

**STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
JUNE 30, 2011**

**WOODARD, COWEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS**

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 JUNE 30, 2011

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EUNICE PUBLIC SCHOOLS
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STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
JUNE 30, 2011

OFFICIAL ROSTER

BOARD OF EDUCATION

Steve Almager	President
Shelly Robinson	Vice President
John Smith	Secretary
Don Jones	Member
David Gallegos	Member

SCHOOL OFFICIALS

Dwain Haynes	Superintendent
Cynthia Sims	Business Manager

Woodard, Cowen & Co.

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 aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Eunice Public Schools (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental, and the budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor 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 February 23, 2011 on our consideration of the District's internal control over financial reporting and on our test 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.

Portales: PO Box 445, 118 E. 2nd Street Portales NM, 88130 Phone: 575-356-8564 Fax: 575-356-2453
Clovis: PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

The District 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Woodard, Hewson & Co.

February 23, 2012
Portales, New Mexico

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 11,351,550
Property Taxes Receivable	442,089
Due From Other Agencies	150,646
Inventory	1,734
Non-current assets:	
Restricted Cash	22,452,933
Capital assets, net	12,811,653
Bond issuance costs, net	200,850
Total Assets	<u>47,411,455</u>
<u>LIABILITIES</u>	
Current:	
Accounts payable	408,603
Deferred Revenue	6,248
Bond Premium, net of amortization	137,491
Debt due in one year	1,870,000
Non-current:	
Compensated Absences	28,912
Debt in more than one year:	26,980,000
Total Liabilities	<u>29,431,254</u>
<u>NET ASSETS</u>	
Invested in capital assets net of related debt	6,414,586
Restricted for:	
Capital Projects	5,855,844
Debt Service	120,366
Inventory	1,734
Unrestricted	5,587,671
Total Net Assets	<u>\$ 17,980,201</u>

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

STATE OF NEW MEXICO
 EUNICÉ PUBLIC SCHOOLS
 STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:	\$	\$	\$	\$	\$
Governmental activities:					
Instruction	3,313,889	62,945	815,062	-	(2,435,882)
Support Services					
Support Services-Students	263,126	-	27,878	-	(235,248)
Support Services-Instruction	89,315	-	4,020	-	(85,295)
Support Services-General Administration	176,210	-	-	-	(176,210)
Support Services-School Administration	286,294	-	41,174	-	(245,120)
Central Services	176,384	-	-	-	(176,384)
Operation & Maintenance of Plant	2,357,551	-	30,270	-	(2,327,281)
Student Transportation	178,425	-	141,352	-	(37,073)
Other Support Services	470	-	-	-	(470)
Food Services-Operations	296,105	69,848	229,212	-	2,955
Community Services-operations	-	-	-	-	-
Bond Interest	691,653	-	-	-	(691,653)
Depreciation-unallocated	403,812	-	-	-	(403,812)
Amortization Unallocated	12,444	-	-	-	(12,444)
Unallocated Revenue	-	12,490	-	13,972	26,462
Total governmental activities	\$ 8,245,678	\$ 145,283	\$ 1,288,968	\$ 13,972	\$ (6,797,455)

General revenues:

Property taxes:

Levied for General purpose	\$	308,976
Levied for Capital Projects		2,491,752
Levied for Debt Service		2,584,593
Rent		7,600
PED Equalization Guarantee		3,919,820
Unrestricted interest income		24,841
Miscellaneous		38,836
Donations		25,460
Loss on disposal of capital assets		(260,486)
Total general revenues		<u>9,141,392</u>

Change in net assets	2,343,937
Net assets - beginning	15,670,140
Restated Balance	<u>15,670,140</u>
Restatement	<u>(33,876)</u>
Restated Beginning Net Assets	<u>15,636,264</u>
Net assets - ending	<u>\$ 17,980,201</u>

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

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2011

	GENERAL	BOND BUILDING	HB33
ASSETS			
Cash on Deposit	\$ 1,153,067	\$ 22,452,933	\$ 5,768,856
Due from Other Funds	131,643	-	-
Due from Other Governments	-	-	-
Due From External Funds	-	-	-
Property Taxes Receivable	22,231	-	90,204
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 1,306,941</u>	<u>\$ 22,452,933</u>	<u>\$ 5,859,060</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 235,598	\$ -	\$ -
Deferred Revenue	582	-	3,216
Due to Other Funds	-	-	-
TOTAL LIABILITIES	236,180	-	3,216
FUND BALANCE			
Non-spendable	-	-	-
Restricted for: Capital Projects	-	22,452,933	5,855,844
Restricted for: Debt Service	-	-	-
Restricted for: Instructional Materials	9,026	-	-
Restricted for: Athletics	-	-	-
Restricted for: Cafeteria	-	-	-
Restricted for: Special Revenue	-	-	-
Unassigned:			
General Fund	1,061,735	-	-
Special Revenue Funds	-	-	-
TOTAL FUND BALANCE	<u>1,070,761</u>	<u>22,452,933</u>	<u>5,855,844</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,306,941</u>	<u>\$ 22,452,933</u>	<u>\$ 5,859,060</u>

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

SB-9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 3,700,893	\$ 603,854	\$ 124,880	\$ 33,804,483
-	-	-	131,643
-	-	150,646	150,646
-	-	-	-
90,204	239,450	-	442,089
-	-	1,734	1,734
<u>\$ 3,791,097</u>	<u>\$ 843,304</u>	<u>\$ 277,260</u>	<u>\$ 34,530,595</u>
\$ 38,677	\$ 115,325	\$ 19,003	\$ 408,603
3,216	7,047	6,248	20,309
-	-	131,643	131,643
41,893	122,372	156,894	560,555
-	-	1,734	1,734
3,749,204	-	-	32,057,981
-	720,932	-	720,932
			9,026
		22,547	22,547
		91,486	91,486
		4,599	4,599
-	-	-	1,061,735
-	-	-	-
<u>3,749,204</u>	<u>720,932</u>	<u>120,366</u>	<u>33,970,040</u>
<u>\$ 3,791,097</u>	<u>\$ 843,304</u>	<u>\$ 277,260</u>	<u>\$ 34,530,595</u>

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

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

June 30, 2011

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

Fund Balances - total governmental funds	\$ 33,970,040
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	12,811,653
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds are as follows:	
Delinquent Property Tax Receivable	14,061
Bond Premium proceeds	(137,491)
Liabilities not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bond Issuance Costs	200,850
Bonded Debt	(28,850,000)
Compensated Absences	<u>(28,912)</u>
Net assets of governmental activities	<u>\$ 17,980,201</u>

The accompanying footnotes 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, 2011

	GENERAL	BOND BUILDING	HB33
REVENUE			
Residential/Non-Residential Taxes	\$ 308,895	\$ -	\$ 1,245,343
Fees - Educational	12,490	-	-
Rent and Leases	7,600	-	-
Fees Activities	-	-	-
Fees-Users	-	-	-
Interest Income	442	138	9,877
State Equalization	3,919,820	-	-
State Programs	164,422	-	-
Donations	25,000	-	-
Sale of Property/Equipment	2,348	-	-
Access Board	1,802	-	-
Insurance Recoveries	34,686	-	-
Federal Program	-	-	-
TOTAL REVENUES	<u>4,477,505</u>	<u>138</u>	<u>1,255,220</u>
EXPENDITURES			
Current			
Instruction	2,469,433	-	-
Support Services-Students	206,300	-	-
Support Services-Instruction	85,295	-	-
Support Services-General Administration	167,817	-	1,859
Support Services-School Administration	245,120	-	-
Central Services	176,384	-	-
Operation & Maintenance of Plant	796,472	-	-
Student Transportation	178,425	-	-
Other Support Services	470	-	-
Food Services-Operations	-	-	-
Acquisition & Construction	-	4,419,845	256,519
Bond Principal	-	-	-
Bond Interest	-	-	-
TOTAL EXPENDITURES	<u>4,325,716</u>	<u>4,419,845</u>	<u>258,378</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	151,789	(4,419,707)	996,842
Other Financing Sources			
Bond Proceeds	-	8,028,954	-
Sale of Equipment	-	-	-
Bond Premium	-	-	-
Transfers In<Out>	-	-	-
Total Other Financial Sources	<u>-</u>	<u>8,028,954</u>	<u>-</u>
Net Change In Fund Balances	151,789	3,609,247	996,842
FUND BALANCE			
June 30, 2010	952,848	18,843,686	4,859,002
Restatement	(33,876)	-	-
Restated Fund Balance June 30, 2010	<u>918,972</u>	<u>18,843,686</u>	<u>4,859,002</u>
FUND BALANCE June 30, 2011	<u>\$ 1,070,761</u>	<u>\$ 22,452,933</u>	<u>\$ 5,855,844</u>

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

SB9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 1,245,343	\$ 2,577,818	\$ -	\$ 5,377,399
-	-	-	12,490
-	-	-	7,600
-	-	62,945	62,945
-	-	69,848	69,848
9,878	4,482	24	24,841
-	-	-	3,919,820
13,972	-	92,918	271,312
-	-	460	25,460
-	-	-	2,348
-	-	-	1,802
-	-	-	34,686
-	-	1,031,627	1,031,627
<u>1,269,193</u>	<u>2,582,300</u>	<u>1,257,822</u>	<u>10,842,178</u>
-	-	847,432	3,316,865
-	-	56,826	263,126
-	-	4,020	89,315
1,859	4,675	-	176,210
-	-	41,174	286,294
-	-	-	176,384
-	-	30,270	826,742
-	-	-	178,425
-	-	-	470
-	-	296,105	296,105
892,892	-	-	5,569,256
-	1,250,000	-	1,250,000
-	715,833	-	715,833
<u>894,751</u>	<u>1,970,508</u>	<u>1,275,827</u>	<u>13,145,025</u>
374,442	611,793	(18,005)	(2,302,847)
-	-	-	8,028,954
-	-	-	-
-	5,936	-	5,936
-	-	-	-
<u>-</u>	<u>5,936</u>	<u>-</u>	<u>8,034,890</u>
374,442	617,729	(18,005)	5,732,044
3,374,762	103,203	138,371	28,271,872
-	-	-	(33,876)
<u>3,374,762</u>	<u>-</u>	<u>138,371</u>	<u>28,237,996</u>
<u>\$ 3,749,204</u>	<u>\$ 720,932</u>	<u>\$ 120,366</u>	<u>\$ 33,970,040</u>

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

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, 2011

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

Net change in fund balance - total governmental funds	\$ 5,732,044
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	3,634,635
Loss on Disposal of capital assets reported in net assets	(260,486)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the government funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.	\$ 7,922
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Bond issuance proceeds	(8,100,000)
Bond issuance costs	71,046
Bond Premium Proceeds	(5,936)
Expenses in the statement of activities which do not require use of current financial resources	
Bond principal payments	1,250,000
Decrease in Compensated Absences	2,976
Bond issuance cost amortization	(12,444)
Amortization of bond premium taken against bond interest	24,180
Change in Net Assets	<u>\$ 2,343,937</u>

The accompanying footnotes 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, 2011

	General Fund			
	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 425,033	\$ 425,033	\$ 306,744	\$ (118,289)
Fees Activities	-	-	-	-
Fees-Users	-	-	12,490	12,490
Interest Income	349	349	442	93
State Equalization	3,960,571	3,841,311	3,919,820	78,509
State Flow Through Grants	220,927	201,559	164,422	(37,137)
Rent	-	-	25,000	25,000
Sale of Property/Equipment	-	-	2,348	2,348
Access Board	-	-	1,802	1,802
Refunds	-	-	-	-
Insurance Recoveries	-	-	34,686	34,686
Federal Revenue	-	-	-	-
TOTAL REVENUE	<u>4,611,680</u>	<u>4,473,052</u>	<u>\$ 4,475,354</u>	<u>\$ 2,302</u>
Cash Balance Budgeted	<u>686,277</u>	<u>686,277</u>		
TOTAL REVENUE & CASH	<u>\$ 5,297,957</u>	<u>\$ 5,159,329</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,954,239	\$ 2,837,315	\$ 2,469,433	\$ 367,882
Support Services				
Support Services-Students	344,293	334,293	206,300	127,993
Support Services-Instruction	112,922	122,922	85,295	37,627
Support Services-General Administration	248,796	248,796	167,817	80,979
Support Services-School Administration	288,424	288,424	245,120	43,304
Central Services	212,186	212,186	176,384	35,802
Operation & Maintenance of Plant	924,763	924,763	796,472	128,291
Student Transportation	200,193	178,489	178,425	64
Other Support Services	12,141	12,141	470	11,671
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 5,297,957</u>	<u>\$ 5,159,329</u>	<u>\$ 4,325,716</u>	<u>\$ 833,613</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 4,475,354	
Differences-Budget to GAAP				
Property tax Receivable			22,231	
Prior Year Tax Receivables			(19,998)	
Total Revenues (GAAP Basis)			<u>\$ 4,477,505</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 4,325,716	
Differences-budget to GAAP				
Prior Year Interest Payable			-	
Total Expenditures (GAAP Basis)			<u>\$ 4,325,716</u>	

The accompanying footnotes 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--SENATE BILL 9

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,707,261	\$ 1,707,261	\$ 1,236,575	\$ (470,686)
Interest Income	3,298	3,298	9,878	6,580
State Flow Through Grants	-	13,972	27,711	13,739
Refunds	13,739	13,739	-	(13,739)
TOTAL REVENUE	<u>1,724,298</u>	<u>1,738,270</u>	<u>\$ 1,274,164</u>	<u>\$ (464,106)</u>
Cash Balance Budgeted	<u>2,949,910</u>	<u>2,949,910</u>		
TOTAL REVENUE & CASH	<u>\$ 4,674,208</u>	<u>\$ 4,688,180</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 3,000	\$ 3,000	\$ 1,859	\$ 1,141
Acquisition & Construction	4,671,208	4,685,180	854,215	3,830,965
TOTAL EXPENDITURES	<u>\$ 4,674,208</u>	<u>\$ 4,688,180</u>	<u>\$ 856,074</u>	<u>\$ 3,832,106</u>

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

Sources/inflows of resources		
Actual amounts (budgetary basis)		\$ 1,274,164
Differences-Budget to GAAP		
Property tax Receivable		90,204
Prior Year Tax Receivables		(80,903)
Prior Year Receivable		(13,739)
Current Year Deferral		(3,216)
Prior Year Deferral		2,683
Total Revenues (GAAP Basis)		<u>\$ 1,269,193</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis)		\$ 856,074
Differences-budget to GAAP		
Current Year Accounts Payable		38,677
Inventory Adjustment		
Total Expenditures (GAAP Basis)		<u>\$ 894,751</u>

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

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

June 30, 2011

	<u>AGENCY FUNDS</u>
ASSETS	
Cash on Deposit	\$ 160,876
	<u> </u>
Due To Student Groups	\$ 160,876
	<u> </u>
TOTAL LIABILITIES	<u>\$ 160,876</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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 uncollectible 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 for 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.

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.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

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.

BOND BUILDING (Capital Projects) - To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for and furnishing school buildings, purchasing and improving school grounds funded from the sale of General Obligation Bonds.

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.

DEBT SERVICE FUND - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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.

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 OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

1. Deposits and investments (continued)

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 2011 fiscal year was \$609,590,743. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9, HB-33 Fund and Debt Service 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.

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.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

4. Capital assets (continued)

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, 2011, the annual leave liability decreased \$2,976 to \$28,912.

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.

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.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

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 \$3,919,820 in state equalization guarantee distributions during the year ended June 30, 2011.

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 \$141,352 in transportation distributions during the year ended June 30, 2011.

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 \$3,634,635 difference are as follows:

Capital Outlay	\$ 4,038,447
Depreciation expense	<u>(403,812)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	\$ <u>3,634,635</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

Budgets for the General, Special Revenue, Capital Projects Funds, and Debt Service Fund 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.

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2011

III. Stewardship, compliance, and accountability (continued)

A. Budgetary information (continued)

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 control is at the function level.

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.
- 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, 2010 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	\$ 5,297,957	\$ 5,159,329
Special Revenue Fund	6,263,177	6,350,055
Debt Service Fund	1,087,628	2,340,628
Capital Projects Fund	23,017,347	23,050,836
Totals	<u>\$ 35,666,109</u>	<u>\$ 36,900,848</u>

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

There were no deficit fund balances at June 30, 2011.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2011, the carrying amount of the District's deposits was \$34,257,889 and the bank balance was \$29,270,385. Of this balance \$500,000 was covered by federal depository insurance and \$25,883,554 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 \$250,000 in aggregate and separate from the \$250,000 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, 2011, the investments held in the LGIP had an interest risk (WAM) of 36 days and a Standard and Poor's Rating of AAAM.

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 co-mingles 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, 2011, \$7,874,335 of the government's deposits totaling \$34,257,889 was exposed to custodial credit risk.

Uninsured and Uncollateralized	<u>\$7,874,335</u>
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STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

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	
Title I	\$ 8,470
Entitlement	26,384
Early Intervention	4,439
21 st Century Community	18,740
Teacher/Principal Training	1,683
School Improvement Stimulus	746
SEG Federal Stimulus	38,928
Education Job Fund	32,253
Total due to Operational Fund	<u>\$ 131,643</u>

The balance of \$131,643 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	
All eligibility requirements	\$ 14,061
Delinquent Property Taxes	<u>6,248</u>
Total deferred/unearned revenue	
For governmental funds	<u>\$ 20,309</u>

D. Receivables

Due from other governments:	
Title I	\$ 8,470
Entitlement	26,384
Early Intervention	4,439
21 st Century Community	18,740
Teacher/Principal Training	1,683
School Improvement Stimulus	19,749
SEG Federal Stimulus	38,928
Education Job Fund	32,253
Total due from other governments	<u>\$ 150,646</u>

Due from local taxes

General	\$ 22,231
Senate Bill Nine	90,204
HB-33	90,204
Debt Service	239,450
Total Property Tax Receivable	<u>\$ 442,089</u>

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

E. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

EUNICE PUBLIC SCHOOLS

	Audited Balance 6/30/2010	Reclass	Additions	Retirements	Ending Balance 6/30/2011
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 1,694,396	\$ -	5,000	\$ -	1,699,396
Construction in Progress	3,098,384	(2,786,529)	217,974	-	2,491,600
Total Capital Assets, not being depreciated	4,792,780	(2,786,529)	218,474	-	4,190,996
Capital Assets, being depreciated:					
Buildings & Improvements	25,603,502	2,786,529	177,373	1,672,750	28,491,013
Equipment	1,842,189	-	79,970	190,831	1,731,328
Total Capital Assets being depreciated	27,445,691	2,786,529	1,853,702	1,863,581	27,435,812
Less accumulated depreciation for:					
Buildings and Improvements	21,941,664	-	249,936	1,434,157	20,757,443
Equipment	859,303	-	153,876	168,938	844,241
Total accumulated depreciation	22,800,967	-	403,812	1,603,095	21,601,684
Total Capital Assets, being depreciated, net	464,724	-	1,449,890	260,486	5,834,128
Governmental activities capital assets, net	\$ 9,437,504	\$ -	3,634,635	260,486	\$ 12,811,653

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.

The adjustments to the capital assets are the result of corrections made in the prior year balances. The corrections include a reclass of \$7,126 from equipment to buildings and improvements, \$32,026 of equipment excluded in the prior year's inventory, \$27,564 in roofing recorded twice, and \$13,024 in improvements excluded in the prior year's inventory. These adjustments also resulted in the restatement of net assets as discussed on page 23.

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

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

F. Long-Term Debt

General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2010	Additions	Retirements	Balance 6/30/2011	Amount Due in One Year
2009	\$ 6,000,000	3.0%-4.0%	\$ 6,000,000	\$ 0	0	\$ 6,000,000	\$ 445,000
2010	16,000,000	2.0%-4.0%	16,000,000	0	1,250,000	14,750,000	1,250,000
2011	8,100,000	3.25%-3.40%	0	8,100,000	0	8,100,000	175,000
Total	\$ 30,100,000		\$ 22,000,000	\$ 8,100,000	1,250,000	\$ 28,850,000	\$ 1,870,000

Fiscal Year	Principal	Interest	Total
2012	\$ 1,870,000	\$ 925,775	\$ 2,795,775
2013	1,885,000	881,250	2,766,250
2014	1,955,000	823,700	2,778,700
2015	1,975,000	763,850	2,738,850
2016	2,495,000	703,400	3,198,400
2017-2023	18,670,000	2,570,388	21,240,388
	\$ 28,850,000	\$ 6,668,363	\$ 35,518,363

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$36,575,445 including \$28,850,000 debt outstanding based on the 2011 valuation.

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, 2011 was as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in one year
\$31,888	\$10,601	(\$13,577)	\$28,912	\$28,912

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 (NMSIA) 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, 2011.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

V. Other information (continued)

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.

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.

Funding Policy. Effective July 1, 2009 through June 30, 2011, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the Cooperative 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, 2011, 2010, and 2009, were \$391,801, \$367,723, and \$371,056, 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 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.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

V. Other information (continued)

D. Post-retirement health care benefits (continued)

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.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

Fiscal Year Employer Contribution Rate Employee Contribution Rate

FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$57,779, \$42,752 and \$41,402, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2011

V. Other information (continued)

E. Fund Balances Classified

Fund Balance is classified as Nonspendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on the fund balance for the major government funds and all other governmental funds are presented here.

Fund Balances	General Fund	Bond Building	House Bill 33	Senate Bill 9	Debt Service	Other Governmental Funds	Total Governmental Funds
Non-Spendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,734	\$ 1,734
Total Nonspendable	-	-	-	-	-	1,734	1,734
Restricted for:							
Capital Projects	-	22,452,933	5,855,844	3,749,204	-	-	32,057,981
Debt Service	-	-	-	-	720,932	-	720,932
Athletics	-	-	-	-	-	22,547	22,547
Cafeteria	-	-	-	-	-	91,486	91,486
Instructional Materials	9,026	-	-	-	-	-	9,026
Total restricted	9,026	22,452,933	5,855,844	3,749,204	720,932	114,033	32,901,972
Unassigned	1,061,735	-	-	-	-	4,599	1,066,334
Total Fund Balances	\$ 1,070,761	\$ 22,452,933	\$ 5,855,844	\$ 3,749,204	\$ 720,932	\$ 120,366	\$ 33,970,040

F. Restatement of Net Assets

Net assets and fund balance were restated in the amount of \$33,876 to reflect the adjustments made to the prior year's balances in cash.

Net Assets at June 30, 2010	\$ 15,670,140
Restatement:	
Cash returned to PED for Transportation	<u>(33,876)</u>
Restated Net Assets July 1, 2010	\$ <u>15,636,264</u>

G. Restatement of Fund Balance

Fund Balance at June 30, 2010	\$ 28,271,872
Restatement:	
Cash returned to PED for Transportation Fund	<u>(33,876)</u>
Restated Fund Balance at June 30, 2009	\$ <u>28,237,996</u>

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 Procedure 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.

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 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.

DEA B – ENTITLEMENT – 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.

EARLY INTERVENTION – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

21ST 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.

DEA-B Preschool - to assist states in providing free, appropriate public education to all handicapped children from ages 3 to 5. The program is funded by the United States Government. Authority for creation of this fund is Part Public Law 105-17.

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 106-154.

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 107, Part A, Public Law 107-110.

SAFE & DRUG FREE – To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs, involve parents and coordinated with related Federal, State and community efforts and resources.

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.

TITLE I IASA FEDERAL STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's Title I funds.

SCHOOL IMPROVEMENT STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's Title I funds. Specifically to aid the District to improve student performance in standardized testing.

ELEMENTARY SCHOOL BREAKFAST STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's breakfast for elementary students program.

ITPA — 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 need; and is restricted to expenditure by the applicant.

SEG – FEDERAL STIMULUS – Fund was created to account for the allocation received by the District from the American Recovery and Reinvestment Act.

EDUCATION JOB FUND – This fund was created to account for the District's allocation of funds intended to give the District a boost to save teacher jobs. Funding and authority for this fund comes from the American Recovery and Reinvestment Act.

MICROSOFT SETTLEMENT – Funding for this fund is provided by the antitrust settlement between the State of New Mexico and Microsoft Corporation. The purpose of this program is to help New Mexico school districts to purchase a wide variety of computer hardware, software, and professional development services.

2009 DUAL CREDIT INSTRUCTIONAL MATERIALS – to fund all public, charter, and state supported schools for dual credit course materials approved by the Higher Education Department and through a college/university which has an approved agreement with the school. Funding and authority provided by House Bill 2, 2009 page 226 lines 12-19.

2008 GO BOND TECHNOLOGY FOR EDUCATION – to account for the funds provided to purchase technology equipment through state general obligation bonds.

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.

PRESCHOOL INITIATIVE (Special Revenue Fund) — To account for state program used to provide center-based educational 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.

BREAKFAST FOR ELEMENTARY STUDENTS – To account for funds used to provide elementary students with breakfast in the classroom. Creation authorized by the Child Nutrition Act of the United States Department of Agriculture.

STATE DIRECTED ACTIVITIES – The purpose of this fund is used to account for a program funded by a State grant to assist the REC in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420. The fund was created by the authority of federal grant provisions.

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--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2011

	CAFETERIA	ATHLETICS	TITLE I	ENTITLEMENT
ASSETS				
Cash	\$ 91,486	\$ 22,547	\$ -	\$ -
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	8,470	26,384
Inventory	1,734	-	-	-
TOTAL ASSETS	<u>\$ 93,220</u>	<u>\$ 22,547</u>	<u>\$ 8,470</u>	<u>\$ 26,384</u>
LIABILITIES AND FUND BALANCE				
Due to other Funds	\$ -	\$ -	\$ 8,470	\$ 26,384
Accounts Payable	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>8,470</u>	<u>26,384</u>
FUND BALANCE				
Non-spendable	1,734	-	-	-
Restricted	91,486	22,547	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u>93,220</u>	<u>22,547</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 93,220</u>	<u>\$ 22,547</u>	<u>\$ 8,470</u>	<u>\$ 26,384</u>

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

EARLY INTERVENTION	21ST CENTURY COMMUNITY	PRESCHOOL COMPETITIVE	CLASS SIZE REDUCTION	ENGLISH LANGUAGE ACQUISITION	TEACHER PRINCIPAL TRAINING
\$ -	\$ -	\$ 2	\$ 170	\$ -	\$ -
-	-	-	-	-	-
4,439	18,740	-	-	-	1,683
-	-	-	-	-	-
<u>\$ 4,439</u>	<u>\$ 18,740</u>	<u>\$ 2</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,439	\$ 18,740	\$ -	\$ -	\$ -	\$ 1,683
-	-	-	-	-	-
-	-	2	170	-	-
<u>4,439</u>	<u>18,740</u>	<u>2</u>	<u>170</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,439</u>	<u>\$ 18,740</u>	<u>\$ 2</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes 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, 2011

	SAFE & DRUG FREE	READING FIRST	TITLE I IASA FEDERAL STIMULUS	SCHOOL IMP. STIMULUS
ASSETS				
Cash	\$ -	\$ 5,270	\$ -	\$ -
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	19,749
Inventory	-	-	-	-
TOTAL ASSETS	\$ -	\$ 5,270	\$ -	\$ -
LIABILITIES AND FUND BALANCE				
Due to other Funds	\$ -	\$ -	\$ -	\$ 746
Accounts Payable	-	-	-	19,003
Deferred Revenue	-	5,270	-	-
TOTAL LIABILITIES	-	5,270	-	19,749
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 5,270	\$ -	\$ 19,749

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

ELEMENTARY SCHOOL BREAKFAST STIMULUS	JTPA	SEG-FEDERAL STIMULUS	EDUCATION JOB FUND	MICROSOFT SETTLEMENT	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2008 GO BOND TECHNOLOGY FOR EDUCATION
\$ -	\$ 68	\$ -	\$ -	\$ 4,599	\$ -	\$ -
-	-	-	-	-	-	-
-	-	38,928	32,253	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 38,928</u>	<u>\$ 32,253</u>	<u>\$ 4,599</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 38,928	\$ 32,253	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	68	-	-	-	-	-
-	68	38,928	32,253	-	-	-
-	-	-	-	-	-	-
-	-	-	-	4,599	-	-
-	-	-	-	-	-	-
-	-	-	-	4,599	-	-
<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 38,928</u>	<u>\$ 32,253</u>	<u>\$ 4,599</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes 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, 2011

	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	PRE K INITIATIVE	BEGINNING TEACHER MENTORING
ASSETS				
Cash	\$ 309	\$ 196	\$ -	\$ 224
Due from Other Funds	-		-	-
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 309</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ 224</u>
LIABILITIES AND FUND BALANCE				
Due to other Funds	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Deferred Revenue	309	196	-	224
TOTAL LIABILITIES	<u>309</u>	<u>196</u>	<u>-</u>	<u>224</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 309</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ 224</u>

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

BREAKFAST FOR ELEMENTARY	STATE DIRECTED ACTIVITIES	2008 LIBRARY BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 1	\$ -	\$ 8	\$ 124,880
-	-	-	-
-	-	-	150,646
-	-	-	1,734
<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 277,260</u>
\$ -	\$ -	\$ -	\$ 131,643
-	-	-	19,003
1	-	8	6,248
<u>1</u>	<u>-</u>	<u>8</u>	<u>156,894</u>
-	-	-	1,734
-	-	-	118,632
-	-	-	-
-	-	-	120,366
<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 277,260</u>

The accompanying footnotes 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, 2011

	CAFETERIA	ATHLETICS	TITLE I	ENTITLEMENT
REVENUE				
Fees Activities	\$ -	\$ 62,945	\$ -	\$ -
Fees-Users	69,848	-	-	-
Interest Income	24	-	-	-
State Programs	-	-	-	-
Donations	-	460	-	-
Federal Program	214,711	-	74,015	87,852
Forest Reserve	-	-	-	-
TOTAL REVENUES	284,583	63,405	74,015	87,852
EXPENDITURES				
Current				
Instruction	-	72,977	32,248	60,567
Support Services-Students	-	-	27,878	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	13,889	27,285
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	281,605	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	281,605	72,977	74,015	87,852
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,978	(9,572)	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change In Fund Balance	2,978	(9,572)	-	-
FUND BALANCE				
June 30, 2010	90,242	32,119	-	-
FUND BALANCE				
June 30, 2011	\$ 93,220	\$ 22,547	\$ -	\$ -

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

<u>EARLY INTERVENTION</u>	<u>21ST CENTURY COMMUNITY</u>	<u>PRESCHOOL COMPETITIVE</u>	<u>CLASS SIZE REDUCTION</u>	<u>ENGLISH LANGUAGE ACQUISITION</u>	<u>TEACHER PRINCIPAL TRAINING</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,766	112,645	-	-	6,788	1,683
<u>12,766</u>	<u>112,645</u>	<u>-</u>	<u>-</u>	<u>6,788</u>	<u>1,683</u>
12,766	112,645	-	-	6,788	1,683
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,766</u>	<u>112,645</u>	<u>-</u>	<u>-</u>	<u>6,788</u>	<u>1,683</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes 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, 2011

	SAFE & DRUG FREE	READING FIRST	TITLE I IASA FEDERAL STIMULUS	SCHOOL IMP. STIMULUS
REVENUE				
Fees Activities	\$ -	\$ -	\$ -	\$ -
Fees-Users	-	-	-	-
Interest Income	-	-	-	-
State Programs	-	-	-	-
Donations	-	-	-	-
Federal Program	2,063	-	8,758	19,749
Forest Reserve	-	-	-	-
TOTAL REVENUES	<u>2,063</u>	<u>-</u>	<u>8,758</u>	<u>19,749</u>
EXPENDITURES				
Current				
Instruction	2,063	-	8,758	19,749
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>2,063</u>	<u>-</u>	<u>8,758</u>	<u>19,749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	-	-	-	-
FUND BALANCE	-	-	-	-
June 30, 2010	-	-	-	-
FUND BALANCE	-	-	-	-
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ELEMENTARY SCHOOL BREAKFAST STIMULUS	JTPA	SEG- FEDERAL STIMULUS	EDUCATION JOB FUND	MICROSOFT SETTLEMENT	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2008 GO BOND TECHNOLOGY FOR EDUCATION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,654	3,828
14,500	-	357,339	118,758	-	-	-
<u>14,500</u>	<u>-</u>	<u>357,339</u>	<u>118,758</u>	<u>-</u>	<u>3,654</u>	<u>3,828</u>
-	-	327,069	89,810	11,411	3,654	-
-	-	-	28,948	-	-	-
-	-	-	-	-	-	3,828
-	-	-	-	-	-	-
-	-	30,270	-	-	-	-
-	-	-	-	-	-	-
14,500	-	-	-	-	-	-
<u>14,500</u>	<u>-</u>	<u>357,339</u>	<u>118,758</u>	<u>11,411</u>	<u>3,654</u>	<u>3,828</u>
-	-	-	-	(11,411)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(11,411)	-	-
-	-	-	-	16,010	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,599</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes 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, 2011

	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	PRE K INITIATIVE	BEGINNING TEACHER MENTORING
REVENUE				
Fees Activities	\$ -	\$ -	\$ -	\$ -
Fees-Users	-	-	-	-
Interest Income	-	-	-	-
State Programs	192	-	55,678	-
Donations	-	-	-	-
Federal Program	-	-	-	-
Forest Reserve	-	-	-	-
TOTAL REVENUES	192	-	55,678	-
EXPENDITURES				
Current				
Instruction	-	-	55,678	-
Support Services-Students	-	-	-	-
Support Services-Instruction	192	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	192	-	55,678	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
June 30, 2010	-	-	-	-
FUND BALANCE				
June 30, 2011	\$ -	\$ -	\$ -	\$ -

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

BREAKFAST FOR ELEMENTARY	STATE DIRECTED ACTIVITIES	2008 LIBRARY BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ 62,945
-	-	-	69,848
-	-	-	24
-	29,566	-	92,918
-	-	-	460
-	-	-	1,031,627
-	29,566	-	1,257,822
-	29,566	-	847,432
-	-	-	56,826
-	-	-	4,020
-	-	-	-
-	-	-	41,174
-	-	-	-
-	-	-	30,270
-	-	-	-
-	-	-	-
-	-	-	296,105
-	-	-	-
-	29,566	-	1,275,827
-	-	-	(18,005)
-	-	-	-
-	-	-	(18,005)
-	-	-	(18,005)
-	-	-	138,371
\$ -	\$ -	\$ -	\$ 120,366

The accompanying footnotes 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--CAFETERIA

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 104,084	\$ 104,084	\$ 69,848	\$ (34,236)
Interest Income	15	15	24	9
Insurance Recoveries	201,866	201,866	-	(201,866)
Federal Revenue	-	-	207,945	207,945
TOTAL REVENUE	<u>305,965</u>	<u>305,965</u>	<u>\$ 277,817</u>	<u>\$ (28,148)</u>
Cash Balance Budgeted	<u>44,035</u>	<u>44,035</u>		
TOTAL REVENUE & CASH	<u>\$ 350,000</u>	<u>\$ 350,000</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 350,000	\$ 350,000	\$ 272,082	\$ 77,918
TOTAL EXPENDITURES	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 272,082</u>	<u>\$ 77,918</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 277,817
Differences-Budget to GAAP	
Commodities Received	6,766
Total Revenues (GAAP Basis)	<u>\$ 284,583</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 272,082
Differences-budget to GAAP	
Cost of Commodities Used	6,766
Inventory Adjustment	2,757
Total Expenditures (GAAP Basis)	<u>\$ 281,605</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	\$ 31,000	\$ 54,906	\$ 62,945	\$ 8,039
Donations	-	-	460	460
TOTAL REVENUE	<u>31,000</u>	<u>54,906</u>	<u>\$ 63,405</u>	<u>\$ 8,499</u>
Cash Balance Budgeted	<u>34,634</u>	<u>34,634</u>		
TOTAL REVENUE & CASH	<u>\$ 65,634</u>	<u>\$ 89,540</u>		
EXPENDITURES				
Current				
Instruction	\$ 65,634	\$ 89,540	\$ 72,977	\$ 16,563
TOTAL EXPENDITURES	<u>\$ 65,634</u>	<u>\$ 89,540</u>	<u>\$ 72,977</u>	<u>\$ 16,563</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 63,405
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 63,405</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 72,977
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 72,977</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 101,604	\$ 109,366	\$ 106,414	\$ (2,952)
TOTAL REVENUE	<u>101,604</u>	<u>109,366</u>	<u>\$ 106,414</u>	<u>\$ (2,952)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 101,604</u>	<u>\$ 109,366</u>		
EXPENDITURES				
Current				
Instruction	\$ 19,870	\$ 41,632	\$ 32,248	\$ 9,384
Support Services-Students	68,561	48,561	27,878	20,683
Support Services-School Administration	13,173	19,173	13,889	5,284
TOTAL EXPENDITURES	<u>\$ 101,604</u>	<u>\$ 109,366</u>	<u>\$ 74,015</u>	<u>\$ 35,351</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 106,414
Differences-Budget to GAAP	
Current Year Receivable	8,470
Prior Year Receivable	(40,869)
Total Revenues (GAAP Basis)	<u>\$ 74,015</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 74,015
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 74,015</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 159,392	\$ 159,392	\$ 76,497	\$ (82,895)
TOTAL REVENUE	<u>159,392</u>	<u>159,392</u>	<u>\$ 76,497</u>	<u>\$ (82,895)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 159,392</u>	<u>\$ 159,392</u>		
EXPENDITURES				
Current				
Instruction	\$ 76,337	\$ 76,337	\$ 60,567	\$ 15,770
Support Services-School Administration	83,055	83,055	27,285	55,770
TOTAL EXPENDITURES	<u>\$ 159,392</u>	<u>\$ 159,392</u>	<u>\$ 87,852</u>	<u>\$ 71,540</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 76,497
Differences-Budget to GAAP	
Current Year Receivable	26,384
Prior Year Receivable	(15,029)
Total Revenues (GAAP Basis)	<u>\$ 87,852</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 87,852
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 87,852</u>

The accompanying footnotes 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--IDEA B EARLY INTERVENTION

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 12,796	\$ 12,796	\$ 8,327	\$ (4,469)
TOTAL REVENUE	<u>12,796</u>	<u>12,796</u>	<u>8,327</u>	<u>(4,469)</u>
 Cash Balance Budgeted	 <u>-</u>	 <u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 12,796</u>	<u>\$ 12,796</u>		
 EXPENDITURES				
Current				
Support Services-General Administration	\$ 12,796	\$ 12,796	\$ 12,766	\$ 30
TOTAL EXPENDITURES	<u>\$ 12,796</u>	<u>\$ 12,796</u>	<u>\$ 12,766</u>	<u>\$ 30</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 8,327
Differences-Budget to GAAP	
Current Year Receivable	4,439
Total Revenues (GAAP Basis)	<u>\$ 12,766</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 12,766
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 12,766</u>

The accompanying footnotes are an integral part of these financial statement.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 99,400	\$ 132,397	\$ 116,299	\$ (16,098)
TOTAL REVENUE	<u>99,400</u>	<u>132,397</u>	<u>\$ 116,299</u>	<u>\$ (16,098)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 99,400</u>	<u>\$ 132,397</u>		
EXPENDITURES				
Current				
Instruction	\$ 98,200	\$ 129,030	\$ 112,645	\$ 16,385
Support Services-General Administration	-	2,167	-	2,167
Central Services	1,200	1,200	-	1,200
TOTAL EXPENDITURES	<u>\$ 99,400</u>	<u>\$ 132,397</u>	<u>\$ 112,645</u>	<u>\$ 19,752</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 116,299
Differences-Budget to GAAP	
Prior Year Tax Receivables	18,740
Current Year Receivable	(22,394)
Total Revenues (GAAP Basis)	<u>\$ 112,645</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 112,645
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 112,645</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 6,800	\$ 6,800	\$ 6,788	\$ (12)
TOTAL REVENUE	<u>6,800</u>	<u>6,800</u>	<u>\$ 6,788</u>	<u>\$ (12)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 6,800</u>	<u>\$ 6,800</u>		
EXPENDITURES				
Current				
Instruction	\$ 6,800	\$ 6,800	\$ 6,788	\$ 12
TOTAL EXPENDITURES	<u>\$ 6,800</u>	<u>\$ 6,800</u>	<u>\$ 6,788</u>	<u>\$ 12</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,788
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 6,788</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,788
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,788</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 42,681	\$ 43,847	\$ -	\$ (43,847)
TOTAL REVENUE	<u>42,681</u>	<u>43,847</u>	<u>\$ -</u>	<u>\$ (43,847)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 42,681</u>	<u>\$ 43,847</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,000	\$ 10,000	\$ 1,683	\$ 8,317
Support Services-Instruction	32,681	33,847	-	33,847
TOTAL EXPENDITURES	<u>\$ 42,681</u>	<u>\$ 43,847</u>	<u>\$ 1,683</u>	<u>\$ 42,164</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	
Current Year Receivable	1,683
Total Revenues (GAAP Basis)	<u>\$ 1,683</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,683
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,683</u>

The accompanying footnotes 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--SAFE & DRUG FREE

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 2,063	\$ 2,063	\$ 2,063	\$ -
TOTAL REVENUE	<u>2,063</u>	<u>2,063</u>	<u>2,063</u>	<u>-</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 2,063</u>	<u>\$ 2,063</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,063	\$ 2,063	\$ 2,063	\$ -
TOTAL EXPENDITURES	<u>\$ 2,063</u>	<u>\$ 2,063</u>	<u>2,063</u>	<u>-</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,063
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 2,063</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,063
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,063</u>

The accompanying footnotes 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 IASA FEDERAL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 9,600	\$ 9,610	\$ 12,641	\$ 3,031
TOTAL REVENUE	<u>9,600</u>	<u>9,610</u>	<u>\$ 12,641</u>	<u>\$ 3,031</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 9,600</u>	<u>\$ 9,610</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,600	\$ 9,610	\$ 8,758	\$ 852
TOTAL EXPENDITURES	<u>\$ 9,600</u>	<u>\$ 9,610</u>	<u>\$ 8,758</u>	<u>\$ 852</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,641
Differences-Budget to GAAP	
Prior Year Receivable	(3,883)
Total Revenues (GAAP Basis)	<u>\$ 8,758</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 8,758
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 8,758</u>

The accompanying footnotes 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 - SCHOOL IMPROVEMENT FEDERAL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
TOTAL REVENUE	<u>50,000</u>	<u>50,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 50,000	\$ 50,000	\$ 746	\$ 49,254
TOTAL EXPENDITURES	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 746</u>	<u>\$ 49,254</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	19,749
Current Year Receivable	19,749
Total Revenues (GAAP Basis)	<u>\$ 19,749</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 746
Differences-budget to GAAP	19,003
Current Year Payable	19,003
Total Expenditures (GAAP Basis)	<u>\$ 19,749</u>

The accompanying footnotes 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 - ELEMENTARY SCHOOL BREAKFAST FEDERAL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 14,500	\$ 14,500	\$ 14,500	\$ -
TOTAL REVENUE	<u>14,500</u>	<u>14,500</u>	<u>\$ 14,500</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 14,500</u>	<u>\$ 14,500</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 14,500	\$ 14,500	\$ 14,500	\$ -
TOTAL EXPENDITURES	<u>\$ 14,500</u>	<u>\$ 14,500</u>	<u>\$ 14,500</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 14,500
Differences-Budget to GAAP	-
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 14,500</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 14,500
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 14,500</u>

The accompanying footnotes 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--SEG FEDERAL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 43,902	\$ 57,340	\$ 307,964	\$ 250,624
TOTAL REVENUE	<u>43,902</u>	<u>57,340</u>	<u>\$ 307,964</u>	<u>\$ 250,624</u>
Cash Balance Budgeted	<u>300,000</u>	<u>300,000</u>		
TOTAL REVENUE & CASH	<u>\$ 343,902</u>	<u>\$ 357,340</u>		
EXPENDITURES				
Current				
Instruction	\$ 332,452	\$ 327,069	\$ 327,069	\$ -
Operation & Maintenance of Plant	11,450	30,271	30,270	1
TOTAL EXPENDITURES	<u>\$ 343,902</u>	<u>\$ 357,340</u>	<u>\$ 357,339</u>	<u>\$ 1</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 307,964
Differences-Budget to GAAP	
Current Year Receivable	38,928
Prior Year Deferral	10,447
Total Revenues (GAAP Basis)	<u>\$ 357,339</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 357,339
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 357,339</u>

The accompanying footnotes 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--EDUCATION JOB FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 118,759	\$ 118,759	\$ 86,505	\$ (32,254)
TOTAL REVENUE	<u>118,759</u>	<u>118,759</u>	<u>\$ 86,505</u>	<u>\$ (32,254)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 118,759</u>	<u>\$ 118,759</u>		
EXPENDITURES				
Current				
Instruction	\$ 89,810	\$ 89,810	\$ 89,810	\$ -
Support Services-Students	28,949	28,949	28,948	1
TOTAL EXPENDITURES	<u>\$ 118,759</u>	<u>\$ 118,759</u>	<u>\$ 118,758</u>	<u>\$ 1</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 86,505
Differences-Budget to GAAP	32,253
Current Year Receivable	
Total Revenues (GAAP Basis)	<u>\$ 118,758</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 118,758
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 118,758</u>

The accompanying footnotes 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--MICROSOFT SETTLEMENT

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Private & Local Grants	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Balance Budgeted	<u>12,111</u>	<u>12,111</u>		
TOTAL REVENUE & CASH	<u>\$ 12,111</u>	<u>\$ 12,111</u>		
EXPENDITURES				
Current				
Instruction	\$ 12,111	\$ 12,111	\$ 11,411	\$ 700
TOTAL EXPENDITURES	<u>\$ 12,111</u>	<u>\$ 12,111</u>	<u>\$ 11,411</u>	<u>\$ 700</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	
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 11,411
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 11,411</u>

The accompanying footnotes 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--DUAL CREDIT INSTRUCTION MATERIAL

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 3,654	\$ 3,654	\$ 3,654	\$ -
TOTAL REVENUE	<u>3,654</u>	<u>3,654</u>	<u>3,654</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 3,654</u>	<u>\$ 3,654</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,654	\$ 3,654	\$ 3,654	\$ -
TOTAL EXPENDITURES	<u>\$ 3,654</u>	<u>\$ 3,654</u>	<u>\$ 3,654</u>	<u>-</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,654
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 3,654</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,654
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,654</u>

The accompanying footnotes are an integral part if these financial statements.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--SB333 LIBRARY GO BONDS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 3,922	\$ 3,922	\$ 3,828	\$ (94)
TOTAL REVENUE	<u>3,922</u>	<u>3,922</u>	<u>\$ 3,828</u>	<u>\$ (94)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 3,922</u>	<u>\$ 3,922</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 3,922	\$ 3,922	\$ 3,828	\$ 94
TOTAL EXPENDITURES	<u>\$ 3,922</u>	<u>\$ 3,922</u>	<u>\$ 3,828</u>	<u>\$ 94</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,828
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 3,828</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,828
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,828</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 348	\$ 348	\$ -	\$ (348)
TOTAL REVENUE	<u>348</u>	<u>348</u>	<u>-</u>	<u>(348)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 348</u>	<u>\$ 348</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 348	\$ 348	\$ 192	\$ 156
TOTAL EXPENDITURES	<u>\$ 348</u>	<u>\$ 348</u>	<u>\$ 192</u>	<u>\$ 156</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	(309)
Current Year Deferral	501
Prior Year Deferral	
Total Revenues (GAAP Basis)	<u>\$ 192</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 192
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 192</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 56,060	\$ 56,060	\$ 55,678	\$ (382)
TOTAL REVENUE	<u>56,060</u>	<u>56,060</u>	<u>\$ 55,678</u>	<u>\$ (382)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 56,060</u>	<u>\$ 56,060</u>		
EXPENDITURES				
Current				
Instruction	\$ 56,060	\$ 56,060	\$ 55,678	\$ 382
TOTAL EXPENDITURES	<u>\$ 56,060</u>	<u>\$ 56,060</u>	<u>\$ 55,678</u>	<u>\$ 382</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 55,678
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 55,678</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 55,678
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 55,678</u>

The accompanying footnotes 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--STATE DIRECTED ACTIVITIES

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 30,000	\$ 30,000	\$ 29,566	\$ (434)
TOTAL REVENUE	<u>30,000</u>	<u>30,000</u>	<u>\$ 29,566</u>	<u>\$ (434)</u>
Cash Balance Budgeted				
TOTAL REVENUE & CASH	<u>\$ 30,000</u>	<u>\$ 30,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 30,000	\$ 30,000	\$ 29,566	\$ 434
TOTAL EXPENDITURES	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 29,566</u>	<u>\$ 434</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 29,566
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 29,566</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 29,566
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 29,566</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2011

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
ASSETS					
Cash on Deposit	\$ 995,852	\$ 71,077	\$ 9,026	\$ 77,112	\$ 1,153,067
Due from Other Funds	131,643	-	-	-	131,643
Taxes Receivable	22,231	-	-	-	22,231
TOTAL ASSETS	\$ 1,149,726	\$ 71,077	\$ 9,026	\$ 77,112	\$ 1,306,941
Liabilities					
Accounts Payable	\$ 235,598	\$ -	\$ -	\$ -	\$ 235,598
Deferred Revenue	582	-	-	-	582
	236,180	-	-	-	236,180
FUND BALANCE					
Fund Balance					
Restricted	-	-	9,026	-	9,026
Unassigned	913,546	71,077	-	77,112	1,061,735
TOTAL FUND BALANCE	913,546	71,077	9,026	77,112	1,070,761
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,149,726	\$ 71,077	\$ 9,026	\$ 77,112	\$ 1,306,941

The accompanying footnotes 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, 2011

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
REVENUE					
Residential/Non-Residential Taxes	\$ 308,895	\$ -	\$ -	\$ -	\$ 308,895
Fees - Educational	12,490	-	-	-	12,490
Rent and Leases	-	-	-	7,600	7,600
Interest Income	350	-	-	92	442
State Equalization	3,919,820	-	-	-	3,919,820
State Programs	-	141,352	23,070	-	164,422
Donations	25,000	-	-	-	25,000
Sale of Property/Equipment	2,348	-	-	-	2,348
Access Board	1,802	-	-	-	1,802
Insurance Recoveries	-	-	-	34,686	34,686
TOTAL REVENUES	4,270,705	141,352	23,070	42,378	4,477,505
EXPENDITURES					
Instruction	2,443,524	-	25,909	-	2,469,433
Support Services-Students	206,300	-	-	-	206,300
Support Services-Instruction	85,295	-	-	-	85,295
Support Services-General Administration	167,817	-	-	-	167,817
Support Services-School Administration	245,120	-	-	-	245,120
Central Services	176,384	-	-	-	176,384
Operation & Maintenance of Plant	794,503	-	-	1,969	796,472
Student Transportation	-	178,425	-	-	178,425
Other Support Services	470	-	-	-	470
TOTAL EXPENDITURES	4,119,413	178,425	25,909	1,969	4,325,716
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	151,292	(37,073)	(2,839)	40,409	151,789
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balance	151,292	(37,073)	(2,839)	40,409	151,789
FUND BALANCE					
June 30, 2010	762,254	142,026	11,865	36,703	952,848
Restatement	-	(33,876)	-	-	(33,876)
Restated Fund Balance June 30, 2010	762,254	108,150	11,865	36,703	918,972
FUND BALANCE June 30, 2011	\$ 913,546	\$ 71,077	\$ 9,026	\$ 77,112	\$ 1,070,761

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 425,033	\$ 425,033	\$ 306,744	\$ (118,289)
Fees-Users	-	-	12,490	12,490
Interest Income	249	249	350	101
State Equalization	3,960,571	3,841,311	3,919,820	78,509
Donations	-	-	25,000	25,000
Sale of Property/Equipment	-	-	2,348	2,348
Access Board	-	-	1,802	1,802
TOTAL REVENUE	<u>4,385,853</u>	<u>4,266,593</u>	<u>\$ 4,268,554</u>	<u>\$ 1,961</u>
Cash Balance Budgeted	<u>647,335</u>	<u>647,335</u>		
TOTAL REVENUE & CASH	<u>\$ 5,033,188</u>	<u>\$ 4,913,928</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,927,505	\$ 2,808,245	\$ 2,443,524	\$ 364,721
Support Services				
Support Services-Students	344,293	334,293	206,300	127,993
Support Services-Instruction	112,922	122,922	85,295	37,627
Support Services-General Administration	248,796	248,796	167,817	80,979
Support Services-School Administration	288,424	288,424	245,120	43,304
Central services	212,186	212,186	176,384	35,802
Operation & Maintenance of Plant	886,921	886,921	794,503	92,418
Other Support Services	12,141	12,141	470	11,671
TOTAL EXPENDITURES	<u>\$ 5,033,188</u>	<u>\$ 4,913,928</u>	<u>\$ 4,119,413</u>	<u>\$ 794,515</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,268,554
Differences-Budget to GAAP	
Property tax Receivable	22,231
Prior Year Tax Receivables	(19,998)
Current Year Deferral	(582)
Prior Year Deferral	500
Total Revenues (GAAP Basis)	<u>\$ 4,270,705</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 4,119,413
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 4,119,413</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 200,193	\$ 178,489	\$ 141,352	\$ (37,137)
TOTAL REVENUE	<u>200,193</u>	<u>178,489</u>	<u>\$ 141,352</u>	<u>\$ (37,137)</u>
Cash Balance Budgeted				
TOTAL REVENUE & CASH	<u>\$ 200,193</u>	<u>\$ 178,489</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 200,193	\$ 178,489	\$ 178,425	\$ 64
TOTAL EXPENDITURES	<u>\$ 200,193</u>	<u>\$ 178,489</u>	<u>\$ 178,425</u>	<u>\$ 64</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 141,352
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 141,352</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 178,425
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 178,425</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 20,734	\$ 23,070	\$ 23,070	\$ -
TOTAL REVENUE	<u>20,734</u>	<u>23,070</u>	<u>23,070</u>	<u>-</u>
Cash Balance Budgeted	<u>6,000</u>	<u>6,000</u>		
TOTAL REVENUE & CASH	<u>\$ 26,734</u>	<u>\$ 29,070</u>		
EXPENDITURES				
Current				
Instruction	\$ 26,734	\$ 29,070	\$ 25,909	\$ 3,161
Support Services-Instruction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 26,734</u>	<u>\$ 29,070</u>	<u>25,909</u>	<u>\$ 3,161</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 23,070
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 23,070</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 25,909
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 25,909</u>

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Rent and Leases	\$ 4,800	\$ 4,800	\$ 7,600	\$ 2,800
Interest Income	100	100	92	(8)
Insurance Recoveries	-	-	34,686	34,686
TOTAL REVENUE	<u>4,900</u>	<u>4,900</u>	<u>\$ 42,378</u>	<u>\$ 37,478</u>
Cash Balance Budgeted	<u>32,942</u>	<u>32,942</u>		
TOTAL REVENUE & CASH	<u>\$ 37,842</u>	<u>\$ 37,842</u>		
EXPENDITURES				
Current				
Operation & Maintenance of Plant	\$ 37,842	\$ 37,842	\$ 1,969	\$ 35,873
TOTAL EXPENDITURES	<u>\$ 37,842</u>	<u>\$ 37,842</u>	<u>\$ 1,969</u>	<u>\$ 35,873</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 42,378
Differences-Budget to GAAP	

Total Revenues (GAAP Basis)

\$ 42,378

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,969
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,969</u>

The accompanying footnotes 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--BOND BUILDING

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	\$ -	\$ -	\$ 138	\$ 138
Bond Proceeds	16,000,000	16,000,000	8,028,954	(7,971,046)
TOTAL REVENUE	<u>16,000,000</u>	<u>16,000,000</u>	<u>\$ 8,029,092</u>	<u>\$ (7,970,908)</u>
Cash Balance Budgeted	<u>1,120,000</u>	<u>1,120,000</u>		
TOTAL REVENUE & CASH	<u>\$ 17,120,000</u>	<u>\$ 17,120,000</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 17,120,000	\$ 17,120,000	\$ 4,419,845	\$ 12,700,155
TOTAL EXPENDITURES	<u>\$ 17,120,000</u>	<u>\$ 17,120,000</u>	<u>\$ 4,419,845</u>	<u>\$ 12,700,155</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)

\$ 8,029,092

Differences-Budget to GAAP

Total Revenues (GAAP Basis)

\$ 8,029,092

Uses/outflows of resources

Actual amounts (budgetary basis)

\$ 4,419,845

Differences-budget to GAAP

Total Expenditures (GAAP Basis)

\$ 4,419,845

The accompanying footnotes 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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,707,261	\$ 1,707,261	\$ 1,236,575	\$ (470,686)
Interest Income	4,500	4,500	9,877	5,377
TOTAL REVENUE	<u>1,711,761</u>	<u>1,711,761</u>	<u>\$ 1,246,452</u>	<u>\$ (465,309)</u>
Cash Balance Budgeted	<u>4,181,431</u>	<u>4,181,431</u>		
TOTAL REVENUE & CASH	<u>\$ 5,893,192</u>	<u>\$ 5,893,192</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 2,500	\$ 2,500	\$ 1,859	\$ 641
Acquisition & Construction	5,890,692	5,890,692	256,519	5,634,173
TOTAL EXPENDITURES	<u>\$ 5,893,192</u>	<u>\$ 5,893,192</u>	<u>\$ 258,378</u>	<u>\$ 5,634,814</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,246,452
Differences-Budget to GAAP	
Property tax Receivable	90,204
Prior Year Tax Receivables	(80,903)
Current Year Deferral	(3,216)
Prior Year Deferral	2,683
Total Revenues (GAAP Basis)	<u>\$ 1,255,220</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 258,378
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 258,378</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 955,638	\$ 2,208,638	\$ 2,355,011	\$ 146,373
Interest Income	4,000	4,000	4,482	482
Bond Premium	20,000	20,000	5,936	(14,064)
TOTAL REVENUE	<u>979,638</u>	<u>2,232,638</u>	<u>\$ 2,365,429</u>	<u>\$ 132,791</u>
Cash Balance Budgeted	<u>107,990</u>	<u>107,990</u>		
TOTAL REVENUE & CASH	<u>\$ 1,087,628</u>	<u>\$ 2,340,628</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 4,000	\$ 7,000	\$ 4,675	\$ 2,325
Principal	127,990	1,377,990	1,250,000	127,990
Interest and Finance Charges	955,638	955,638	793,764	161,874
TOTAL EXPENDITURES	<u>\$ 1,087,628</u>	<u>\$ 2,340,628</u>	<u>\$ 2,048,439</u>	<u>\$ 292,189</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,365,429
Differences-Budget to GAAP	
Property tax Receivable	239,450
Prior Year Tax Receivables	(9,868)
Current Year Deferral	(7,047)
Prior Year Deferral	272
Total Revenues (GAAP Basis)	<u>\$ 2,588,236</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,048,439
Differences-budget to GAAP	
Prior Year Interest Payable	(193,256)
Current Year Interest Payable	115,325
Total Expenditures (GAAP Basis)	<u>\$ 1,970,508</u>

The accompanying footnotes are integral part of these financial statements.

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

Year Ended June 30, 2011

	Balance 6/30/2010	ADDITIONS	DEDUCTIONS	Balance 6/30/2011
Annual	\$ 32,339	\$ 17,814	\$ 13,440	\$ 36,713
Arts Club	1,180	-	-	1,180
Drama Club	320	1,925	1,405	840
Scholarship Fund	-	-	-	-
High School Student Activity	11,576	7,496	7,451	11,621
High School Student Council	54	16,276	13,677	2,653
Middle School General Activity	1,427	5,679	4,961	2,145
Middle School Shop	362	-	-	362
Library	13,730	7,634	5,200	16,164
Miscellaneous	961	3,517	4,073	405
Activity Center	-	1,950	214	1,736
Chap Club	1,707	32,523	26,854	7,376
Spanish Club	1,082	-	-	1,082
Textbooks	984	973	40	1,917
Senior Class	1,229	10	956	283
Junior Class	2,628	14,182	12,024	4,786
Sophomore Class	1,706	-	5	1,701
Freshman Class	-	-	5	(5)
Graduating Class	3,835	-	3,825	10
Activity Interest	501	52	-	553
National Honor Society	940	6,547	5,574	1,913
Café A La Carte	3,113	-	-	3,113
Elementary General	7,361	226	126	7,461
Tech Lab	472	-	-	472
Reading Renaissance	5,597	-	5,597	-
PowerAde Account	118	-	-	118
Pre AP fund	3,021	-	-	3,021
MR Math Club	194	-	-	194
IMPSIA	1,240	288,660	289,121	779
Elementary Intel Grant	17	-	-	17
District 7AA Fund	5,367	-	4,368	999
Land Instrument Rental	75	-	-	75
REC Reimbursement	-	34,553	34,553	-
Baseball/Basketball Fund	1,672	17,222	15,588	3,306
Tech Needs Donations	220	-	-	220
Volleyball Fund	1,311	2,469	2,543	1,237
Elementary Science Project	7	-	-	7
Football Qtr. Finals	15	-	-	15
21st Century Reimbursement	9,392	-	-	9,392
Boys Basketball Fundraiser	430	2,801	3,230	1
Softball Account	1,348	4,321	3,818	1,851
Freddie Mitchell Memorial Golf Acct	6,537	15,582	14,182	7,937
Welding Shop Acct	6,997	-	1,017	5,980
JHS Science Dept	140	-	-	140
JMS Library Fund	1,116	1,495	1,436	1,175
JHS Library Fund	292	48	144	196
Girls Basketball Fundraiser	68	-	51	17
Instructional Material Donation	229	-	229	-
Special Ed Activity Fund	500	-	29	471
Drug Testing	1,794	-	-	1,794
JHS Math & Chess Club	85	-	-	85
Alumni Golf	150	-	-	150
Alumni Baseball	509	-	-	509
Alumni Softball	151	-	-	151
Alumni Cheer	250	-	-	250
Tag Replacement	2,799	1,041	277	3,563
Chevron Reading	5,800	-	5,800	-
Football Postseason	8,338	-	-	8,338
JMS Reading & Math Incentive	1,037	-	-	1,037
District 4-AA	66	500	405	161
District 5 AA	-	5,428	4,662	766
970 Alumni Fund	-	2,125	-	2,125
Junice Community Foundation	-	6,079	6,011	68
Cash On Hand	250	-	-	250
Total	\$ 154,639	\$ 499,128	\$ 492,891	\$ 160,876

The accompanying footnotes 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, 2011

	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
<u>US DEPARTMENT OF EDUCATION</u>			
Passed through the State Department of Education			
Title I	84.010	24101	\$ 74,015
ARRA - Title I School Improvement	84.010	24262	19,749
Title I IASA	84.389	24201	8,758
IDEA-B Early Intervention Services	84.027	24112	12,766
English Language Acquisition	84.365	24153	6,788
Teacher/Principal Training	84.367	24154	1,683
IDEA-B Entitlement	84.027	24106	87,852
IDEA-B Entitlement-Federal Stimulus	84.391	24206	-
SEG Federal Stimulus	84.394	25250	357,339
ARRA - Elementary School Breakfast	84.394	24290	14,500
ARRA - Education Jobs Fund	84.410	25255	118,758
Safe and Drug Free Schools	84.186	24157	2,063
21st Century Community Learning	84.287	24119	112,645
TOTAL PASS THROUGH GRANTS			<u>\$ 816,916</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 816,916</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education			
National School Lunch Program	<1> 10.555	21000	207,945
Commodities Received	<1> 10.555	21000	6,766
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 214,711</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 1,031,627</u>
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 1,031,627</u>

<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, 2011

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL REQUIRED	COLLATERAL PLEDGED	UNINSURED & UNCOLLATERALIZED DEPOSITS	PLEDGED COLLATERAL DEFICIT
WELLS FARGO BANK	\$ 34,257,889	\$ 500,000	\$ 33,757,889	\$ 16,878,945	\$ 25,883,554	\$ 7,874,335	\$ -

COLLATERAL		MATURES
FN-30 AE2539	24,926,119	9/1/40
FN 256514	34,769	12/1/36
FN 256349	60,376	8/1/36
FN 745577	17,379	6/1/36
FN 831571	163,743	7/1/36
FN 834821	12,788	12/1/35
FN 867437	188,472	5/1/36
FN 884348	9,151	5/1/36
FN 888021	329,623	12/1/36
FN 889579	29,017	5/1/38
FN 948858	23,167	8/1/37
FN 963560	18,457	6/1/38
FN 986358	11,352	4/1/38
FN 986458	45,408	8/1/38
FN 995049	13,733	2/1/38
	<u>\$ 25,883,554</u>	

COLLATERAL IS HELD AT MINNEAPOLIS, MINNESOTA

NEW MEXICO STATE TREASURER	\$ 32,739	\$ -	\$ 32,739	\$ 32,739	\$ 32,739	\$ -	\$ -
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SECURITIES HELD BY CHASE BANK, NEW YORK CITY

See Independent Auditor's Report

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BANK SUMMARY

JUNE 30, 2011

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	CASH BALANCE
Wells Fargo Bank	Checking	Operational	* \$ 905,867	\$ 9,979	\$ -	\$ 895,888
	Checking	Capital Improvement	* 25,835,810	54,591	-	25,781,220
	Checking	Cafeteria	* 91,614	173	-	91,441
	Checking	Activities & Athletics	* 189,571	6,398	-	183,173
	Checking	Federal Programs	-	-	-	-
	Checking	Payroll Clearing	490,020	415,299	-	74,721
	Sweep	Capital Improvement	* 6,745,007	-	-	6,745,007
Total Wells Fargo Bank			<u>34,257,889</u>	<u>486,440</u>	<u>-</u>	<u>33,771,449</u>
New Mexico State Treas	C.D.	Capital Improvement	* 311	-	-	311
New Mexico State Treas	C.D.	Teacherage	* 32,428	-	-	32,428
Total New Mexico Treas			<u>32,739</u>	<u>-</u>	<u>-</u>	<u>32,739</u>
Amount on Deposit			<u>\$ 34,290,628</u>	<u>\$ 486,440</u>	<u>\$ -</u>	<u>\$ 33,804,188</u>
Cash On Hand						295
Total Cash						<u>\$ 33,804,483</u>
			* Interest Bearing			

See Independent Auditor's Report

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BANK RECONCILIATION

June 30, 2011

	<u>OPERATIONAL</u>	<u>TRANSP.</u>	<u>FOOD SERVICES</u>	<u>ATHLETICS</u>	<u>FEDERAL PROJECTS</u>	<u>LOCAL/STATE ACCOUNT</u>
Audited Net Cash						
JUNE 30, 2010	\$ 742,757	\$ 142,026	\$ 85,706	\$ 32,119	\$ (74,870)	\$ 16,756
Investments	-	-	-	-	-	-
TOTAL CASH BALANCE						
JUNE 30, 2010	742,757	142,026	85,706	32,119	(74,870)	16,756
Add: Prior year void checks	-	-	-	-	-	-
2010-2011 Revenue	4,268,554	141,352	277,817	63,405	746,650	92,911
Transfers In	-	-	-	-	-	-
TOTAL AVAILABLE CASH	5,011,311	283,378	363,523	95,524	671,780	109,667
Prior year void checks	-	-	-	-	-	-
2010-2011 Expenditures	4,119,413	178,425	272,082	72,977	797,913	104,330
Transfers Out	-	-	-	-	-	-
	4,119,413	178,425	272,082	72,977	797,913	104,330
NET CASH, JUNE 30, 2011	891,898	104,953	91,441	22,547	(126,133)	5,337
Cash On hand	-	-	45	-	-	-
Paid back to PED	-	(33,876)	-	-	-	-
Held Payroll Checks	74,721	-	-	-	-	-
Loans (Out) In	(131,643)	-	-	-	131,643	-
TOTAL CASH, JUNE 30, 2011	\$ 834,976	\$ 71,077	\$ 91,486	\$ 22,547	\$ 5,510	\$ 5,337

See Independent Auditor's Report

SB-9	ACTIVITIES	INSTRUCTIONAL MATERIALS	HB-33	TEACHERAGE	BOND BUILDING	DEBT SERVICE
\$ 3,282,492	\$ 154,389	\$ 11,865	\$ 4,780,782	\$ 4,349	\$ 18,843,686	\$ 286,862
311	-	-	-	32,354	-	-
3,282,803	154,389	11,865	4,780,782	36,703	18,843,686	286,862
1,274,164	499,128	23,070	1,246,452	42,378	8,029,092	2,365,430
-	-	-	-	-	-	-
4,556,967	653,517	34,935	6,027,234	79,081	26,872,778	2,652,292
856,074	492,891	25,909	258,378	1,969	4,419,845	2,048,438
-	-	-	-	-	-	-
856,074	492,891	25,909	258,378	1,969	4,419,845	2,048,438
3,700,893	160,626	9,026	5,768,856	77,112	22,452,933	603,854
-	250	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 3,700,893	\$ 160,876	\$ 9,026	\$ 5,768,856	\$ 77,112	\$ 22,452,933	\$ 603,854

Woodard, Cowen & Co.

Certified Public Accountants

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
School Board
Eunice Public Schools
Eunice, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Eunice Public Schools as of and for the year ended June 30, 2011, and have issued our report thereon dated February 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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 the Eunice Public Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Eunice Public Schools' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (2010-02 and 2010-04) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

This report is intended solely for the information and use of management, others within Eunice Public Schools, the school board, the State Auditor, the Public Education Department, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Woodard, Lawer & Co.

Portales, New Mexico
February 23, 2012

Woodard, Cowen & Co.

Certified Public Accountants

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Mr. Hector H. Balderas, State Auditor
The School Board
Eunice Public Schools

We have audited Eunice Public Schools' compliance with the types of compliance requirement described in the OMB Circular A-133 *Compliance Supplement* that that could have a direct and material effect on each of Eunice Public Schools' major federal programs for the year ended June 30, 2011. 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 of Eunice Public Schools' compliance with those requirements.

In our opinion, Eunice Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Eunice Public Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Eunice Public Schools' internal control over compliance with the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eunice Public Schools' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of Management, School Board, others within the entity, the Office of the State Auditor, the New Mexico Public Education Department, the New Mexico State Legislature, 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
February 23, 2012

Woodard, Cowen & Co.

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

June 30, 2011

PRIOR YEAR AUDIT FINDINGS

CAPITAL ASSETS – EUNICE PUBLIC SCHOOLS – 2010-01

Statement of Condition: The District failed to seek the approval from the Office of the State Auditor prior to the demolition of a teacherage house.

Recommendation: District management should receive prior approval from the Office of the State Auditor before disposing of any District capital asset.

Status: Resolved.

CAPITAL ASSETS – EUNICE PUBLIC SCHOOLS – 2010-02

Statement of Condition: The capital asset additions were not accurately reflected in the capital asset inventory. The capital asset inventory contained duplications and late additions for the prior year. In addition, retired assets were simply being deleted.

Recommendation: The District personnel should develop a method in which the capital assets are reconciled and reviewed.

Status: Repeated and revised.

ACTIVITY FUND DEPOSITS – EUNICE PUBLIC SCHOOLS – 2010-03

Statement of Condition: Upon review of Activity Funds deposits, it was discovered that activity fund collections in August 2009 from the high school and two small deposits from the elementary campus in May 2010 were 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.

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.

Status: Resolved.

LATE REPORT – 2010-04

Statement of Condition: The audit report for the District's fiscal year ended June 30, 2010 was submitted by the November 15, 2010 due date. However, the audit report was not accepted by the due date.

Recommendation: Audit firm should submit the audit report with enough time to make any corrections.

Status: Repeated and revised.

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

JUNE 30, 2011

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	2010-02 & 2010-04
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	Elementary School Breakfast – Fed Stimulus #84.394 SEG – Federal Stimulus #84.394 Education Job Fund #84.410
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:

CAPITAL ASSETS – EUNICE PUBLIC SCHOOLS – 2010-02 (repeated and revised)

Statement of Condition: The capital asset additions were not accurately reflected in the capital asset inventory. The capital asset inventory contained duplications and late additions for the prior year. In addition, retired assets were simply being deleted.

Criteria: GASB 34 requires that all capital assets purchased over \$5,000 be recorded and depreciated over a reasonable period.

Cause: District personnel were not periodically review capital asset balances to insure balances were accurate.

Effect: Accuracy of the capital assets inventory could not be readily verified and had to be reconciled at the time of the audit.

Recommendation: The District personnel should develop a method in which the capital assets are reconciled and reviewed.

Response: District personnel will monitor the additions and deletions to capital assets on a timely basis to insure accurate input.

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

JUNE 30, 2011

III FINANCIAL STATEMENT FINDINGS: (continued)

LATE REPORT – 2010-04

Statement of Condition: The audit report for the District's fiscal year ended June 30, 2010 was submitted by the November 15, 2010 due date. However, the audit report was not accepted by the due date.

Criteria: SAO Rule 2.2.2.9.A.I(a) establishes a due date of November 15, 2011 for submission of this audit report to the Office of the State Auditor.

Cause: The capital asset records did not reconcile and there were many corrections that needed to be made to the listing of capital assets. Construction in process needed to be corrected and reconciled to the construction and acquisition expenditures.

Effect: The report was not submitted as required. Without the audit report being delivered on time, funding and regulatory agencies as well as legislative committees do not have the financial data available to make funding decisions.

Recommendation: Audit firm should submit the audit report with enough time to make any corrections.

Response: Management concurs with recommendation.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

Year Ended June 30, 2011

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 23, 2012. Present were Dwain Haynes, Superintendent; Cynthia Sims, Business Manager; Steve Almager, Board of Education President; Penelope Parker, Audit Committee Member; Misty Clouse, Bookkeeper; and Minerva Lee, Accounts Payable Clerk. Our firm was represented by Gayland Cowen, CPA.