avoid possible loss and theft.

The District campuses will change their practice and make daily deposits of all activity fund money collected.  
Revised and Repeated

The report was submitted by the State Auditor's office February 18, 2008.

Schedule fieldwork to be performed at an earlier date.  
Management concurs with recommendation.  
Resolved

STATE OF NEW MEXICO  
 EUNICE PUBLIC SCHOOLS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2008

I. SUMMARY OF AUDITORS RESULTS:

|  |   |
|--|---|
| Report on Financial Statements                       | Unqualified   |
| Significant Deficiencies on GAGAS                    | None  |
| Material Weakness involving Significant Deficiencies | None  |
| Material Noncompliance                               | None  |
| Questioned Cost                                      | None  |
| Type A & Type B dollar threshold                     | \$300,000   |
| Entity Risk  | Low Risk  |
| Major Federal Program                                | IDEA-B Discretionary CFDA# 84.0270<br>21 <sup>st</sup> Century Community Living Centers CFDA # 84.287 |

Significant Deficiencies on Internal Control over Major Programs

None

Report on Compliance with Major Programs

Unqualified

II FEDERAL PROGRAM FINDINGS:

None

III FINANCIAL STATEMENT FINDINGS:

OVERSPENT BUDGETS 07-3

Statement of Condition:

Criteria:

The District had two line items that were over budget. These line items were HB-33 Support Services – General Administration overspent by \$31 and SB-9 Support Services – General Administration also overspent by \$31.  
 22-8-11(B) NMSA 1978 states "No school board officer or employee of a school district shall make any expenditure or incur any obligation unless it is made in accordance with an operating budget approved by the state department. This prohibition does not prohibit the transfer of funds pursuant to the department's rules and procedures.

Cause:

The overspent amount represents the 1% assessment fee imposed by the county for the collection of local property taxes. With the significant increase in oil and natural gas revenues, the 1% assessment fee also increased significantly. The District did submit a budget adjustment request, but the amount was not sufficient to cover the increase. Due to the late date that the district receives the District was not able to submit a budget adjustment request prior to the June 15<sup>th</sup> deadline for budget adjustment request.

Effect:

There is an apparent violation of a prohibition against spending more than is in the budget. However, the assessment referred to in the cause is deducted from the taxes received and thus not a "spending" item. The District's books reflect the increase in tax revenues that caused the increase in the fee expenditure.

Recommendation:

District personnel should increase its communication with the county tax collector and make budget changes accordingly for the tax is collected. Management concurs with recommendation.

Response:

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2008

III FINANCIAL STATEMENT FINDINGS: (continued)

ACTIVITY FUND DEPOSIT HELD IN VIOLATION OF THE 24-HOUR RULE – 07-5

Statement of Condition:

Upon review of Activity Funds deposits, it was discovered that activity fund collections from the high school was not being deposited within the required 24-hour period. This determination was made by comparing the date of the receipt with the date stamped by the bank on the deposit slip. Each deposit included receipts that were dated more than 24 hours prior to the deposit.

Criteria:

NMAC 6:20.2.14 Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Cause:

Teachers and sponsors associated with the fundraiser were holding funds and submitting the money at one time when the fundraiser was over or at the end of the school week.

Effect:

Holding money subjects the money to loss, theft, or misappropriation. This also subjects the District, District employees, parents and students to possible loss and liability.

Recommendation:

Fundraiser money collected should be deposited with the bank the day it is collected and receipted. Teachers and sponsors should submit all money the day it is collected to the campus secretary to avoid possible loss and theft.

Response:

The District campuses will change their practice and make daily deposits of all activity fund money collected.

STATE OF NEW MEXICO  
EUNICE PUBLIC SCHOOLS

Year Ended June 30, 2008

OTHER DISCLOSURES

AUDITOR PREPARED FINANCIAL STATEMENTS

These financial statements and related footnotes and supplemental information were prepared by the auditor. The auditor cannot be a part of the District's internal control, thus the preparation of the report is not a substitute for managements internal control and is not considered in the auditors evaluation of the severity of the internal control deficiency.

EXIT CONFERENCE

An Exit Conference was held on February 5, 2008. Present were Dwayne Haines, Superintendent; Cynthia Sims, Business Manager; Don Jones, Board of Education Member; and Misty Clause, Bookkeeper/Payroll Clerk. Our firm was represented by John McKinley, Jr., CPA.