

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 JUNE 30, 2012

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STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
JUNE 30, 2012

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

Mr. Hector Balderas
New Mexico State Auditor
The School Board
Eunice Public Schools

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, 2012, 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, nonmajor 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, 2012, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. 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 the 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 previously 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, 2012, 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 previously present fairly, in all material respects, the respective financial position of each nonmajor governmental, of the District as of June 30, 2012, 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 November 15, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 omitted the MD&A which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Woodard, Cowen & Co." with a stylized flourish at the end.

Woodard, Cowen, & Company
November 15, 2012

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 11,553,052
Property Taxes Receivable	423,804
Due From Other Agencies	377,866
Inventory	2,395
Non-current assets:	
Restricted Cash	8,505,478
Capital assets, net	35,711,417
Bond issuance costs, net	252,016
Total Assets	<u>56,826,028</u>
<u>LIABILITIES</u>	
Current:	
Accounts payable	491,793
Deferred Revenue	17,904
Bond Premium, net of amortization	200,758
Debt due in one year	2,335,000
Non-current:	
Compensated Absences	32,410
Debt in more than one year:	32,745,000
Total Liabilities	<u>35,822,865</u>
<u>NET ASSETS</u>	
Invested in capital assets net of related debt	631,417
Restricted for:	
Capital Projects	13,197,990
Debt Service	1,712,383
Inventory	2,395
Unrestricted	5,458,978
Total Net Assets	<u>\$ 21,003,163</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
					Primary Governmental Activities
Primary government:	\$	\$	\$	\$	\$
Governmental activities:					
Instruction	3,380,276	145,687	436,681	-	(2,797,908)
Support Services	-	-	-	-	
Support Services-Students	250,172	-	-	-	(250,172)
Support Services-Instruction	89,655	-	-	-	(89,655)
Support Services-General Administration	231,739	-	2,167	-	(229,572)
Support Services-School Administration	287,320	-	39,982	-	(247,338)
Central Services	179,297	-	-	-	(179,297)
Operation & Maintenance of Plant	2,795,732	-	-	-	(2,795,732)
Student Transportation	158,518	-	133,483	-	(25,035)
Other Support Services	260	-	-	-	(260)
Food Services-Operations	305,440	53,424	217,032	-	(34,984)
Community Services-operations	-	-	-	-	-
Bond Interest	1,000,425	-	-	-	(1,000,425)
Depreciation-unallocated	609,479	-	-	-	(609,479)
Amortization Unallocated	18,364	-	-	-	(18,364)
Unallocated Revenue	-	-	-	-	-
Total governmental activities	\$ 9,306,677	\$ 199,111	\$ 829,345	\$ -	\$ (8,278,221)

General revenues:

Property taxes:

Levied for General purpose	\$	361,673
Levied for Capital Projects		2,910,374
Levied for Debt Service		3,795,428
Federal Operating		2,167
Fees		53,595
PED Equalization Guarantee		4,305,181
Unrestricted interest income		25,941
Miscellaneous		62,235
Loss on disposal of capital assets		(206,815)
Total general revenues		11,309,779

Change in net assets	3,031,558
Net assets - beginning	17,980,201
Restatement	(8,596)
Restated Balance	17,971,605
Net assets - ending	\$ 21,003,163

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2012

	GENERAL	BOND BUILDING	SPECIAL CAPITAL OUTLAY	HB33
ASSETS				
Cash on Deposit	\$ 912,663	\$ 8,505,478	\$ -	\$ 4,609,487
Due from Other Funds	377,866	-	-	-
Due from Other Governments	-	-	286,037	-
Due From External Funds	-	-	-	-
Property Taxes Receivable	21,066	-	-	85,475
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 1,311,595</u>	<u>\$ 8,505,478</u>	<u>\$ 286,037</u>	<u>\$ 4,694,962</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 251,447	\$ -	\$ -	\$ -
Deferred Revenue	418	-	-	2,450
Due to Other Funds	-	-	286,037	-
TOTAL LIABILITIES	251,865	-	286,037	2,450
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted for: Capital Projects	-	8,505,478	-	4,692,512
Restricted for: Debt Service	-	-	-	-
Restricted for: Instructional Materials	11,332	-	-	-
Restricted for: Athletics	-	-	-	-
Restricted for: Cafeteria	-	-	-	-
Restricted for: Special Revenue	-	-	-	-
Unassigned:				
General Fund	1,048,398	-	-	-
Special Revenue Funds	-	-	-	-
TOTAL FUND BALANCE	<u>1,059,730</u>	<u>8,505,478</u>	<u>-</u>	<u>4,692,512</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,311,595</u>	<u>\$ 8,505,478</u>	<u>\$ 286,037</u>	<u>\$ 4,694,962</u>

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

SB-9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 4,213,045	\$ 1,710,936	\$ 106,922	\$ 20,058,531
-	-	-	377,866
-	-	91,829	377,866
-	-	-	-
85,475	220,131	-	412,147
-	-	2,395	2,395
<u>\$ 4,298,520</u>	<u>\$ 1,931,067</u>	<u>\$ 201,146</u>	<u>\$ 21,228,805</u>
\$ -	\$ 212,346	\$ -	\$ 463,793
2,450	6,338	6,248	17,904
-	-	91,829	377,866
<u>2,450</u>	<u>218,684</u>	<u>98,077</u>	<u>859,563</u>
-	-	2,395	2,395
-	-	-	13,197,990
-	1,712,383	-	1,712,383
-	-	-	11,332
-	-	43,918	43,918
-	-	55,853	55,853
4,296,070	-	903	4,296,973
-	-	-	1,048,398
-	-	-	-
<u>4,296,070</u>	<u>1,712,383</u>	<u>103,069</u>	<u>20,369,242</u>
<u>\$ 4,298,520</u>	<u>\$ 1,931,067</u>	<u>\$ 201,146</u>	<u>\$ 21,228,805</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, 2012

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

Fund Balances - total governmental funds	\$ 20,369,242
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	35,711,417
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	11,656
Bond Premium proceeds	(200,758)
Good Faith Deposit Toward Future Bond Proceeds	(28,000)
Liabilities not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bond Issuance Costs	252,016
Bonded Debt	(35,080,000)
Compensated Absences	<u>(32,410)</u>
Net assets of governmental activities	<u>\$ 21,003,163</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, 2012

	GENERAL	BOND BUILDING	SPECIAL CAPITAL OUTLAY	HB33
REVENUE				
Residential/Non-Residential Taxes	\$ 361,840	\$ -	\$ -	\$ 1,457,637
Fees - Educational	53,595	-	-	-
Rent and Leases	16,200	-	-	-
Fees Activities	-	-	-	-
Fees-Users	-	-	-	-
Interest Income	296	16,232	-	3,525
State Equalization	4,305,181	-	-	-
State Flow Through Grants	-	-	-	-
State Programs	159,599	-	304,629	-
Donations	-	-	-	-
Sale of Property/Equipment	5,607	-	-	-
Access Board	2,249	-	-	-
Insurance Recoveries	34,686	-	-	-
Federal Program	2,167	-	-	-
TOTAL REVENUES	4,941,420	16,232	304,629	1,461,162
EXPENDITURES				
Current				
Instruction	2,838,101	-	-	-
Support Services-Students	250,172	-	-	-
Support Services-Instruction	89,655	-	-	-
Support Services-General Administration	220,263	-	-	1,901
Support Services-School Administration	247,338	-	-	-
Central Services	179,297	-	-	-
Operation & Maintenance of Plant	880,252	-	-	-
Student Transportation	158,518	-	-	-
Other Support Services	260	-	-	-
Food Services-Operations	-	-	-	-
Acquisition & Construction	80,000	22,022,157	304,629	2,622,593
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
TOTAL EXPENDITURES	4,943,856	22,022,157	304,629	2,624,494
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,436)	(22,005,925)	-	(1,163,332)
Other Financing Sources				
Bond Proceeds	-	8,058,470	-	-
Bond Premium	-	-	-	-
Transfers In<Out>	(8,517)	-	-	-
Total Other Financial Sources	(8,517)	8,058,470	-	-
Net Change In Fund Balances	(10,953)	(13,947,455)	-	(1,163,332)
FUND BALANCE				
June 30, 2011	1,070,761	22,452,933	-	5,855,844
Restatement	(78)	-	-	-
Restated Fund Balance June 30, 2011	1,070,683	22,452,933	-	5,855,844
FUND BALANCE				
June 30, 2012	\$ 1,059,730	\$ 8,505,478	\$ -	\$ 4,692,512

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

SB9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 1,457,637	\$ 3,801,766	\$ -	\$ 7,078,880
-	-	-	53,595
-	-	-	16,200
-	-	145,687	145,687
-	-	53,424	53,424
3,526	2,350	12	25,941
-	-	-	4,305,181
-	-	29,318	29,318
-	-	53,271	212,870
-	-	100	100
-	-	-	5,607
-	-	-	2,249
-	-	-	34,686
-	-	587,157	589,324
<u>1,461,163</u>	<u>3,804,116</u>	<u>868,969</u>	<u>12,553,062</u>
-	-	538,677	3,376,778
-	-	-	250,172
-	-	-	89,655
1,901	5,507	2,167	231,739
-	-	39,982	287,320
-	-	-	179,297
-	-	-	880,252
-	-	-	158,518
-	-	-	260
-	-	305,440	305,440
912,395	-	-	25,637,145
-	1,870,000	-	1,870,000
-	1,022,796	-	1,022,796
<u>914,296</u>	<u>2,898,303</u>	<u>886,266</u>	<u>34,289,372</u>
546,867	905,813	(17,297)	(21,736,310)
-	-	-	8,058,470
-	85,638	-	85,638
-	-	8,517	-
<u>-</u>	<u>85,638</u>	<u>8,517</u>	<u>8,144,108</u>
546,867	991,451	(8,780)	(13,592,202)
3,749,204	720,932	120,366	33,970,040
(1)	-	(8,517)	(8,596)
<u>3,749,203</u>	<u>720,932</u>	<u>111,849</u>	<u>33,961,444</u>
<u>\$ 4,296,070</u>	<u>\$ 1,712,383</u>	<u>\$ 103,069</u>	<u>\$ 20,369,242</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, 20112

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

Net change in fund balance - total governmental funds	\$ (13,592,202)
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	23,112,186
Basis in Disposed Capital Assets	(212,422)
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.	\$ (2,405)
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	69,530
Bond Premium Proceeds	(85,638)
Good Faith Deposit Toward Future Bond Proceeds	(28,000)
Expenses in the statement of activities which do not require use of current financial resources	
Bond principal payments	1,870,000
Increase in Compensated Absences	(3,498)
Bond issuance cost amortization	(18,364)
Amortization of bond premium taken against bond interest	22,371
Change in Net Assets	<u>\$ 3,031,558</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, 2012

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 248,448	\$ 248,448	\$ 362,841	\$ 114,393
Rent and Leases	4,800	4,800	16,200	11,400
Fees-Users	-	-	53,595	53,595
Interest Income	311	311	296	(15)
State Equalization	4,205,280	4,375,181	4,305,181	(70,000)
State Flow Through Grants	185,020	198,803	159,599	(39,204)
Sale of Property/Equipment	-	-	5,607	5,607
Access Board	1,500	1,500	2,249	749
Indirect Cost - (Flow Through Grants)	-	-	2,167	2,167
Insurance Recoveries	35,000	35,000	34,686	(314)
TOTAL REVENUE	<u>4,680,359</u>	<u>4,864,043</u>	<u>\$ 4,942,421</u>	<u>\$ 78,378</u>
Cash Balance Budgeted	<u>822,686</u>	<u>1,014,255</u>		
TOTAL REVENUE & CASH	<u>\$ 5,503,045</u>	<u>\$ 5,878,298</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,061,017	\$ 3,233,552	\$ 2,838,101	\$ 395,451
Support Services				
Support Services-Students	293,019	293,019	250,172	42,847
Support Services-Instruction	118,349	119,999	89,655	30,344
Support Services-General Administration	257,614	258,164	219,014	39,150
Support Services-School Administration	285,577	285,577	247,338	38,239
Central Services	207,283	207,283	179,297	27,986
Operation & Maintenance of Plant	1,016,548	1,163,295	880,252	283,043
Student Transportation	164,297	213,068	158,518	54,550
Other Support Services	24,341	24,341	260	24,081
Acquisition & Construction	75,000	80,000	80,000	-
TOTAL EXPENDITURES	<u>\$ 5,503,045</u>	<u>\$ 5,878,298</u>	<u>\$ 4,942,607</u>	<u>\$ 935,691</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 4,942,421	
Differences-Budget to GAAP				
Property tax Receivable			21,066	
Prior Year Tax Receivables			(22,231)	
Current Year Deferral			582	
Prior Year Deferral			(418)	
Total Revenues (GAAP Basis)			<u>\$ 4,941,420</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 4,942,607	
Differences-budget to GAAP				
Prior Year Accounts Payable			252,697	
Current Year Accounts Payable			(251,448)	
Total Expenditures (GAAP Basis)			<u>\$ 4,943,856</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,003,688	\$ 1,003,688	\$ 1,461,600	\$ 457,912
Interest Income	9,875	9,875	3,526	(6,349)
State Flow Through Grants	-	14,765	-	(14,765)
Refunds	-	-	-	-
TOTAL REVENUE	<u>1,013,563</u>	<u>1,028,328</u>	<u>\$ 1,465,126</u>	<u>\$ 436,798</u>
Cash Balance Budgeted	<u>3,312,313</u>	<u>3,312,313</u>		
TOTAL REVENUE & CASH	<u>\$ 4,325,876</u>	<u>\$ 4,340,641</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 3,000	\$ 3,000	\$ 1,901	\$ 1,099
Acquisition & Construction	4,322,876	4,337,641	951,072	3,386,569
TOTAL EXPENDITURES	<u>\$ 4,325,876</u>	<u>\$ 4,340,641</u>	<u>\$ 952,973</u>	<u>\$ 3,387,668</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,465,126
Differences-Budget to GAAP	
Property tax Receivable	85,475
Prior Year Tax Receivables	(90,204)
Current Year Deferral	(2,450)
Prior Year Deferral	3,216
Total Revenues (GAAP Basis)	<u>\$ 1,461,163</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 952,973
Differences-budget to GAAP	
Prior Year Payable	(38,677)
Total Expenditures (GAAP Basis)	<u>\$ 914,296</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, 2012

	<u>AGENCY FUNDS</u>
ASSETS	
Cash on Deposit	\$ 175,484
	<hr/>
Due To Student Groups	\$ 175,484
	<hr/>
TOTAL LIABILITIES	<u>\$ 175,484</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, 2012

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, 2012

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.

SPECIAL CAPITAL OUTLAY STATE (Capital Projects) - To account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

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, 2012

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, 2012

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, 2012, the annual leave liability increased \$3,498 to \$32,410.

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, 2012

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 \$4,305,181 in state equalization guarantee distributions during the year ended June 30, 2012.

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 \$133,483 in transportation distributions during the year ended June 30, 2012.

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 \$23,112,186 difference are as follows:

Capital Outlay	\$ 23,721,665
Depreciation expense	<u>(609,479)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	\$ <u>23,112,186</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, 2012

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, 2012 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	\$ 5,503,045	\$ 5,878,298
Special Revenue Fund	5,220,907	5,515,615
Debt Service Fund	2,860,695	2,860,695
Capital Projects Fund	26,315,573	38,674,821
Totals	<u>\$ 39,900,220</u>	<u>\$ 52,929,429</u>

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2012

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

There were no deficit fund balances at June 30, 2012.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2012, the carrying amount of the District's deposits was \$20,233,720 and the bank balance was \$20,748,147. 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, 2012, the investments held in the LGIP had an interest risk (WAM) of 83 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, 2012, \$7,874,335 of the government's deposits totaling \$20,748,147 was exposed to custodial credit risk.

Uninsured and Uncollateralized

\$7,874,335

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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	\$ 36,257
Entitlement	31,333
21 st Century Community	24,132
2010 GO Bond Library	107
Special Capital Outlay	<u>286,037</u>
Total due to Operational Fund	<u>\$ 377,866</u>

The balance of \$377,866 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	\$ 11,657
Delinquent Property Taxes	<u>6,247</u>
Total deferred/unearned revenue	
For governmental funds	<u>\$ 17,904</u>

D. Receivables

Due from other governments:	
Title I	\$ 36,257
Entitlement	31,333
21 st Century Community	24,132
2010 GO Bond Library	107
Special Capital Outlay State	<u>286,037</u>
Total due from other governments	<u>\$ 377,866</u>

Due from local taxes

General	\$ 21,066
Senate Bill Nine	85,475
HB-33	85,475
Debt Service	<u>220,131</u>
Total Property Tax Receivable	<u>\$ 412,147</u>

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2012

IV. Detailed notes on all funds (continued)

E. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

EUNICE PUBLIC SCHOOLS

	Audited Balance 6/30/2011	Reclass	Additions	Retirements	Ending Balance 6/30/2012
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 1,699,396	-	-	-	\$ 1,699,396
Construction in Progress	2,491,600	-	20,972,561	-	23,464,161
Total Capital Assets, not being depreciated	4,190,996	-	20,972,561	-	25,163,557
Capital Assets, being depreciated:					
Buildings & Improvements	28,491,013	-	2,607,939	4,665,624	26,433,328
Equipment	1,731,328	(104)	141,165	62,266	1,810,123
Total Capital Assets being depreciated	30,222,341	(104)	2,749,104	4,727,890	28,243,555
Less accumulated depreciation for:					
Buildings and Improvements	20,757,443	-	461,806	4,465,449	25,684,698
Equipment	844,241	-	147,673	50,019	1,041,933
Total accumulated depreciation	21,601,684	-	609,479	4,515,468	17,695,695
Total Capital Assets, being depreciated, net	8,620,657	-	2,139,625	212,422	10,547,860
Governmental activities capital assets, net	\$ 12,811,653	\$ (104)	\$23,112,186	\$ 212,422	\$ 35,711,417

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 correction made in the prior year balances. The correction was for an item for \$104 that should not have been included on the inventory.

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, 2012

IV. Detailed notes on all funds (continued)

F. Long-Term Debt

General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2011	Additions	Retirements	Balance 6/30/2012	Amount Due in One Year
2009	\$ 6,000,000	3.0%-4.0%	\$ 6,000,000	\$ 0	445,000	\$ 5,555,000	\$ 460,000
2010	16,000,000	2.0%-4.0%	14,750,000	0	1,250,000	13,500,000	1,250,000
2011	8,100,000	3.25%-3.40%	8,100,000	0	175,000	7,925,000	175,000
2012	8,100,000	2.00%-3.00%		8,100,000	0	8,100,000	450,000
Total	\$ 38,200,000		\$ 28,850,000	\$ 8,100,000	1,870,000	\$ 35,080,000	\$ 2,335,000

Fiscal Year	Principal	Interest	Total
2013	\$ 2,335,000	\$ 1,181,850	\$ 3,516,850
2014	2,405,000	1,013,600	3,418,600
2015	2,425,000	944,750	3,369,750
2016	2,945,000	875,300	3,820,300
2017	2,965,000	788,900	3,753,900
2018-2022	15,955,000	2,514,538	18,469,538
2023-2024	6,050,000	234,750	6,284,750
	\$ 35,080,000	\$ 7,553,688	\$ 42,633,688

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 \$39,850,591 including \$35,080,000 debt outstanding based on the 2012 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, 2012 was as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in one year
\$28,912	\$34,338	(\$30,840)	\$32,410	\$32,410

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, 2012.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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. Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. The District has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 the District contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the District will contribute 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2012, 2011, and 2010, were \$312,925, \$391,801, and \$367,723, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-retirement health care benefits

Plan Description. 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, 2012

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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending 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
FY13	2.000%	1.000%

Also, employers joining the program after January 1, 1998, 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, 2012, 2011 and 2010 were \$64,783, \$57,779 and \$42,752, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,395	\$ 2,395
Total Nonspendable	-	-	-	-	-	2,395	2,395
Restricted for:							
Capital Projects	-	8,505,478	4,692,512	-	-	-	13,197,990
Debt Service	-	-	-	-	1,712,383	-	1,712,383
Athletics	-	-	-	-	-	43,918	43,918
Cafeteria	-	-	-	-	-	55,853	55,853
Instructional Materials	11,332	-	-	-	-	-	11,332
Special Revenue	-	-	-	4,296,070	-	903	4,296,973
Total restricted	11,332	8,505,478	4,692,512	4,296,070	1,712,383	103,069	19,318,449
Unassigned	1,048,398	-	-	-	-	-	1,048,398
Total Fund Balances	\$ 1,059,730	\$ 8,505,478	\$ 4,692,512	\$ 4,296,070	\$ 1,712,383	\$ 120,366	\$ 20,369,242

F. Restatement of Net Assets

Net assets and fund balance were restated in the amount of \$8,596 to reflect the adjustments made to the prior year's balances in cash.

Net Assets at June 30, 2011	\$ 17,980,201
Restatement:	
Decrease in LGIP investments	(79)
Decrease in prior year receivable	(8,517)
Restated Net Assets July 1, 2011	\$ 17,971,605

G. Restatement of Fund Balance

Fund Balance at June 30, 2011	\$ 33,970,040
Restatement:	
Decrease in LGIP investments	(79)
Decrease in prior year receivable	(8,517)
Restated Fund Balance at June 30, 2011	\$ 33,961,444

NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

IDEA 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.

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.

IDEA-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 106-554.

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

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

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.

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

NON-MAJOR SPECIAL REVENUE FUNDS (continued)

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.

2010 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.

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

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

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, 936-380 ,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.

2008 GO Bonds Library — 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 SB333.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>CAFETERIA</u>	<u>ATHLETICS</u>	<u>TITLE I</u>	<u>ENTITLEMENT</u>
ASSETS				
Cash	\$ 55,853	\$ 43,918	\$ -	\$ -
Due from Other Governments	-	-	36,257	31,333
Inventory	2,395	-	-	-
TOTAL ASSETS	<u>\$ 58,248</u>	<u>\$ 43,918</u>	<u>\$ 36,257</u>	<u>\$ 31,333</u>
LIABILITIES AND FUND BALANCE				
Due to other Funds	\$ -	\$ -	\$ 36,257	\$ 31,333
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>36,257</u>	<u>31,333</u>
FUND BALANCE				
Non-spendable	2,395	-	-	-
Restricted	55,853	43,918	-	-
TOTAL FUND BALANCE	<u>58,248</u>	<u>43,918</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 58,248</u>	<u>\$ 43,918</u>	<u>\$ 36,257</u>	<u>\$ 31,333</u>

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

<u>21ST CENTURY COMMUNITY</u>	<u>PRESCHOOL COMPETITIVE</u>	<u>CLASS SIZE REDUCTION</u>	<u>TEACHER PRINCIPAL TRAINING</u>	<u>READING FIRST</u>	<u>TITLE I IASA FEDERAL STIMULUS</u>
\$ -	\$ 2	\$ 170	\$ -	\$ 5,270	\$ -
24,132	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 24,132</u>	<u>\$ 2</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 5,270</u>	<u>\$ -</u>
\$ 24,132	\$ -	\$ -	\$ -	\$ -	\$ -
-	2	170	-	5,270	-
<u>24,132</u>	<u>2</u>	<u>170</u>	<u>-</u>	<u>5,270</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 24,132</u>	<u>\$ 2</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 5,270</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, 2012

	SCHOOL IMP. STIMULUS	JTPA	SEG- FEDERAL STIMULUS	EDUCATION JOB FUND	MICROSOFT SETTLEMENT
ASSETS					
Cash	\$ -	\$ 68	\$ -	\$ -	\$ 903
Due from Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 68	\$ -	\$ -	\$ 903
LIABILITIES AND FUND BALANCE					
Due to other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	68	-	-	-
TOTAL LIABILITIES	-	68	-	-	-
FUND BALANCE					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	903
TOTAL FUND BALANCE	-	-	-	-	903
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 68	\$ -	\$ -	\$ 903

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, 2012

	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2010 GO BOND STUDENT LIBRARY FUND	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT
ASSETS				
Cash	\$ -	\$ -	\$ 309	\$ 196
Due from Other Governments	-	107	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 309</u>	<u>\$ 196</u>
LIABILITIES AND FUND BALANCE				
Due to other Funds	\$ -	\$ 107	\$ -	\$ -
Deferred Revenue	-	-	309	196
TOTAL LIABILITIES	<u>-</u>	<u>107</u>	<u>309</u>	<u>196</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 309</u>	<u>\$ 196</u>

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

PRE K INITIATIVE	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY	STATE DIRECTED ACTIVITIES	2008 LIBRARY BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ 224	\$ 1	\$ -	\$ 8	\$ 106,922
-	-	-	-	-	91,829
-	-	-	-	-	2,395
<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 201,146</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,829
-	224	1	-	8	6,248
<u>-</u>	<u>224</u>	<u>1</u>	<u>-</u>	<u>8</u>	<u>98,077</u>
-	-	-	-	-	2,395
-	-	-	-	-	100,674
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,069</u>
<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 201,146</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, 2012

	CAFETERIA	ATHLETICS	TITLE I	ENTITLEMENT
REVENUE				
Fees Activities	\$ -	\$ 145,687	\$ -	\$ -
Fees-Users	53,424	-	-	-
Interest Income	12	-	-	-
State Flow Through Grants	-	-	-	-
State Programs	-	-	-	-
Donations	-	100	-	-
Federal Program	217,032	-	116,057	101,064
TOTAL REVENUES	270,468	145,787	116,057	101,064
EXPENDITURES				
Current				
Instruction	-	124,416	103,515	73,624
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	12,542	27,440
Food Services-Operations	305,440	-	-	-
TOTAL EXPENDITURES	305,440	124,416	116,057	101,064
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(34,972)	21,371	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change In Fund Balance	(34,972)	21,371	-	-
FUND BALANCE				
June 30, 2011	93,220	22,547	-	-
Restatement	-	-	-	-
Restated Fund Balance June 30, 2011	93,220	22,547	-	-
FUND BALANCE June 30, 2012	\$ 58,248	\$ 43,918	\$ -	\$ -

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

<u>21ST CENTURY COMMUNITY</u>	<u>PRESCHOOL COMPETITIVE</u>	<u>CLASS SIZE REDUCTION</u>	<u>TEACHER PRINCIPAL TRAINING</u>	<u>READING FIRST</u>	<u>TITLE I IASA FEDERAL STIMULUS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
119,342	-	-	830	-	824
<u>119,342</u>	<u>-</u>	<u>-</u>	<u>830</u>	<u>-</u>	<u>824</u>
117,175	-	-	830	-	824
2,167	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>119,342</u>	<u>-</u>	<u>-</u>	<u>830</u>	<u>-</u>	<u>824</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, 2012

	SCHOOL IMP. STIMULUS	JTPA	SEG- FEDERAL STIMULUS	EDUCATION JOB FUND	MICROSOFT SETTLEMENT
REVENUE					
Fees Activities	\$ -	\$ -	\$ -	\$ -	\$ -
Fees-Users	-	-	-	-	-
Interest Income	-	-	-	-	-
State Flow Through Grants	-	-	-	-	-
State Programs	-	-	-	-	-
Donations	-	-	-	-	-
Federal Program	30,250	-	-	1,758	-
TOTAL REVENUES	30,250	-	-	1,758	-
EXPENDITURES					
Current					
Instruction	30,250	-	-	1,758	3,696
Support Services-General Administration	-	-	-	-	-
Support Services-School Administration	-	-	-	-	-
Food Services-Operations	-	-	-	-	-
TOTAL EXPENDITURES	30,250	-	-	1,758	3,696
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	(3,696)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN/ TRANSFERS OUT	-	-	8,517	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	8,517	-	-
Net Change In Fund Balance	-	-	8,517	-	(3,696)
FUND BALANCE					
June 30, 2011	-	-	-	-	4,599
Restatement	-	-	(8,517)	-	-
Restated Fund Balance June 30, 2011	-	-	(8,517)	-	4,599
FUND BALANCE June 30, 2012	\$ -	\$ -	\$ -	\$ -	\$ 903

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, 2012

	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2010 GO BOND STUDENT LIBRARY FUND	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT
REVENUE				
Fees Activities	\$ -	\$ -	\$ -	\$ -
Fees-Users	-	-	-	-
Interest Income	-	-	-	-
State Flow Through Grants	-	-	-	-
State Programs	765	6,466	-	-
Donations	-	-	-	-
Federal Program	-	-	-	-
TOTAL REVENUES	765	6,466	-	-
EXPENDITURES				
Current				
Instruction	765	6,466	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Food Services-Operations	-	-	-	-
TOTAL EXPENDITURES	765	6,466	-	-
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, 2011	-	-	-	-
Restatement	-	-	-	-
Restated Fund Balance June 30, 2011	-	-	-	-
FUND BALANCE June 30, 2012	\$ -	\$ -	\$ -	\$ -

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

PRE K INITIATIVE	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY	STATE DIRECTED ACTIVITIES	2008 LIBRARY BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,687
-	-	-	-	-	53,424
-	-	-	-	-	12
-	-	-	29,318	-	29,318
46,040	-	-	-	-	53,271
-	-	-	-	-	100
-	-	-	-	-	587,157
<u>46,040</u>	<u>-</u>	<u>-</u>	<u>29,318</u>	<u>-</u>	<u>868,969</u>
46,040	-	-	29,318	-	538,677
-	-	-	-	-	2,167
-	-	-	-	-	39,982
-	-	-	-	-	305,440
<u>46,040</u>	<u>-</u>	<u>-</u>	<u>29,318</u>	<u>-</u>	<u>886,266</u>
-	-	-	-	-	(17,297)
-	-	-	-	-	8,517
-	-	-	-	-	8,517
-	-	-	-	-	(8,780)
-	-	-	-	-	120,366
-	-	-	-	-	(8,517)
-	-	-	-	-	111,849
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,069</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--CAFETERIA

Year Ended June 30, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 104,084	\$ 104,084	\$ 53,424	\$ (50,660)
Interest Income	14	14	12	(2)
Insurance Recoveries	-	-	-	-
Federal Revenue	201,866	201,866	201,314	(552)
TOTAL REVENUE	<u>305,964</u>	<u>305,964</u>	<u>\$ 254,750</u>	<u>\$ (51,214)</u>
Cash Balance Budgeted	<u>99,652</u>	<u>99,652</u>		
TOTAL REVENUE & CASH	<u>\$ 405,616</u>	<u>\$ 405,616</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 405,616	\$ 405,616	\$ 290,383	\$ 115,233
TOTAL EXPENDITURES	<u>\$ 405,616</u>	<u>\$ 405,616</u>	<u>\$ 290,383</u>	<u>\$ 115,233</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 254,750
Differences-Budget to GAAP	
Commodities Received	15,718
Total Revenues (GAAP Basis)	<u>\$ 270,468</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 290,383
Differences-budget to GAAP	
Cost of Commodities Used	15,718
Inventory Adjustment	(661)
Total Expenditures (GAAP Basis)	<u>\$ 305,440</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	\$ 49,400	\$ 110,181	\$ 145,687	\$ 35,506
Donations	101	101	100	(1)
TOTAL REVENUE	<u>49,501</u>	<u>110,282</u>	<u>\$ 145,787</u>	<u>\$ 35,505</u>
Cash Balance Budgeted	<u>13,617</u>	<u>22,546</u>		
TOTAL REVENUE & CASH	<u>\$ 63,118</u>	<u>\$ 132,828</u>		
EXPENDITURES				
Current				
Instruction	\$ 63,118	\$ 132,828	\$ 124,416	\$ 8,412
TOTAL EXPENDITURES	<u>\$ 63,118</u>	<u>\$ 132,828</u>	<u>\$ 124,416</u>	<u>\$ 8,412</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 145,787
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 145,787</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 124,416
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 124,416</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 101,606	\$ 135,979	\$ 88,270	\$ (47,709)
TOTAL REVENUE	<u>101,606</u>	<u>135,979</u>	<u>88,270</u>	<u>(47,709)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 101,606</u>	<u>\$ 135,979</u>		
EXPENDITURES				
Current				
Instruction	\$ 90,447	\$ 120,395	\$ 103,515	\$ 16,880
Support Services-Students	-	-	-	-
Support Services-School Administration	11,159	15,584	12,542	3,042
TOTAL EXPENDITURES	<u>\$ 101,606</u>	<u>\$ 135,979</u>	<u>\$ 116,057</u>	<u>\$ 19,922</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 88,270
Differences-Budget to GAAP	
Current Year Receivable	36,257
Prior Year Receivable	(8,470)
Total Revenues (GAAP Basis)	<u>\$ 116,057</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 116,057
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 116,057</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 143,058	\$ 188,320	\$ 96,115	\$ (92,205)
TOTAL REVENUE	<u>143,058</u>	<u>188,320</u>	<u>\$ 96,115</u>	<u>\$ (92,205)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 143,058</u>	<u>\$ 188,320</u>		
EXPENDITURES				
Current				
Instruction	\$ 86,337	\$ 75,337	\$ 73,624	\$ 1,713
Support Services-General Administration	25,975	83,237	-	83,237
Support Services-School Administration	30,746	29,746	27,440	2,306
TOTAL EXPENDITURES	<u>\$ 143,058</u>	<u>\$ 188,320</u>	<u>\$ 101,064</u>	<u>\$ 87,256</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 96,115
Differences-Budget to GAAP	
Current Year Receivable	31,333
Prior Year Receivable	(26,384)
Total Revenues (GAAP Basis)	<u>\$ 101,064</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 101,064
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 101,064</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--21ST CENTURY COMMUNITY LEARNING CENTERS

Year Ended June 30, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 123,600	\$ 123,600	\$ 113,949	\$ (9,651)
TOTAL REVENUE	<u>123,600</u>	<u>123,600</u>	<u>113,949</u>	<u>(9,651)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 123,600</u>	<u>\$ 123,600</u>		
EXPENDITURES				
Current				
Instruction	\$ 120,233	\$ 120,233	\$ 117,175	\$ 3,058
Support Services-General Administration	2,167	2,167	2,167	-
Central Services	1,200	1,200	-	1,200
TOTAL EXPENDITURES	<u>\$ 123,600</u>	<u>\$ 123,600</u>	<u>\$ 119,342</u>	<u>\$ 4,258</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 113,949
Differences-Budget to GAAP	
Current Year Receivable	24,132
Prior Year Receivable	(18,739)
Total Revenues (GAAP Basis)	<u>\$ 119,342</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 119,342
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 119,342</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 38,586	\$ 38,586	\$ 2,513	\$ (36,073)
TOTAL REVENUE	<u>38,586</u>	<u>38,586</u>	<u>2,513</u>	<u>(36,073)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 38,586</u>	<u>\$ 38,586</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,000	\$ 10,000	\$ 830	\$ 9,170
Support Services-Instruction	28,586	28,586	-	28,586
TOTAL EXPENDITURES	<u>\$ 38,586</u>	<u>\$ 38,586</u>	<u>\$ 830</u>	<u>\$ 37,756</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,513
Differences-Budget to GAAP	
Prior Year Receivable	(1,683)
Total Revenues (GAAP Basis)	<u>\$ 830</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 830
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 830</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 852	\$ 824	\$ (28)
TOTAL REVENUE	<u>-</u>	<u>852</u>	<u>824</u>	<u>(28)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 852</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 852	\$ 824	\$ 28
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 852</u>	<u>\$ 824</u>	<u>\$ 28</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 824
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 824</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 824
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 824</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, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ -	\$ 49,254	\$ 49,999	\$ 745
TOTAL REVENUE	<u>-</u>	<u>49,254</u>	<u>49,999</u>	<u>745</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 49,254</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 49,254	\$ 49,253	\$ 1
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 49,254</u>	<u>\$ 49,253</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)	\$ 49,999
Differences-Budget to GAAP	
Prior Year Receivable	(19,749)
Total Revenues (GAAP Basis)	<u>\$ 30,250</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 49,253
Differences-budget to GAAP	
Prior Year Payable	(19,003)
Total Expenditures (GAAP Basis)	<u>\$ 30,250</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 30,411	\$ 30,411
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 30,411</u>	<u>\$ 30,411</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Operation & Maintenance of Plant	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 30,411
Differences-Budget to GAAP	
Current Year Receivable	-
Prior Year Receivable	(30,411)
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</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, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ -	\$ 1,758	\$ 34,011	\$ 32,253
TOTAL REVENUE	<u>-</u>	<u>1,758</u>	<u>\$ 34,011</u>	<u>\$ 32,253</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,758</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,758	\$ 1,758	\$ -
Support Services-Students	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,758</u>	<u>\$ 1,758</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 34,011
Differences-Budget to GAAP	
Current Year Receivable	-
Prior Year Receivable	(32,253)
Total Revenues (GAAP Basis)	<u>\$ 1,758</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,758
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,758</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Private & Local Grants	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Balance Budgeted	4,598	4,598		
TOTAL REVENUE & CASH	<u>\$ 4,598</u>	<u>\$ 4,598</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,598	\$ 4,598	\$ 3,696	\$ 902
TOTAL EXPENDITURES	<u>\$ 4,598</u>	<u>\$ 4,598</u>	<u>\$ 3,696</u>	<u>\$ 902</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)	\$ 3,696
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,696</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 1,144	\$ 765	\$ (379)
TOTAL REVENUE	<u>-</u>	<u>1,144</u>	<u>765</u>	<u>(379)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,144</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,144	\$ 765	\$ 379
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,144</u>	<u>\$ 765</u>	<u>\$ 379</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 765
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 765</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 765
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 765</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-- SB-1 LIBRARY GO BONDS

Year Ended June 30, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 6,512	\$ 6,512	\$ 6,359	\$ (153)
TOTAL REVENUE	<u>6,512</u>	<u>6,512</u>	<u>6,359</u>	<u>(153)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 6,512</u>	<u>\$ 6,512</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 6,512	\$ 6,512	\$ 6,466	\$ 46
TOTAL EXPENDITURES	<u>\$ 6,512</u>	<u>\$ 6,512</u>	<u>\$ 6,466</u>	<u>\$ 46</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,359
Differences-Budget to GAAP	
Current Year Receivable	107
Total Revenues (GAAP Basis)	<u>\$ 6,466</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,466
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,466</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 46,400	\$ 46,040	\$ (360)
TOTAL REVENUE	<u>-</u>	<u>46,400</u>	<u>46,040</u>	<u>(360)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 46,400</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 46,400	\$ 46,040	\$ 360
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 46,400</u>	<u>\$ 46,040</u>	<u>\$ 360</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 46,040
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 46,040</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 46,040
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 46,040</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 30,000	\$ 29,318	\$ (682)
TOTAL REVENUE	<u>-</u>	<u>30,000</u>	<u>29,318</u>	<u>(682)</u>
Cash Balance Budgeted				
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 30,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 30,000	\$ 29,318	\$ 682
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 29,318</u>	<u>\$ 682</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 29,318
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 29,318</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 29,318
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 29,318</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, 2012

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
ASSETS					
Cash on Deposit	\$ 813,464	\$ 46,042	\$ 11,332	\$ 41,825	\$ 912,663
Due From Other Governments	-	-	-	-	-
Due from Other Funds	377,866	-	-	-	377,866
Due From External Funds	-	-	-	-	-
Taxes Receivable	21,066	-	-	-	21,066
TOTAL ASSETS	\$ 1,212,396	\$ 46,042	\$ 11,332	\$ 41,825	\$ 1,311,595
Liabilities					
Due to Other Funds	-	-	-	-	-
Accounts Payable	\$ 251,447	\$ -	\$ -	\$ -	\$ 251,447
Deferred Revenue	418	-	-	-	418
	251,865	-	-	-	251,865
FUND BALANCE					
Fund Balance					
Reserved for Text Books	-	-	-	-	-
Restricted	-	-	-	-	-
Unassigned	960,531	46,042	11,332	41,825	1,059,730
TOTAL FUND BALANCE	960,531	46,042	11,332	41,825	1,059,730
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,212,396	\$ 46,042	\$ 11,332	\$ 41,825	\$ 1,311,595

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, 2012

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
REVENUE					
Residential/Non-Residential Taxes	\$ 361,840	\$ -	\$ -	\$ -	\$ 361,840
Fees - Educational	53,595	-	-	-	53,595
Rent and Leases	-	-	-	16,200	16,200
Interest Income	210	-	-	86	296
State Equalization	4,305,181	-	-	-	4,305,181
State Programs	-	133,483	26,116	-	159,599
Sale of Property/Equipment	5,607	-	-	-	5,607
Access Board	2,249	-	-	-	2,249
Insurance Recoveries	-	-	-	34,686	34,686
Federal Revenue	2,167	-	-	-	2,167
TOTAL REVENUES	4,730,849	133,483	26,116	50,972	4,941,420
EXPENDITURES					
Instruction	2,814,291	-	23,810	-	2,838,101
Support Services	-	-	-	-	-
Support Services-Students	250,172	-	-	-	250,172
Support Services-Instruction	89,655	-	-	-	89,655
Support Services-General Administration	220,263	-	-	-	220,263
Support Services-School Administration	247,338	-	-	-	247,338
Central Services	179,297	-	-	-	179,297
Operation & Maintenance of Plant	874,071	-	-	6,181	880,252
Student Transportation	-	158,518	-	-	158,518
Other Support Services	260	-	-	-	260
Food Services-Operations	-	-	-	-	-
Community Services-operations	-	-	-	-	-
Acquisition & Construction	-	-	-	80,000	80,000
TOTAL EXPENDITURES	4,675,347	158,518	23,810	86,181	4,943,856
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	55,502	(25,035)	2,306	(35,209)	(2,436)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN/ TRANSFERS OUT	(8,517)	-	-	-	(8,517)
TOTAL OTHER FINANCING SOURCES	(8,517)	-	-	-	(8,517)
Net Change In Fund Balance	46,985	(25,035)	2,306	(35,209)	(10,953)
FUND BALANCE					
June 30, 2011	913,546	71,077	9,026	77,112	1,070,761
Restatement	-	-	-	(78)	(78)
Restated Fund Balance June 30, 2011	913,546	71,077	9,026	77,034	1,070,683
FUND BALANCE June 30, 2012	\$ 960,531	\$ 46,042	\$ 11,332	\$ 41,825	\$ 1,059,730

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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 248,448	\$ 248,448	\$ 362,841	\$ 114,393
Fees-Users	-	-	53,595	53,595
Interest Income	250	250	210	(40)
State Equalization	4,205,280	4,375,181	4,305,181	(70,000)
Sale of Property/Equipment	-	-	5,607	5,607
Access Board	1,500	1,500	2,249	749
Indirect Cost - (Flow Through Grants)	-	-	2,167	2,167
TOTAL REVENUE	<u>4,455,478</u>	<u>4,625,379</u>	<u>\$ 4,731,850</u>	<u>\$ 106,471</u>
Cash Balance Budgeted	740,150	891,897		
TOTAL REVENUE & CASH	<u>\$ 5,195,628</u>	<u>\$ 5,517,276</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,034,459	\$ 3,202,160	\$ 2,814,291	\$ 387,869
Support Services				-
Support Services-Students	293,019	293,019	250,172	42,847
Support Services-Instruction	118,349	119,999	89,655	30,344
Support Services-General Administration	257,614	258,164	219,014	39,150
Support Services-School Administration	285,577	285,577	247,338	38,239
Central services	207,283	207,283	179,297	27,986
Operation & Maintenance of Plant	974,986	1,126,733	874,071	252,662
Other Support Services	24,341	24,341	260	24,081
TOTAL EXPENDITURES	<u>\$ 5,195,628</u>	<u>\$ 5,517,276</u>	<u>\$ 4,674,098</u>	<u>\$ 843,178</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,731,850
Differences-Budget to GAAP	
Property tax Receivable	21,066
Prior Year Tax Receivables	(22,231)
Current Year Deferral	(418)
Prior Year Deferral	582
Total Revenues (GAAP Basis)	<u>\$ 4,730,849</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 4,674,098
Differences-budget to GAAP	
Prior Year Accounts Payable	252,697
Current Year Accounts Payable	(251,448)
Total Expenditures (GAAP Basis)	<u>\$ 4,675,347</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Rent and Leases	\$ 4,800	\$ 4,800	\$ 16,200	\$ 11,400
Interest Income	61	61	86	25
Insurance Recoveries	35,000	35,000	34,686	(314)
TOTAL REVENUE	<u>39,861</u>	<u>39,861</u>	<u>\$ 50,972</u>	<u>\$ 11,111</u>
Cash Balance Budgeted	<u>76,701</u>	<u>76,701</u>		
TOTAL REVENUE & CASH	<u>\$ 116,562</u>	<u>\$ 116,562</u>		
EXPENDITURES				
Current				
Operation & Maintenance of Plant	\$ 41,562	\$ 36,562	\$ 6,181	\$ 30,381
Acquisition & Construction	75,000	80,000	80,000	-
TOTAL EXPENDITURES	<u>\$ 116,562</u>	<u>\$ 116,562</u>	<u>\$ 86,181</u>	<u>\$ 30,381</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 50,972
Differences-Budget to GAAP

Total Revenues (GAAP Basis)

\$ 50,972

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 86,181
Differences-budget to GAAP
Total Expenditures (GAAP Basis)

\$ 86,181

\$ 86,181

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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 164,297	\$ 173,276	\$ 133,483	\$ (39,793)
TOTAL REVENUE	<u>164,297</u>	<u>173,276</u>	<u>\$ 133,483</u>	<u>\$ (39,793)</u>
Cash Balance Budgeted	-	39,792		
TOTAL REVENUE & CASH	<u>\$ 164,297</u>	<u>\$ 213,068</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 164,297	\$ 213,068	\$ 158,518	\$ 54,550
TOTAL EXPENDITURES	<u>\$ 164,297</u>	<u>\$ 213,068</u>	<u>\$ 158,518</u>	<u>\$ 54,550</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 133,483
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 133,483</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 158,518
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 158,518</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 20,723	\$ 25,527	\$ 26,116	\$ 589
TOTAL REVENUE	<u>20,723</u>	<u>25,527</u>	<u>26,116</u>	<u>589</u>
Cash Balance Budgeted	5,835	5,865		
TOTAL REVENUE & CASH	<u>\$ 26,558</u>	<u>\$ 31,392</u>		
EXPENDITURES				
Current				
Instruction	\$ 26,558	\$ 31,392	\$ 23,810	\$ 7,582
Support Services-Instruction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 26,558</u>	<u>\$ 31,392</u>	<u>\$ 23,810</u>	<u>\$ 7,582</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 26,116
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 26,116</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 23,810
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 23,810</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	\$ -	\$ -	\$ 16,232	\$ 16,232
Bond Proceeds	8,100,000	8,100,000	8,058,470	(41,530)
TOTAL REVENUE	<u>8,100,000</u>	<u>8,100,000</u>	<u>\$ 8,074,702</u>	<u>\$ (25,298)</u>
Cash Balance Budgeted	<u>10,093,686</u>	<u>22,452,934</u>		
TOTAL REVENUE & CASH	<u>\$ 18,193,686</u>	<u>\$ 30,552,934</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 18,193,686	\$ 30,552,934	\$ 22,022,157	\$ 8,530,777
TOTAL EXPENDITURES	<u>\$ 18,193,686</u>	<u>\$ 30,552,934</u>	<u>\$ 22,022,157</u>	<u>\$ 8,530,777</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 8,074,702
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 8,074,702</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 22,022,157
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 22,022,157</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--HOUSE BILL 33

Year Ended June 30, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,012,188	\$ 1,012,188	\$ 1,461,600	\$ 449,412
Interest Income	-	-	-	-
State Flow Through Grants	-	-	3,525	3,525
TOTAL REVENUE	<u>1,012,188</u>	<u>1,012,188</u>	<u>\$ 1,465,125</u>	<u>\$ 452,937</u>
Cash Balance Budgeted	<u>5,105,183</u>	<u>5,105,183</u>		
TOTAL REVENUE & CASH	<u>\$ 6,117,371</u>	<u>\$ 6,117,371</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 2,500	\$ 2,500	\$ 1,901	\$ 599
Acquisition & Construction	6,114,871	6,114,871	2,622,593	3,492,278
TOTAL EXPENDITURES	<u>\$ 6,117,371</u>	<u>\$ 6,117,371</u>	<u>\$ 2,624,494</u>	<u>\$ 3,492,877</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,465,125
Differences-Budget to GAAP	
Property tax Receivable	85,475
Prior Year Tax Receivables	(90,204)
Current Year Deferral	(2,450)
Prior Year Deferral	3,216
Total Revenues (GAAP Basis)	<u>\$ 1,461,162</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,624,494
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,624,494</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, 2012

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 2,860,695	\$ 2,860,695	\$ 3,820,376	\$ 959,681
Interest Income	-	-	2,350	2,350
Bond Premium	-	-	85,638	85,638
TOTAL REVENUE	<u>2,860,695</u>	<u>2,860,695</u>	<u>\$ 3,908,364</u>	<u>\$ 1,047,669</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 2,860,695</u>	<u>\$ 2,860,695</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 9,810	\$ 9,810	\$ 4,865	\$ 4,945
Principal	1,870,000	1,870,000	1,870,642	(642)
Interest and Finance Charges	980,885	980,885	925,775	55,110
TOTAL EXPENDITURES	<u>\$ 2,860,695</u>	<u>\$ 2,860,695</u>	<u>\$ 2,801,282</u>	<u>\$ 59,413</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,908,364
Differences-Budget to GAAP	
Property tax Receivable	220,131
Prior Year Tax Receivables	(239,450)
Current Year Deferral	(6,338)
Prior Year Deferral	7,047
Total Revenues (GAAP Basis)	<u>\$ 3,889,754</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,801,282
Differences-budget to GAAP	
Prior Year Interest Payable	(115,325)
Current Year Interest Payable	212,346
Total Expenditures (GAAP Basis)	<u>\$ 2,898,303</u>

The accompanying footnotes are integral part of these financial statements.

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

Year Ended June 30, 2012

	Balance 6/30/2011	ADDITIONS	DEDUCTIONS	Balance 6/30/2012
Annual	\$ 36,713	\$ 17,260	\$ 7,708	\$ 46,265
Arts Club	1,180	-	-	1,180
Drama Club	840	3,637	3,014	1,463
High School Student Activity	11,621	24,083	24,357	11,347
High School Student Council	2,653	6,141	5,670	3,124
Middle School General Activity	2,145	3,498	4,326	1,317
Middle School Shop	362	-	-	362
Library	16,164	9,585	13,710	12,039
Miscellaneous	405	3,108	1,278	2,235
Activity Center	1,736	17,179	924	17,991
Pep Club	7,376	24,159	25,420	6,115
Spanish Club	1,082	-	-	1,082
Textbooks	1,917	681	50	2,548
Senior Class	283	3,396	1,340	2,339
Junior Class	4,786	942	4,796	932
Sophomore Class	1,701	-	1,666	35
Freshman Class	(5)	15	10	-
Graduating Class	10	2,906	-	2,916
Activity Interest	553	32	-	585
National Honor Society	1,913	7,863	9,083	693
Café A La Carte	3,113	-	68	3,045
Elementary General	7,461	6	532	6,935
Tech Lab	472	-	-	472
PowerAde Account	118	-	-	118
Pre AP fund	3,021	-	3,021	-
AR Math Club	194	-	-	194
NMPSIA	779	983	-	1,762
Elementary Intel Grant	17	-	-	17
District 7AA Fund	999	292	1,291	-
Band Instrument Rental	75	-	-	75
REC Reimbursement	-	27,000	26,798	202
Baseball/Basketball Fund	3,306	1,555	4,711	150
Tech Needs Donations	220	-	-	220
Volleyball Fund	1,237	966	2,203	-
Elementary Science Project	7	-	-	7
Football Qtr. Finals	15	-	-	15
21st Century Reimbursement	9,392	-	201	9,191
Boys Basketball Fundraiser	1	327	328	-
Softball Account	1,851	41	1,429	463
Freddie Mitchell Memorial Golf Acct	7,937	22,497	21,169	9,265
Welding Shop Acct	5,980	-	705	5,275
EHS Science Dept	140	-	-	140
CMS Library Fund	1,175	1,931	1,925	1,181
EHS Library Fund	196	254	-	450
Girls Basketball Fundraiser	17	-	1	16
Special Ed Activity Fund	471	29	-	500
Drug Testing	1,794	-	30	1,764
EHS Math & Chess Club	85	-	-	85
Alumni Golf	150	-	-	150
Alumni Baseball	509	-	270	239
Alumni Softball	151	-	-	151
Alumni Cheer	250	-	-	250
ID Tag Replacement	3,563	1,063	353	4,273
Football Postseason	8,338	-	-	8,338
CMS Reading & Math Incentive	1,037	-	-	1,037
District 4-AA	161	368	316	213
District 5 AA	766	3,813	2,299	2,280
1970 Alumni Fund	2,125	-	-	2,125
Eunice Community Foundation	68	-	-	68
Cash On Hand	250	-	-	250
Total	\$ 160,876	\$ 185,610	\$ 171,002	\$ 175,484

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, 2012

	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PROGRAM EXPENDITURES</u>
<u>US DEPARTMENT OF EDUCATION</u>			
Passed through the State Department of Education			
Title I	<1> 84.010	24101	\$ 116,057
ARRA - Title I School Improvement	<1> 84.010	24262	30,250
Title I IASA	84.389	24201	824
Teacher/Principal Training	84.367	24154	830
IDEA-B Entitlement	<1> 84.027	24106	101,064
ARRA - Education Jobs Fund	84.410	25255	1,758
21st Century Community Learning	84.287	24119	119,342
TOTAL PASS THROUGH GRANTS			<u>\$ 370,125</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 370,125</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education			
National School Lunch Program	<1> 10.555	21000	15,718
Commodities Received	<1> 10.555	21000	201,314
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 217,032</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 587,157</u>
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 587,157</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, 2012

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL REQUIRED	COLLATERAL PLEGGED	UNINSURED & UNCOLLATERALIZED DEPOSITS	PLEGGED COLLATERAL DEFICIT
WELLS FARGO BANK	\$ 20,715,410	\$ 500,000	\$ 20,215,410	\$ 10,107,705	\$ 1,187,021	\$ 19,028,389	\$ (8,920,684)

COLLATERAL		MATURES
FN AH8825 3138AAYX3	53,912	3/1/41
FN AJ1625 3138ASYX4	9,970	10/1/26
FN AH0015 3138A1AR2	65,460	12/1/40
FN AH0006 3138A1AG6	3,960	12/1/40
FN AH2340 3138A3S65	9,449	1/1/41
FN AH1516 3138A2VJ5	4,300	12/1/25
FN AH3231 3138A4SV8	16,825	2/1/26
FN AI7606 3138AMNY7	29,919	11/1/41
FN AH0125 3138A1D73	19,458	1/1/41
FN AJ3038 3138AULU9	927,965	10/1/41
FN AH0007 3138A1AH4	45,803	12/1/40
	<u>\$ 1,187,021</u>	

COLLATERAL IS HELD AT MINNEAPOLIS, MINNESOTA

NEW MEXICO STATE TREASURER	\$ 32,737	\$ -	\$ 32,737	\$ 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, 2012

Bank	ACCT TYPE	FUND		BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	CASH BALANCE
Wells Fargo Bank	Checking	Operational	*	\$ 956,373	\$ 33,148	\$ 250,198	\$ 1,173,423
	Checking	Capital Improvement	*	976,392	228,327	10,000,000	10,748,065
	Checking	Cafeteria	*	55,910	102	-	55,808
	Checking	Activities & Athletics	*	223,765	4,645	32	219,152
	Checking	Federal Programs		-	-	-	-
	Checking	Payroll Clearing		498,435	498,435	-	-
	MM	Capital Improvement	*	18,004,535	10,000,000	-	8,004,535
Total Wells Fargo Bank				<u>20,715,410</u>	<u>10,764,657</u>	<u>10,250,230</u>	<u>20,200,983</u>
New Mexico State Treas	C.D.	Capital Improvement	*	312			312
New Mexico State Treas	C.D.	Teacherage	*	32,425	-	-	32,425
Total New Mexico Treas				<u>32,737</u>			<u>32,737</u>
Amount on Deposit				<u>\$ 20,748,147</u>	<u>\$ 10,764,657</u>	<u>\$ 10,250,230</u>	<u>\$ 20,233,720</u>
Cash On Hand							295
Total Cash							<u>\$ 20,234,015</u>
			*	Interest Bearing			

See Independent Auditor's Report

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BANK RECONCILIATION

June 30, 2012

	<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, 2011	\$ 891,898	\$ 71,077	\$ 91,441	\$ 22,547	\$ (126,133)	\$ 5,337
Investments	-	-	-	-	-	-
TOTAL CASH BALANCE						
JUNE 30, 2011	891,898	71,077	91,441	22,547	(126,133)	5,337
Add: Prior year void checks	-	-	-	-	-	-
2010-2011 Revenue	4,731,849	173,276	254,750	145,787	420,533	82,482
Transfers In	-	-	-	-	8,517	-
TOTAL AVAILABLE CASH	5,623,747	244,353	346,191	168,334	302,917	87,819
Prior year void checks	-	-	-	-	-	-
2011-2012 Expenditures	4,674,098	158,518	290,383	124,416	389,129	86,284
Transfers Out	8,517	39,793	-	-	-	-
	<u>4,682,615</u>	<u>198,311</u>	<u>290,383</u>	<u>124,416</u>	<u>389,129</u>	<u>86,284</u>
NET CASH, JUNE 30, 2012	941,132	46,042	55,808	43,918	(86,212)	1,535
Cash On hand	-	-	45	-	-	-
Paid back to PED	-	-	-	-	-	-
Held Payroll Checks	250,198	-	-	-	-	-
Loans (Out) In	(377,866)	-	-	-	91,722	107
TOTAL CASH, JUNE 30, 2012	<u>\$ 813,464</u>	<u>\$ 46,042</u>	<u>\$ 55,853</u>	<u>\$ 43,918</u>	<u>\$ 5,510</u>	<u>\$ 1,642</u>

See Independent Auditor's Report

SB-9	ACTIVITIES	INSTRUCTIONAL MATERIALS	HB-33	TEACHERAGE	BOND BUILDING	DEBT SERVICE
\$ 3,700,893	\$ 160,626	\$ 9,026	\$ 5,768,856	\$ 77,112	\$ 22,452,933	\$ 603,854
-	-	-	-	-	-	-
3,700,893	160,626	9,026	5,768,856	77,112	22,452,933	603,854
1,465,125	188,188	26,116	1,465,125	50,893	8,074,702	3,908,364
-	-	-	-	-	-	-
5,166,018	348,814	35,142	7,233,981	128,005	30,527,635	4,512,218
952,973	173,580	23,810	2,624,494	86,181	22,022,157	2,801,282
-	-	-	-	-	-	-
952,973	173,580	23,810	2,624,494	86,181	22,022,157	2,801,282
4,213,045	175,234	11,332	4,609,487	41,824	8,505,478	1,710,936
-	250	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 4,213,045</u>	<u>\$ 175,484</u>	<u>\$ 11,332</u>	<u>\$ 4,609,487</u>	<u>\$ 41,824</u>	<u>\$ 8,505,478</u>	<u>\$ 1,710,936</u>

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
New Mexico State Auditor
To the School Board
Eunice Public Schools Schools

We have audited the financial statements of the governmental activities, each major fund, aggregate remaining fund information, 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, 2012, which collectively comprise the Eunice Public Schools' basic financial statements and have issued our report thereon dated November 15, 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

Management of Eunice Public Schools is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Eunice Public Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eunice Public Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 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. 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 results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* listed as finding 2012-01.

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Clovis: PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

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, Lewis & Co.

Portales, New Mexico
November 15, 2012

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S 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 Balderas, State Auditor
Board of Education
Eunice Public Schools
Eunice, New Mexico

Compliance

We have audited Eunice Public Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Eunice Public Schools' major federal programs for the year ended June 30, 2012. 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, 2012.

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 to determine the 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, Public Education Department, the State Auditor, 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, Lewis & Co.

Portales, New Mexico
November 15, 2012

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

June 30, 2012

PRIOR YEAR AUDIT 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.

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

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: Resolved.

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

JUNE 30, 2012

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	None
Material Weakness involving Significant Deficiencies	None
Material Noncompliance	2012-01
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Program	Title I Cluster #84.010 IDEA-B Entitlement #84.394 School Lunch Program #10.555
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:

Under Collateralized Funds – 2012-01 – Noncompliance

Statement of Condition:	Funds held by financial institution Wells Fargo were under collateralized. The account was under collateralized by \$8,920,684.
Criteria:	6-10-17 NMSA 1978 provides that any financial institution designated as a depository of public money shall deliver securities to a custodial bank and shall deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom the public money is received for deposit.
Cause:	During the year the District's bank balance exceeded the maximum collateralized and the bank was unable to collateralize the balance that exceeded the \$250,000 FDIC limit. The funds in excess of the pledged collateral were held in a money market account and thus not covered by pledged collateral by the bank.
Effect:	Risk of loss if bank fails.
Recommendation:	Review pledged collateral at least monthly and compare to bank balance. Insure that all bank balances are covered by pledged collateral.
Response:	Management concurs with the recommendation. In addition, the Cooperative has divided its deposits by fund into separate accounts to maintain deposit balances below the FDIC limit.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

Year Ended June 30, 2012

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 management's internal control and is not considered in the auditor's evaluation of the severity of the internal control deficiency.

EXIT CONFERENCE

An Exit Conference was held on November 15, 2012. Present were Dwain Haynes, Superintendent; Cynthia Sims, Business Manager; Steve Almager, Board of Education President; and Misty Clouse, Bookkeeper. Our firm was represented by John McKinley Jr., CPA.