

**STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
JUNE 30, 2013**

Woodard, Cowen & Co.

Certified Public Accountants

TABLE OF CONTENTS

Table of Contents	i – iii
Official Roster	iv
Independent Auditor’s Report	v – vi

FINANCIAL SECTION

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Position	1
Statement of Activities	2

Fund Financial Statements:

Balance Sheet – Governmental Funds	3 – 4
Reconciliation of the Balance Sheet – All Governmental Funds to The Statement of Position	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	6 – 7
Reconciliation of the Statements of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	8

Major Funds:

Combined Statements of Revenues, Expenditures – Budget (Non-GAAP) And Actual – General Fund	9
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – Senate Bill 9	10
Statement of Fiduciary Assets and Liabilities	11

NOTES TO FINANCIAL STATEMENTS	12 – 24
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NON-MAJOR FUNDS

Special Revenue Funds – Fund Descriptions	25 – 26
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Funds	27 – 31
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds – Special Revenue Funds	32 – 36
Cafeteria – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	37
Athletics – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	38
Title I – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	39
IDEA-B Entitlement – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	40
IDEA-B Preschool – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	41
IDEA-B Risk Poll – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	42
Teacher/Principal Training – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	43

TABLE OF CONTENTS – (Continued)

FINANCIAL SECTION – (Continued)

Non-Major Funds – (Continued)

2009 Dual Credit Instructional Materials – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	44
Formative Assessments – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	45
Pre-K Initiative – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	46
Science Instructional Materials – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	47

Major Funds

Combining Balance Sheet – General Fund	48
Combining Statement of Revenue, Expenditure and Changes in Fund Balance – General Fund	49
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Operational	50
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Transportation	51
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Instructional Materials	52
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Teacherage	53
Bond Building – Capital Projects Fund Statement of Revenues & Expenditures – Budget (Non-GAAP) and Actual	54
HB-33 – Capital Projects Fund Statement of Revenues & Expenditures – Budget (Non-GAAP) and Actual	55
Debt Service – Debt Service Fund Statement of Revenues & Expenditures – Budget (Non-GAAP) and Actual	56

OTHER SUPPLEMENTAL INFORMATION

Schedule of Changes in Assets and Liabilities – Agency Fund	57
Schedule of Expenditures of Federal Awards	58
Schedule of Pledged Collateral	59
Bank Summary	60
Bank Reconciliation	61 – 62

TABLE OF CONTENTS – Continued

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	63 – 64
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	65 – 66
Prior Year Audit Findings	67
Schedule of Findings and Questioned Costs	68
Other Disclosures	69

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
JUNE 30, 2013

OFFICIAL ROSTER

BOARD OF EDUCATION

Don Jones	President
David Gallegos	Vice President
John Smith	Secretary
Matt Coy	Member
Kenny Reed	Member

SCHOOL OFFICIALS

Dwain Haynes	Superintendent
Cynthia Sims	Business Manager

Woodard, Cowen & Co.

Certified Public Accountants

Independent Auditor's Report

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

Report on Financial Statements

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 (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements 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 funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2013, and the respective changes in financial position and the

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

respective budgetary comparisons for the and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require 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.

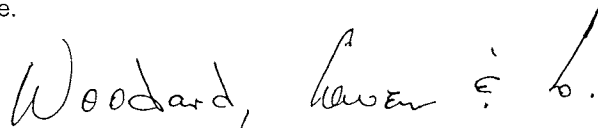
Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Changes in Assets and Liabilities – Agency Fund, Schedule of Pledged Collateral, Bank Summary, and Bank Reconciliation are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, Schedule of Changes in Assets and Liabilities – Agency Fund, Schedule of Pledged Collateral, Bank Summary, and Bank Reconciliation are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Schedule of Changes in Assets and Liabilities – Agency Fund, Schedule of Pledged Collateral, Bank Summary, and Bank Reconciliation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2013 on our consideration of the Agency'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* in considering the District's internal control over financial reporting and compliance.



Portales, New Mexico
November 13, 2013

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 STATEMENT OF POSITION

June 30, 2013

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 12,757,770
Property Taxes Receivable	412,347
Due From Other Agencies	137,998
Inventory	7,930
Non-current assets:	
Restricted Cash	6,429,622
Capital assets, net	39,560,836
Bond issuance costs, net	337,822
Total Assets	<u>59,644,325</u>
<u>LIABILITIES</u>	
Current:	
Accounts payable	836,943
Bond Premium, net of amortization	296,254
Debt due in one year	2,720,000
Non-current:	
Compensated Absences	32,490
Debt in more than one year:	33,825,000
Total Liabilities	<u>37,710,687</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Revenue	670
Total Deferred Inflows of Resources	<u>670</u>
<u>NET POSITION</u>	
Invested in capital assets net of related debt	3,015,836
Restricted for:	
Capital Projects	11,868,429
Debt Service	1,402,049
Inventory	7,930
Unrestricted	5,638,724
Total Net Position	<u>\$ 21,932,968</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, 2013

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	3,330,781	105,643	260,954	-	(2,964,184)
Support Services	-	-	-	-	
Support Services-Students	333,788	-	-	-	(333,788)
Support Services-Instruction	68,290	-	15,587	-	(52,703)
Support Services-General Administration	300,478	-	86,389	-	(214,089)
Support Services-School Administration	283,600	-	40,749	-	(242,851)
Central Services	175,678	-	-	-	(175,678)
Operation & Maintenance of Plant	3,194,218	-	-	-	(3,194,218)
Student Transportation	197,523	-	205,938	-	8,415
Other Support Services	1,877	-	-	-	(1,877)
Food Services-Operations	315,393	71,308	241,144	-	(2,941)
Community Services-operations	-	-	-	-	-
Bond Interest	1,146,847	-	-	-	(1,146,847)
Depreciation-unallocated	1,278,702	-	-	-	(1,278,702)
Amortization Unallocated	24,159	-	-	-	(24,159)
Unallocated Revenue	-	-	-	-	-
Total governmental activities	\$ 10,651,334	\$ 176,951	\$ 850,761	\$ -	\$ (9,623,622)

General revenues:

Property taxes:

Levied for General purpose	\$	339,971
Levied for Capital Projects		2,740,102
Levied for Debt Service		3,252,042
State Programs		68,834
Fees		1,388
PED Equalization Guarantee		4,363,950
Unrestricted interest income		9,883
Miscellaneous		100,750
State Capital Grants		30,111

Total general revenues 10,907,031

Change in net position	1,283,409
Net position - beginning	21,003,163
Restatement	(353,604)
Restated Balance	<u>20,649,559</u>
Net position - ending	<u>\$ 21,932,968</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2013

	GENERAL	BOND BUILDING	HB33
ASSETS			
Cash on Deposit	\$ 1,081,789	\$ 6,429,622	\$ 5,486,942
Due from Other Funds	137,998	-	-
Due from Other Governments	-	-	-
Due From External Funds	-	-	-
Property Taxes Receivable	22,560	-	91,549
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 1,242,347</u>	<u>\$ 6,429,622</u>	<u>\$ 5,578,491</u>
LIABILITIES			
Accounts Payable	\$ 272,041	\$ 19,878	\$ 101,825
Due to Other Funds	-	-	-
TOTAL LIABILITIES	272,041	19,878	101,825
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	4,246	-	17,981
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,246</u>	<u>-</u>	<u>17,981</u>
FUND BALANCE			
Non-spendable	-	-	-
Restricted for: Capital Projects	-	6,409,744	5,458,685
Restricted for: Debt Service	-	-	-
Restricted for: Instructional Materials	11,924	-	-
Restricted for: Athletics	-	-	-
Restricted for: Cafeteria	-	-	-
Restricted for: Special Revenue	-	-	-
Unassigned:			
General Fund	954,136	-	-
Special Revenue Funds	-	-	-
TOTAL FUND BALANCE	<u>966,060</u>	<u>6,409,744</u>	<u>5,458,685</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,242,347</u>	<u>\$ 6,429,622</u>	<u>\$ 5,578,491</u>

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

SB-9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 4,523,521	\$ 1,577,543	\$ 87,975	\$ 19,187,392
-	-	-	137,998
-	-	137,998	137,998
-	-	-	-
91,549	206,689	-	412,347
-	-	7,930	7,930
<u>\$ 4,615,070</u>	<u>\$ 1,784,232</u>	<u>\$ 233,903</u>	<u>\$ 19,883,665</u>
\$ 101,825	\$ 341,374	\$ -	\$ 836,943
-	-	137,998	137,998
101,825	341,374	137,998	974,941
17,981	40,809	670	81,687
<u>17,981</u>	<u>40,809</u>	<u>670</u>	<u>81,687</u>
-	-	7,930	7,930
-	-	-	11,868,429
-	1,402,049	-	1,402,049
-	-	-	11,924
-	-	38,223	38,223
-	-	47,382	47,382
4,495,264	-	1,700	4,496,964
-	-	-	954,136
-	-	-	-
<u>4,495,264</u>	<u>1,402,049</u>	<u>95,235</u>	<u>18,827,037</u>
<u>\$ 4,615,070</u>	<u>\$ 1,784,232</u>	<u>\$ 233,903</u>	<u>\$ 19,883,665</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 POSITION

June 30, 2013

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

Fund Balances - total governmental funds	\$ 18,827,037
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	39,560,836
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	81,017
Bond Premium proceeds	(296,253)
Good Faith Deposit Toward Future Bond Proceeds	-
Liabilities not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bond Issuance Costs	337,821
Bonded Debt	(36,545,000)
Compensated Absences	<u>(32,490)</u>
Net postion of governmental activities	<u>\$ 21,932,968</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, 2013

	GENERAL	BOND BUILDING	HB33
REVENUE			
Residential/Non-Residential Taxes	\$ 339,971	\$ -	\$ 1,370,051
Fees - Educational	458	-	-
Rent and Leases	27,733	-	-
Fees Activities	-	-	-
Fees-Users	-	-	-
Fees-GOV	930	-	-
Interest Income	171	2,195	2,394
State Equalization	4,363,950	-	-
State Programs	315,105	-	-
Donations	-	-	-
Access Board	2,596	-	-
Refunds	-	50,372	-
Insurance Recoveries	6,118	-	-
Bond Proceeds	-	3,662,035	-
Bond Premium	-	-	-
Federal Program	-	-	-
TOTAL REVENUES	5,057,032	3,714,602	1,372,445
EXPENDITURES			
Current			
Instruction	2,987,057	-	-
Support Services-Students	333,788	-	-
Support Services-Instruction	52,703	-	-
Support Services-General Administration	191,803	-	2,249
Support Services-School Administration	254,156	-	-
Central Services	175,678	-	-
Operation & Maintenance of Plant	907,642	-	-
Student Transportation	197,523	-	-
Other Support Services	1,877	-	-
Food Services-Operations	-	-	-
Acquisition & Construction	-	5,808,570	503,195
Bond Principal	-	-	-
Bond Interest	-	-	-
TOTAL EXPENDITURES	5,102,227	5,808,570	505,444
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(45,195)	(2,093,968)	867,001
Other Financing Sources			
Refunds to PED	-	-	-
Transfers In<Out>	2	(1,766)	996.00
Total Other Financial Sources	2	(1,766)	996.00
Net Change In Fund Balances	(45,193)	(2,095,734)	867,997
FUND BALANCE			
June 30, 2012	1,059,730	8,505,478	4,692,512
Restatement	(48,477)	-	(101,824)
Restated Fund Balance June 30, 2012	1,011,253	8,505,478	4,590,688
FUND BALANCE June 30, 2013	\$ 966,060	\$ 6,409,744	\$ 5,458,685

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

SB9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 1,370,051	\$ 3,182,682	\$ -	\$ 6,262,755
-	-	-	458
-	-	-	27,733
-	-	105,643	105,643
-	-	71,308	71,308
-	-	-	930
3,126	1,992	5	9,883
-	-	-	4,363,950
30,111	-	67,965	413,181
-	-	11,685	11,685
-	-	-	2,596
2,246	-	-	52,618
-	-	-	6,118
-	-	-	3,662,035
-	60,153	-	60,153
-	-	536,525	536,525
<u>1,405,534</u>	<u>3,244,827</u>	<u>793,131</u>	<u>15,587,571</u>
-	-	343,644	3,330,701
-	-	-	333,788
-	-	15,587	68,290
2,249	6,483	97,694	300,478
-	-	29,444	283,600
-	-	-	175,678
-	-	-	907,642
-	-	-	197,523
-	-	-	1,877
-	-	315,393	315,393
1,103,036	-	-	7,414,801
-	2,335,000	-	2,335,000
-	1,111,505	-	1,111,505
<u>1,105,285</u>	<u>3,452,988</u>	<u>801,762</u>	<u>16,776,276</u>
300,249	(208,161)	(8,631)	(1,188,705)
-	-	(5,279)	(5,279)
770	-	(2)	-
<u>770</u>	<u>-</u>	<u>(5,281)</u>	<u>(5,279)</u>
301,019	(208,161)	(13,912)	(1,193,984)
4,296,070	1,712,383	103,069	20,369,242
(101,825)	(102,173)	6,078	(348,221)
<u>4,194,245</u>	<u>1,610,210</u>	<u>109,147</u>	<u>20,021,021</u>
<u>\$ 4,495,264</u>	<u>\$ 1,402,049</u>	<u>\$ 95,235</u>	<u>\$ 18,827,037</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, 2013

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

Net change in fund balance - total governmental funds	\$ (1,193,984)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year	3,849,523
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.	\$ 69,360
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Bond issuance proceeds	(3,800,000)
Bond issuance costs	109,965
Bond Premium Proceeds	(60,154)
Good Faith Deposit Toward Bond Proceeds Received in Prior year	28,000
Funds paid back to PED	5,279
Expenses in the statement of activities which do not require use of current financial resources	
Bond principal payments	2,335,000
Increase in Compensated Absences	(80)
Bond issuance cost amortization	(24,158)
Amortization of bond premium taken against bond interest	(35,342)
Change in Net Position	\$ <u>1,283,409</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, 2013

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 301,975	\$ 301,975	\$ 342,304	\$ 40,329
Fees Activities	-	-	-	-
Fees-Users	-	-	458	458
Interest Income	320	320	171	(149)
State Equalization	4,315,180	4,375,596	4,363,950	(11,646)
State Flow Through Grants	241,158	251,271	284,579	33,308
Impact Aid	-	-	-	-
Rent	-	-	-	-
Sale of Property/Equipment	-	-	-	-
Access Board	1,500	1,500	2,596	1,096
Refunds	-	-	-	-
Private & Local Grants	-	-	31,457	31,457
Indirect Cost - (DFG)	-	-	-	-
Indirect Cost - (Flow Through Grants)	-	-	-	-
Insurance Recoveries	-	-	6,118	6,118
Federal Revenue	-	-	-	-
TOTAL REVENUE	<u>4,870,333</u>	<u>4,940,862</u>	<u>\$ 5,059,366</u>	<u>\$ 118,504</u>

Cash Balance Budgeted 816,748 816,748

TOTAL REVENUE & CASH \$ 5,687,081 \$ 5,757,610

EXPENDITURES

Current

Instruction	\$ 3,298,172	\$ 3,238,172	\$ 2,987,057	\$ 251,115
Support Services				
Support Services-Students	298,555	358,555	333,788	24,767
Support Services-Instruction	123,397	123,397	52,703	70,694
Support Services-General Administration	268,135	268,135	193,051	75,084
Support Services-School Administration	306,538	306,538	254,156	52,382
Central Services	231,633	231,633	175,678	55,955
Operation & Maintenance of Plant	946,588	1,007,004	907,642	99,362
Student Transportation	195,825	228,958	197,523	31,435
Other Support Services	18,238	18,238	1,877	16,361
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 5,687,081</u>	<u>\$ 5,780,630</u>	<u>\$ 5,103,475</u>	<u>\$ 677,155</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 5,059,366
Differences-Budget to GAAP	
Property tax Receivable	22,560
Prior Year Tax Receivables	(21,066)
Prior Year Receivable	(4,246)
Current Year Deferral	418
Total Revenues (GAAP Basis)	<u>\$ 5,057,032</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 5,103,475
Differences-budget to GAAP	
Prior Year Accounts Payable	(1,248)
Total Expenditures (GAAP Basis)	<u>\$ 5,102,227</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

FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,218,053	\$ 1,218,053	\$ 1,379,509	\$ 161,456
Interest Income	5,000	5,000	3,125	(1,875)
State Flow Through Grants		15,346	30,111	14,765
Refunds	-	-	2,246	2,246
TOTAL REVENUE	<u>1,223,053</u>	<u>1,238,399</u>	<u>\$ 1,414,991</u>	<u>\$ 176,592</u>
Cash Balance Budgeted	<u>3,485,083</u>	<u>3,485,083</u>		
TOTAL REVENUE & CASH	<u>\$ 4,708,136</u>	<u>\$ 4,723,482</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 3,000	\$ 3,000	\$ 2,249	\$ 751
Acquisition & Construction	4,705,136	4,720,482	1,103,036	3,617,446
TOTAL EXPENDITURES	<u>\$ 4,708,136</u>	<u>\$ 4,723,482</u>	<u>\$ 1,105,285</u>	<u>\$ 3,618,197</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 1,414,991	
Differences-Budget to GAAP				
Property tax Receivable			91,549	
Prior Year Tax Receivables			(85,475)	
Prior Year Receivable			-	
Current Year Deferral			(17,981)	
Prior Year Deferral			2,450	
Total Revenues (GAAP Basis)			<u>\$ 1,405,534</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 1,105,285	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 1,105,285</u>	

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2013

ASSETS

Cash on Deposit \$ 205,071

LIABILITIES AND FUND BALANCE

Liabilities:

 Due to Student Groups \$ 205,071

Total Liabilities \$ 205,071

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 2013

I. Summary of Significant Accounting Policies (continued)

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

The District reports the following major governmental funds:

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

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

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

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

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

The District also reports the following nonmajor governmental funds:

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

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

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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 2012 fiscal year was \$664,214,267. 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, 2013

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, 2013, the annual leave liability increased \$80 to \$32,490.

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, 2013

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 \$4,363,950 in state equalization guarantee distributions during the year ended June 30, 2013.

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 \$205,938 in transportation distributions during the year ended June 30, 2013.

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$3,849,523 difference are as follows:

Capital Outlay	\$	5,128,225
Depreciation expense		<u>(1,278,702)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	\$	<u>3,849,523</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, 2013

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, 2013 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	\$ 5,687,081	\$ 5,780,630
Special Revenue Fund	5,507,253	5,716,429
Debt Service Fund	5,362,752	5,375,613
Capital Projects Fund	15,004,628	15,004,628
Totals	<u>\$ 31,561,714</u>	<u>\$ 31,877,300</u>

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2013

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

There were no deficit fund balances at June 30, 2013.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2013, the carrying amount of the District's deposits was \$19,392,463 and the bank balance was \$19,922,742. Of this balance \$500,000 was covered by federal depository insurance and \$11,051,506 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, 2013, the investments held in the LGIP had an interest risk (WAM) of 59 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, 2013, \$8,338,450 of the government's deposits totaling \$19,922,742 was exposed to custodial credit risk.

Uninsured and Uncollateralized	<u>\$8,338,450</u>
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STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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	\$	21,856
Entitlement		84,657
Idea-B Preschool		3,553
Risk Pool		802
Teacher Principal Training		12,503
2009 Dual Credit Instructional Mat		5,108
Science Instructional Material		9,519
Total due to Operational Fund	\$	<u>137,998</u>

The balance of \$137,998 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	\$ 670
Delinquent Property Taxes	<u>81,017</u>
Total deferred/unearned revenue	
For governmental funds	\$ <u>81,687</u>

D. Receivables

Due from other governments:		
Title I	\$	21,856
Entitlement		84,657
Idea-B Preschool		3,553
Risk Pool		802
Teacher Principal Training		12,503
2009 Dual Credit Instructional Mat		5,108
Science Instructional Material		9,519
Total due from other governments	\$	<u>137,998</u>

Due from local taxes

General	\$	21,560
Senate Bill Nine		91,549
HB-33		91,549
Debt Service		206,689
Total Property Tax Receivable	\$	<u>412,347</u>

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2013

IV. Detailed notes on all funds (continued)

E. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

EUNICE PUBLIC SCHOOLS

	Audited Balance 6/30/2012	Reclass	Additions	Retirements	Ending Balance 6/30/2013
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 1,699,396	-	-	-	\$ 1,699,396
Construction in Progress	23,464,161	(23,464,161)	189,011	-	189,011
Total Capital Assets, not being depreciated	25,163,557	(23,464,161)	189,011	-	1,888,407
Capital Assets, being depreciated:					
Buildings & Improvements	26,433,328	23,464,161	4,650,608	-	54,548,097
Equipment	1,810,123	-	288,606	-	2,098,729
Total Capital Assets being depreciated	28,243,451	23,464,161	4,939,214	-	56,646,826
Less accumulated depreciation for:					
Buildings and Improvements	16,753,800	-	1,116,578	-	17,870,378
Equipment	941,895	-	162,124	-	1,104,019
Total accumulated depreciation	17,695,695	-	609,479	-	18,974,397
Total Capital Assets, being depreciated, net	10,547,756	23,464,161	3,660,512	-	37,672,429
Governmental activities capital assets, net	\$ 35,711,313	\$ 23,464,161	\$ 3,849,523	-	\$ 39,560,836

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.

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, 2013

IV. Detailed notes on all funds (continued)

F. Long-Term Debt

General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2012	Additions	Retirements	Balance 6/30/2013	Amount Due in One Year
2009	\$ 6,000,000	3.0%-4.0%	\$ 5,555,000	\$ 0	460,000	\$ 5,095,000	\$ 480,000
2010	16,000,000	2.0%-4.0%	13,500,000	0	1,250,000	12,345,000	1,250,000
2011	8,100,000	3.25%-3.40%	7,925,000	0	175,000	7,750,000	225,000
2012	8,100,000	2.00%-3.00%	8,100,000	0	450,000	7,650,000	450,000
2013	1,400,000	2.00%-2.125%	0	1,400,000	0	1,400,000	115,000
2013	2,400,000	1.00%-2.00%	0	2,400,000	0	2,400,000	200,000
Total	\$ 42,000,000		\$ 35,080,000	\$ 3,800,000	2,335,000	\$ 36,545,000	\$ 2,720,000

Fiscal Year	Principal	Interest	Total
2014	\$ 2,720,000	\$ 1,098,149	\$ 3,818,149
2015	2,745,000	1,011,966	3,756,966
2016	3,170,000	938,167	4,108,167
2017	3,195,000	848,316	4,043,316
2018	3,225,000	755,779	3,980,779
2018-2022	18,440,000	2,169,826	17,044,826
2023-2024	3,050,000	47,504	3,097,504
	\$ 36,545,000	\$ 6,869,707	\$ 43,414,707

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 \$39,852,856 including \$36,545,000 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, 2013 was as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in one year
\$32,410	\$26,618	(\$26,538)	\$32,490	\$32,490

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, 2013.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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.

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2013, the District was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

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 Center's contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$374,784, \$312,925, and \$391,801, 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.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2013

V. Other information (continued)

D. Post-retirement health care benefits (continued)

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.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$67,531, \$64,783 and \$57,779, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,930	\$ 7,930
Total Nonspendable	-	-	-	-	-	7,930	7,930
Restricted for:							
Capital Projects	-	6,409,744	5,458,685	-	-	-	11,868,429
Debt Service	-	-	-	-	1,402,049	-	1,402,049
Athletics	-	-	-	-	-	38,223	38,223
Cafeteria	-	-	-	-	-	47,382	47,382
Instructional Materials	11,924	-	-	-	-	-	11,924
Special Revenue	-	-	-	4,495,264	-	1,700	4,496,964
Total restricted	11,924	6,409,744	5,458,685	4,495,264	1,402,049	87,305	17,864,971
Unassigned	954,136	-	-	-	-	-	954,136
Total Fund Balances	\$ 966,060	\$ 6,409,744	\$ 5,458,685	\$ 4,495,264	\$ 1,402,049	\$ 95,235	\$ 18,827,037

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, 2012	\$ 21,003,163
Restatement:	
Remove capital asset item that should have been expensed	(104)
Amounts paid back to PED	(28,300)
Correct prior year understatement of delinquent taxes	6,078
Overpayment of prior year taxes	(331,278)
Restated Net Assets July 1, 2013	\$ 20,649,559

G. Restatement of Fund Balance

Fund Balance at June 30, 2012	\$ 20,369,242
Restatement:	
Overpayment of prior year taxes	(331,278)
Amounts paid back to PED	(23,021)
Correct overstatement of deferred revenue	6,078
Restated Fund Balance at July 1, 2013	\$ 20,021,021

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.

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.

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

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.

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

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

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

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

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.

NON-MAJOR SPECIAL REVENUE FUNDS (continued)

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.

FORMATIVE ASSESSMENTS – Program to give teachers essential tools for monitoring student progress in making timely, strategic interventions throughout the school year. Funded by the New Mexico state legislature to support the statutory requirement of 22-2C-4.1, A, 1 & 2.

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.

SCIENCE INSTRUCTIONAL MATERIALS – Program to provide funding for science instructional material supplies to be used in regular instructional hours for grades 6 through 8. This fund was created by the authority of the State Legislature.

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, 2013

	<u>CAFETERIA</u>	<u>ATHLETICS</u>	<u>TITLE I</u>	<u>ENTITLEMENT</u>
ASSETS				
Cash	\$ 47,382	\$ 38,223	\$ -	\$ -
Due from Other Governments	-	-	21,856	84,657
Inventory	<u>7,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 55,312</u>	<u>\$ 38,223</u>	<u>\$ 21,856</u>	<u>\$ 84,657</u>
LIABILITIES				
Due to other Funds	\$ -	\$ -	\$ 21,856	\$ 84,657
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>21,856</u>	<u>84,657</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	7,930	-	-	-
Restricted	<u>47,382</u>	<u>38,223</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>55,312</u>	<u>38,223</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 55,312</u>	<u>\$ 38,223</u>	<u>\$ 21,856</u>	<u>\$ 84,657</u>

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

<u>PRESCHOOL</u>	<u>RISK POOL</u>	<u>PRESCHOOL COMPETITIVE</u>	<u>CLASS SIZE REDUCTION</u>	<u>ENGLISH LANGUAGE ACQUISITION</u>	<u>TEACHER PRINCIPAL TRAINING</u>
\$ -	\$ -	\$ -	\$ 170	\$ 500	\$ -
3,553	802	-	-	-	12,503
-	-	-	-	-	-
<u>\$ 3,553</u>	<u>\$ 802</u>	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ 500</u>	<u>\$ -</u>
\$ 3,553	\$ 802	\$ -	\$ -	\$ -	\$ 12,503
3,553	802	-	-	-	12,503
-	-	-	170	500	-
-	-	-	170	500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,553</u>	<u>\$ 802</u>	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ 500</u>	<u>\$ 12,503</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, 2013

	READING FIRST	JTPA	MICROSOFT SETTLEMENT	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS
ASSETS				
Cash	\$ -	\$ 68	\$ 903	\$ -
Due from Other Governments	-	-	-	5,108
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 903</u>	<u>\$ 5,108</u>
LIABILITIES				
Due to other Funds	\$ -	\$ -	\$ -	\$ 5,108
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,108</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted	-	68	903	-
TOTAL FUND BALANCE	<u>-</u>	<u>68</u>	<u>903</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 903</u>	<u>\$ 5,108</u>

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

FORMATIVE ASSESSMENTS	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	PRE K INITIATIVE	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY
\$ -	\$ 309	\$ 196	\$ -	\$ 224	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 309</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	309	196	-	224	-
-	309	196	-	224	-
<u>\$ -</u>	<u>\$ 309</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ 224</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, 2013

	SCIENCE INSTRUCTIONAL MATERIAL	2008 LIBRARY BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS			
Cash	\$ -	\$ -	\$ 87,975
Due from Other Governments	9,519	-	137,998
Inventory	-	-	7,930
TOTAL ASSETS	\$ 9,519	\$ -	\$ 233,903
LIABILITIES			
Due to other Funds	\$ 9,519	\$ -	\$ 137,998
TOTAL LIABILITIES	9,519	-	137,998
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	-	-	670
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	670
FUND BALANCE			
Non-spendable	-	-	7,930
Restricted	-	-	87,305
TOTAL FUND BALANCE	-	-	95,235
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 9,519	\$ -	\$ 233,903

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, 2013

	CAFETERIA	ATHLETICS	TITLE I	ENTITLEMENT
REVENUE				
Fees Activities	\$ -	\$ 105,643	\$ -	\$ -
Fees-Users	71,308	-	-	-
Interest Income	5	-	-	-
State Flow Through Grants	-	-	-	-
State Programs	-	-	-	-
Donations	-	11,685	-	-
Federal Program	241,144	-	85,857	183,392
TOTAL REVENUES	312,457	117,328	85,857	183,392
EXPENDITURES				
Current				
Instruction	-	123,023	74,552	71,914
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	11,305	82,034
Support Services-School Administration	-	-	-	29,444
Food Services-Operations	315,393	-	-	-
TOTAL EXPENDITURES	315,393	123,023	85,857	183,392
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,936)	(5,695)	-	-
OTHER FINANCING SOURCES (USES)				
REFUNDS TO PED	-	-	-	-
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change In Fund Balance	(2,936)	(5,695)	-	-
FUND BALANCE				
June 30, 2012	58,248	43,918	-	-
Restatement	-	-	-	-
Restated Fund Balance June 30, 2012	58,248	43,918	-	-
FUND BALANCE				
June 30, 2013	\$ 55,312	\$ 38,223	\$ -	\$ -

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

PRESCHOOL	RISK POOL	PRESCHOOL COMPETITIVE	CLASS SIZE REDUCTION	ENGLISH LANGUAGE ACQUISITION	TEACHER PRINCIPAL TRAINING
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,553	802	-	-	-	21,777
<u>3,553</u>	<u>802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,777</u>
-	-	-	-	-	6,190
-	-	-	-	-	15,587
3,553	802	-	-	-	-
-	-	-	-	-	-
<u>3,553</u>	<u>802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,777</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(2)	-	-	-
-	-	(2)	-	-	-
-	-	(2)	-	-	-
-	-	-	-	-	-
-	-	2	-	-	-
-	-	2	-	-	-
<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, 2013

	READING FIRST	JTPA	MICROSOFT SETTLEMENT	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS
REVENUE				
Fees Activities	\$ -	\$ -	\$ -	\$ -
Fees-Users	-	-	-	-
Interest Income	-	-	-	-
State Flow Through Grants	-	-	-	-
State Programs	-	-	-	6,866
Donations	-	-	-	-
Federal Program	-	-	-	-
TOTAL REVENUES	-	-	-	6,866
EXPENDITURES				
Current				
Instruction	-	-	-	6,866
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Food Services-Operations	-	-	-	-
TOTAL EXPENDITURES	-	-	-	6,866
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
REFUNDS TO PED	(5,270)	-	-	-
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,270)	-	-	-
Net Change In Fund Balance	(5,270)	-	-	-
FUND BALANCE				
June 30, 2012	-	-	903	-
Restatement	5,270	68	-	-
Restated Fund Balance June 30, 2012	5,270	68	903	-
FUND BALANCE	-	68	903	-
June 30, 2013	\$ -	\$ 68	\$ 903	\$ -

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

FORMATIVE ASSESSMENTS	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	PRE K INITIATIVE	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,323	-	-	47,257	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,323</u>	<u>-</u>	<u>-</u>	<u>47,257</u>	<u>-</u>	<u>-</u>
4,323	-	-	47,257	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,323</u>	<u>-</u>	<u>-</u>	<u>47,257</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	(1)
-	-	-	-	-	-
-	-	-	-	-	(1)
-	-	-	-	-	(1)
-	-	-	-	-	-
-	309	196	-	224	1
-	309	196	-	224	1
<u>\$ -</u>	<u>\$ 309</u>	<u>\$ 196</u>	<u>\$ -</u>	<u>\$ 224</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, 2013

	SCIENCE INSTRUCTIONAL MATERIAL	2008 LIBRARY BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE			
Fees Activities	\$ -	\$ -	\$ 105,643
Fees-Users	-	-	71,308
Interest Income	-	-	5
State Flow Through Grants	-	-	-
State Programs	9,519	-	67,965
Donations	-	-	11,685
Federal Program	-	-	536,525
TOTAL REVENUES	9,519	-	793,131
EXPENDITURES			
Current			
Instruction	9,519	-	343,644
Support Services-Instruction	-	-	15,587
Support Services-General Administration	-	-	97,694
Support Services-School Administration	-	-	29,444
Food Services-Operations	-	-	315,393
TOTAL EXPENDITURES	9,519	-	801,762
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(8,631)
OTHER FINANCING SOURCES (USES)			
REFUNDS TO PED	-	(8)	(5,279)
TRANSFERS IN/ TRANSFERS OUT	-	-	(2)
TOTAL OTHER FINANCING SOURCES (USES)	-	(8)	(5,281)
Net Change In Fund Balance	-	(8)	(13,912)
FUND BALANCE			
June 30, 2012	-	-	103,069
Restatement	-	8	6,078
Restated Fund Balance June 30, 2012	-	8	109,147
FUND BALANCE			
June 30, 2013	\$ -	\$ -	\$ 95,235

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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 104,084	\$ 104,084	\$ 71,308	\$ (32,776)
Interest Income	14	14	5	(9)
Insurance Recoveries	-	-	-	-
Federal Revenue	201,866	201,866	220,758	18,892
TOTAL REVENUE	<u>305,964</u>	<u>305,964</u>	<u>\$ 292,071</u>	<u>\$ (13,893)</u>
Cash Balance Budgeted	<u>52,456</u>	<u>52,456</u>		
TOTAL REVENUE & CASH	<u>\$ 358,420</u>	<u>\$ 358,420</u>		
 EXPENDITURES				
Current				
Food Services-Operations	\$ 358,420	\$ 358,420	\$ 300,541	\$ 57,879
TOTAL EXPENDITURES	<u>\$ 358,420</u>	<u>\$ 358,420</u>	<u>\$ 300,541</u>	<u>\$ 57,879</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 292,071
Differences-Budget to GAAP	
Commodities Received	20,386
Total Revenues (GAAP Basis)	<u>\$ 312,457</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 300,541
Differences-budget to GAAP	
Cost of Commodities Used	20,387
Total Expenditures (GAAP Basis)	<u>\$ 315,393</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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	\$ 49,400	\$ 57,202	\$ 105,643	\$ 48,441
Donations	-	-	11,685	11,685
TOTAL REVENUE	<u>49,400</u>	<u>57,202</u>	<u>\$ 117,328</u>	<u>\$ 60,126</u>
Cash Balance Budgeted	<u>41,854</u>	<u>41,854</u>		
TOTAL REVENUE & CASH	<u>\$ 91,254</u>	<u>\$ 99,056</u>		
EXPENDITURES				
Current				
Instruction	\$ 91,254	\$ 150,520	\$ 123,023	\$ 27,497
TOTAL EXPENDITURES	<u>\$ 91,254</u>	<u>\$ 150,520</u>	<u>\$ 123,023</u>	<u>\$ 27,497</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 117,328
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 117,328</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 123,023
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 123,023</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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 90,557	\$ 124,477	\$ 100,259	\$ (24,218)
TOTAL REVENUE	<u>90,557</u>	<u>124,477</u>	<u>\$ 100,259</u>	<u>\$ (24,218)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 90,557</u>	<u>\$ 124,477</u>		
EXPENDITURES				
Current				
Instruction	\$ 78,827	\$ 112,747	\$ 74,553	\$ 38,194
Support Services-Students	-	-	-	-
Support Services-School Administration	11,730	11,730	11,305	425
TOTAL EXPENDITURES	<u>\$ 90,557</u>	<u>\$ 124,477</u>	<u>\$ 85,858</u>	<u>\$ 38,619</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 100,259
Differences-Budget to GAAP	
Current Year Receivable	21,856
Prior Year Receivable	(36,257)
Total Revenues (GAAP Basis)	<u>\$ 85,858</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 85,858
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 85,858</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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 144,035	\$ 229,054	\$ 130,068	\$ (98,986)
TOTAL REVENUE	<u>144,035</u>	<u>229,054</u>	<u>\$ 130,068</u>	<u>\$ (98,986)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 144,035</u>	<u>\$ 229,054</u>		
EXPENDITURES				
Current				
Instruction	\$ 74,994	\$ 77,744	\$ 71,914	\$ 5,830
Support Services-General Administration	38,982	121,001	82,034	38,967
Support Services-School Administration	30,059	30,309	29,444	865
TOTAL EXPENDITURES	<u>\$ 144,035</u>	<u>\$ 229,054</u>	<u>\$ 183,392</u>	<u>\$ 45,662</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 130,068
Differences-Budget to GAAP	
Current Year Receivable	84,657
Prior Year Receivable	(31,333)
Total Revenues (GAAP Basis)	<u>\$ 183,392</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 183,392
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 183,392</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 REVEUE FUND--IDEA B PRESCHOOL

Year Ended June 30, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 8,016	\$ 16,096	\$ -	\$ (16,096)
TOTAL REVENUE	<u>8,016</u>	<u>16,096</u>	<u>\$ -</u>	<u>\$ (16,096)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 8,016</u>	<u>\$ 16,096</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 8,016	\$ 16,096	\$ 3,553	\$ 12,543
TOTAL EXPENDITURES	<u>\$ 8,016</u>	<u>\$ 16,096</u>	<u>\$ 3,553</u>	<u>\$ 12,543</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Receivable	<u>3,553</u>
Total Revenues (GAAP Basis)	<u>\$ 3,553</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,553
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,553</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--IDEA B RISK POOL

Year Ended June 30, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 802	\$ 802	\$ -	\$ (802)
TOTAL REVENUE	<u>802</u>	<u>802</u>	<u>\$ -</u>	<u>\$ (802)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 802</u>	<u>\$ 802</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-General Administration	802	802	802	-
Central Services	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 802</u>	<u>\$ 802</u>	<u>\$ 802</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Receivable	802
Total Revenues (GAAP Basis)	<u>\$ 802</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 802
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 802</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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 36,332	\$ 43,877	\$ 9,274	\$ (34,603)
TOTAL REVENUE	<u>36,332</u>	<u>43,877</u>	<u>\$ 9,274</u>	<u>\$ (34,603)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 36,332</u>	<u>\$ 43,877</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,000	\$ 10,000	\$ 6,190	\$ 3,810
Support Services				-
Support Services-Students				-
Support Services-Instruction	26,332	33,877	15,587	18,290
TOTAL EXPENDITURES	<u>\$ 36,332</u>	<u>\$ 43,877</u>	<u>\$ 21,777</u>	<u>\$ 22,100</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 9,274
Differences-Budget to GAAP	
Current Year Receivable	12,503
Total Revenues (GAAP Basis)	<u>\$ 21,777</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 21,777
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 21,777</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 -2009 DUAL CREDIT INSTRUCTIONAL MATERIALS

Year Ended June 30, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 6,867	\$ 6,867	\$ 1,758	\$ (5,109)
TOTAL REVENUE	<u>6,867</u>	<u>6,867</u>	<u>1,758</u>	<u>(5,109)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 6,867</u>	<u>\$ 6,867</u>		
EXPENDITURES				
Current				
Instruction	\$ 6,867	\$ 6,867	\$ 6,866	\$ 1
TOTAL EXPENDITURES	<u>6,867</u>	<u>6,867</u>	<u>6,866</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)	\$ 1,758
Differences-Budget to GAAP	
Current Year Receivable	5,108
Total Revenues (GAAP Basis)	<u>\$ 6,866</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,866
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,866</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 - FORMATIVE ASSESSMENTS LAWS OF 2012

Year Ended June 30, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	4,323	4,323	4,323	-
TOTAL REVENUE	<u>4,323</u>	<u>4,323</u>	<u>\$ 4,323</u>	<u>\$ -</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,323</u>	<u>\$ 4,323</u>		
EXPENDITURES				
Current				
Instruction	4,323	4,323	4,323	-
TOTAL EXPENDITURES	<u>\$ 4,323</u>	<u>\$ 4,323</u>	<u>\$ 4,323</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)

\$ 4,323

Differences-Budget to GAAP

Prior Year Receivable

Total Revenues (GAAP Basis)

\$ 4,323

Uses/outflows of resources

Actual amounts (budgetary basis)

\$ 4,323

Differences-budget to GAAP

Total Expenditures (GAAP Basis)

\$ 4,323

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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	48,000	48,000	47,257	(743)
TOTAL REVENUE	<u>48,000</u>	<u>48,000</u>	<u>\$ 47,257</u>	<u>\$ (743)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 48,000</u>	<u>\$ 48,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 48,000	\$ 48,000	\$ 47,257	\$ 743
Operation & Maintenance of Plant	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 48,000</u>	<u>\$ 48,000</u>	<u>\$ 47,257</u>	<u>\$ 743</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 47,257
Differences-Budget to GAAP	
Current Year Receivable	-
Prior Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 47,257</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 47,257
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 47,257</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--SCIENCE INSTRUCTIONAL MATERIALS K-12

Year Ended June 30, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	9,609	9,609		(9,609)
TOTAL REVENUE	<u>9,609</u>	<u>9,609</u>	<u>\$ -</u>	<u>\$ (9,609)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 9,609</u>	<u>\$ 9,609</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,609	\$ 9,609	\$ 9,519	\$ 90
Support Services-Students	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 9,609</u>	<u>\$ 9,609</u>	<u>\$ 9,519</u>	<u>\$ 90</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Receivable	9,519
Total Revenues (GAAP Basis)	<u>\$ 9,519</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 9,519
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 9,519</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, 2013

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
ASSETS					
Cash on Deposit	\$ 976,510	\$ 31,436	\$ 11,924	\$ 61,919	\$ 1,081,789
Due From Other Governments	-	-	-	-	-
Due from Other Funds	137,998	-	-	-	137,998
Due From External Funds	-	-	-	-	-
Taxes Receivable	22,560	-	-	-	22,560
TOTAL ASSETS	\$ 1,137,068	\$ 31,436	\$ 11,924	\$ 61,919	\$ 1,242,347
LIABILITIES					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	272,041	-	-	-	272,041
TOTAL LIABILITIES	272,041	-	-	-	272,041
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	4,246	-	-	-	4,246
TOTAL DEFERRED INFLOWS OF RESOURCES	4,246	-	-	-	4,246
FUND BALANCE					
Fund Balance					
Reserved for Text Books	-	-	11,924	-	11,924
Restricted	-	-	-	-	-
Unassigned	860,781	31,436	-	61,919	954,136
TOTAL FUND BALANCE	860,781	31,436	11,924	61,919	966,060
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,137,068	\$ 31,436	\$ 11,924	\$ 61,919	\$ 1,242,347

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, 2013

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
REVENUE					
Residential/Non-Residential Taxes	\$ 339,971	\$ -	\$ -	\$ -	\$ 339,971
Fees - Educational	458	-	-	-	458
Rent and Leases	-	-	-	27,733	27,733
Fees-GOV	930	-	-	-	930
Interest Income	110	-	-	61	171
State Equalization	4,363,950	-	-	-	4,363,950
State Programs	68,834	205,938	40,333	-	315,105
Access Board	2,596	-	-	-	2,596
Insurance Recoveries	6,118	-	-	-	6,118
Federal Revenue	-	-	-	-	-
TOTAL REVENUES	4,782,967	205,938	40,333	27,794	5,057,032
EXPENDITURES					
Instruction	2,947,316	-	39,741	-	2,987,057
Support Services	-	-	-	-	-
Support Services-Students	333,788	-	-	-	333,788
Support Services-Instruction	52,703	-	-	-	52,703
Support Services-General Administration	191,803	-	-	-	191,803
Support Services-School Administration	254,156	-	-	-	254,156
Central Services	175,678	-	-	-	175,678
Operation & Maintenance of Plant	899,942	-	-	7,700	907,642
Student Transportation	-	197,523	-	-	197,523
Other Support Services	1,877	-	-	-	1,877
Food Services-Operations	-	-	-	-	-
Community Services-operations	-	-	-	-	-
Acquisition & Construction	-	-	-	-	-
TOTAL EXPENDITURES	4,857,263	197,523	39,741	7,700	5,102,227
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(74,296)	8,415	592	20,094	(45,195)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN/ TRANSFERS OUT	2	-	-	-	2
TOTAL OTHER FINANCING SOURCES	2	-	-	-	2
Net Change In Fund Balance	(74,294)	8,415	592	20,094	(45,193)
FUND BALANCE					
June 30, 2012	960,531	46,042	11,332	41,825	1,059,730
Restatement	(25,456)	(23,021)	-	-	(48,477)
Restated Fund Balance June 30, 2012	935,075	23,021	11,332	41,825	1,011,253
FUND BALANCE June 30, 2013	\$ 860,781	\$ 31,436	\$ 11,924	\$ 61,919	\$ 966,060

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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 301,975	\$ 301,975	\$ 342,304	\$ 40,329
Fees-Users	-	-	458	458
Interest Income	250	250	110	(140)
State Equalization	4,315,180	4,375,596	4,363,950	(11,646)
State Flow Through Grants	5,000	5,000	38,308	33,308
Access Board	1,500	1,500	2,596	1,096
Local Sources			31,457	31,457
Insurance Recoveries			6,118	6,118
TOTAL REVENUE	<u>4,623,905</u>	<u>4,684,321</u>	<u>\$ 4,785,301</u>	<u>\$ 100,980</u>
Cash Balance Budgeted	<u>811,689</u>	<u>811,689</u>		
TOTAL REVENUE & CASH	<u>\$ 5,435,594</u>	<u>\$ 5,496,010</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,257,839	\$ 3,197,839	\$ 2,947,316	\$ 250,523
Support Services			-	-
Support Services-Students	298,555	358,555	333,788	24,767
Support Services-Instruction	123,397	123,397	52,703	70,694
Support Services-General Administration	268,135	268,135	193,051	75,084
Support Services-School Administration	306,538	306,538	254,156	52,382
Central services	231,633	231,633	175,678	55,955
Operation & Maintenance of Plant	931,259	991,675	899,942	91,733
Other Support Services	18,238	18,238	1,877	16,361
TOTAL EXPENDITURES	<u>\$ 5,435,594</u>	<u>\$ 5,496,010</u>	<u>\$ 4,858,511</u>	<u>\$ 637,499</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,785,301
Differences-Budget to GAAP	
Property tax Receivable	22,560
Prior Year Tax Receivables	(21,066)
Current Year Deferral	(4,246)
Prior Year Deferral	418
Total Revenues (GAAP Basis)	<u>\$ 4,782,967</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 4,858,511
Differences-budget to GAAP	
Prior Year Accounts Payable	(1,248)
Total Expenditures (GAAP Basis)	<u>\$ 4,857,263</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

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

Year Ended June 30, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 195,825	\$ 205,938	\$ 205,938	\$ -
TOTAL REVENUE	<u>195,825</u>	<u>205,938</u>	<u>\$ 205,938</u>	<u>\$ -</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 195,825</u>	<u>\$ 205,938</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 195,825	\$ 228,958	\$ 197,523	\$ 31,435
TOTAL EXPENDITURES	<u>\$ 195,825</u>	<u>\$ 228,958</u>	<u>\$ 197,523</u>	<u>\$ 31,435</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 205,938
Differences-Budget to GAAP -

Total Revenues (GAAP Basis) \$ 205,938

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 197,523
Differences-budget to GAAP -

Total Expenditures (GAAP Basis) \$ 197,523

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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 40,333	\$ 40,333	\$ 40,333	\$ -
TOTAL REVENUE	<u>40,333</u>	<u>40,333</u>	<u>\$ 40,333</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 40,333</u>	<u>\$ 40,333</u>		
EXPENDITURES				
Current				
Instruction	\$ 40,333	\$ 40,333	\$ 39,741	\$ 592
Support Services-Instruction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 40,333</u>	<u>\$ 40,333</u>	<u>\$ 39,741</u>	<u>\$ 592</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 40,333
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 40,333</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 39,741
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 39,741</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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Rent and Leases	\$ 10,200	\$ 10,200	\$ 27,733	\$ 17,533
Interest Income	70	70	61	(9)
Insurance Recoveries	-	-	-	-
TOTAL REVENUE	<u>10,270</u>	<u>10,270</u>	<u>\$ 27,794</u>	<u>\$ 17,524</u>
Cash Balance Budgeted	<u>5,059</u>	<u>5,059</u>		
TOTAL REVENUE & CASH	<u>\$ 15,329</u>	<u>\$ 15,329</u>		
EXPENDITURES				
Current				
Operation & Maintenance of Plant	\$ 15,329	\$ 15,329	\$ 7,700	\$ 7,629
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 15,329</u>	<u>\$ 15,329</u>	<u>\$ 7,700</u>	<u>\$ 7,629</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 27,794
Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 27,794

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 7,700
Differences-budget to GAAP
Total Expenditures (GAAP Basis) \$ 7,700

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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	\$ -	\$ -	\$ 2,195	\$ 2,195
Refunds	-	-	50,372	50,372
Bond Proceeds	1,315,826	1,315,826	3,662,035	2,346,209
TOTAL REVENUE	<u>1,315,826</u>	<u>1,315,826</u>	<u>\$ 3,714,602</u>	<u>\$ 2,398,776</u>
Cash Balance Budgeted	<u>8,500,951</u>	<u>8,500,951</u>		
TOTAL REVENUE & CASH	<u>\$ 9,816,777</u>	<u>\$ 9,816,777</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 9,816,777	\$ 9,816,777	\$ 5,788,692	\$ 4,028,085
TOTAL EXPENDITURES	<u>\$ 9,816,777</u>	<u>\$ 9,816,777</u>	<u>\$ 5,788,692</u>	<u>\$ 4,028,085</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 3,714,602
Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 3,714,602

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 5,788,692
Differences-budget to GAAP
Current Year Accounts Payable 19,878
Total Expenditures (GAAP Basis) \$ 5,808,570

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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,218,053	\$ 1,218,053	\$ 1,379,509	\$ 161,456
Interest Income	1,500	1,500	2,393	893
State Flow Through Grants	-	-	-	-
TOTAL REVENUE	<u>1,219,553</u>	<u>1,219,553</u>	<u>\$ 1,381,902</u>	<u>\$ 162,349</u>
Cash Balance Budgeted	<u>3,968,298</u>	<u>3,968,298</u>		
TOTAL REVENUE & CASH	<u>\$ 5,187,851</u>	<u>\$ 5,187,851</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 2,500	\$ 2,500	\$ 2,249	\$ 251
Acquisition & Construction	5,185,351	5,185,351	503,195	4,682,156
TOTAL EXPENDITURES	<u>\$ 5,187,851</u>	<u>\$ 5,187,851</u>	<u>\$ 505,444</u>	<u>\$ 4,682,407</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,381,902
Differences-Budget to GAAP	
Property tax Receivable	91,549
Prior Year Tax Receivables	(85,475)
Current Year Deferral	(17,981)
Prior Year Deferral	2,450
Total Revenues (GAAP Basis)	<u>\$ 1,372,445</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 505,444
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 505,444</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, 2013

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 4,101,150	\$ 4,101,150	\$ 3,230,595	\$ (870,555)
Interest Income	3,000	3,708	1,992	(1,716)
Bond Premium	-	12,153	60,153	48,000
TOTAL REVENUE	<u>4,104,150</u>	<u>4,117,011</u>	<u>\$ 3,292,740</u>	<u>\$ (824,271)</u>
Cash Balance Budgeted	<u>1,258,602</u>	<u>1,258,602</u>		
TOTAL REVENUE & CASH	<u>\$ 5,362,752</u>	<u>\$ 5,375,613</u>		
 EXPENDITURES				
Current				
Support Services-General Administration	\$ 41,012	\$ 44,012	\$ 6,483	\$ 37,529
Principal	4,025,590	4,035,451	2,335,000	1,700,451
Interest and Finance Charges	1,296,150	1,296,150	1,084,650	211,500
TOTAL EXPENDITURES	<u>\$ 5,362,752</u>	<u>\$ 5,375,613</u>	<u>\$ 3,426,133</u>	<u>\$ 1,949,480</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,292,740
Differences-Budget to GAAP	
Property tax Receivable	206,689
Prior Year Tax Receivables	(220,131)
Current Year Deferral	(40,809)
Prior Year Deferral	6,338
Total Revenues (GAAP Basis)	<u>\$ 3,244,827</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,426,133
Differences-budget to GAAP	
Current Year Accounts Payable	26,855
Total Expenditures (GAAP Basis)	<u>\$ 3,452,988</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, 2013

	Balance 6/30/2012	ADDITIONS	DEDUCTIONS	Balance 6/30/2013
Annual	\$ 46,265	\$ 18,168	\$ 15,573	\$ 48,860
Arts Club	1,180	-	-	1,180
Drama Club	1,463	2,047	3,145	365
High School Student Activity	11,347	16,044	14,975	12,416
High School Student Council	3,124	4,830	7,793	161
Middle School General Activity	1,317	11,557	12,459	415
Middle School Shop	362	-	-	362
Library	12,039	10,568	6,613	15,994
Miscellaneous	2,235	5,698	5,986	1,947
Activity Center	17,991	20,335	3,488	34,838
Pep Club	6,115	19,030	27,694	(2,549)
Spanish Club	1,082	-	-	1,082
Textbooks	2,548	386	24	2,910
Senior Class	932	3,520	4,452	-
Junior Class	-	932	932	-
Sophomore Class	35	-	-	35
Freshman Class	-	-	-	-
Graduating Class	5,255	-	4,060	1,195
Activity Interest	585	21	-	606
National Honor Society	693	5,993	5,741	945
Café A La Carte	3,045	-	-	3,045
Elementary General	6,935	3,068	4,002	6,001
Tech Lab	472	-	-	472
PowerAde Account	118	-	-	118
AR Math Club	194	-	-	194
NMPSIA	1,762	337	337	1,762
Elementary Intel Grant	17	-	-	17
Band Instrument Rental	75	-	-	75
REC Reimbursement	202	6,191	6,191	202
Baseball/Basketball Fund	150	-	-	150
Tech Needs Donations	220	-	-	220
Elementary Science Project	7	-	-	7
Football Qtr. Finals	15	-	-	15
21st Century Reimbursement	9,191	-	-	9,191
Softball Account	463	-	-	463
Freddie Mitchell Memorial Golf Acct	9,265	20,228	25,045	4,448
Welding Shop Acct	5,275	-	-	5,275
EHS Science Dept	140	851	991	-
CMS Library Fund	1,181	-	-	1,181
EHS Library Fund	450	-	-	450
Girls Basketball Fundraiser	16	-	-	16
Special Ed Activity Fund	500	-	-	500
Drug Testing	1,764	-	-	1,764
EHS Math & Chess Club	85	-	-	85
Alumni Golf	150	-	-	150
Alumni Baseball	239	-	-	239
Alumni Softball	151	-	-	151
Alumni Cheer	250	-	-	250
ID Tag Replacement	4,273	2,595	804	6,064
Football Postseason	8,338	-	-	8,338
CMS Reading & Math Incentive	1,037	-	1,037	-
District 4-AA	213	-	213	-
District 5 AA	2,280	-	2,280	-
1970 Alumni Fund	2,125	-	-	2,125
Eunice Community Foundation	68	7,555	4,848	2,775
Mettie Jordan Science Supplies	-	19,983	5,355	14,628
Chevron Math & Science Donation	-	20,000	9,917	10,083
CMS Student Council & Honor Soc	-	5,234	1,629	3,605
Cash On Hand	250	-	-	250
Total	<u>\$ 175,484</u>	<u>\$ 205,171</u>	<u>\$ 175,584</u>	<u>\$ 205,071</u>

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, 2013

	<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	84.010	24101	\$ 85,857
IDEA B Preschool	84.027	24109	\$ 3,553
IDEA-B Risk Pool	84.027	24120	\$ 802
Teacher/Principal Training	84.367	24154	21,777
IDEA-B Entitlement	84.027	24106	183,392
TOTAL PASS THROUGH GRANTS			<u>\$ 295,381</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 295,381</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education			
National School Lunch Program	<1> 10.555	21000	220,758
Commodities Received	<1> 10.555	21000	20,386
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 241,144</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 536,525</u>
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 536,525</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 in the amount of \$20,386

See Independent Auditor's Report

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2013

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL REQUIRED	COLLATERAL PLEGGED	UNINSURED & UNCOLLATERALIZED DEPOSITS	PLEGGED COLLATERAL DEFICIT
WELLS FARGO BANK	\$ 19,889,956	\$ 500,000	\$ 19,389,956	\$ 9,694,978	\$ 11,051,506	\$ 8,338,450	\$ -
COLLATERAL							
		MATURES					
FN AH0946 313A2BQ1	145,824	12/1/40					
FN AH0965 313A2CB3	100,628	12/1/25					
FN AH8825 3138AAYX3	28,621	3/1/41					
FN AJ3038 3138AULU9	179,212	10/1/41					
FN AJ9148 3138E2EW1	84,401	12/1/26					
FN AK1225 3138E5LF3	121,559	3/1/42					
FN AK6147 3138EAZM2	54,150	3/1/42					
FN AQ9991 3138MSC56	120,659	2/1/43					
FN MA1003 31418ADH8	57,733	3/1/42					
FHG-Q1742 3132J8VT4	2,635,004	4/1/43					
FN-30AT0228 31638WMHE4	7,523,715	2/1/43					
	<u>\$ 11,051,506</u>						

COLLATERAL IS HELD AT MINNEAPOLIS, MINNESOTA

NEW MEXICO STATE TREASURER	\$ 32,787	\$ -	\$ 32,787	\$ 32,787	\$ 32,787	\$ -	\$ -
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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, 2013

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	CASH BALANCE
Wells Fargo Bank	Checking	Operational	* \$ 943,730	\$ 138,626	\$ -	\$ 805,104
	Checking	Capital Improvement	* 10,187,014	180,082	-	10,006,932
	Checking	Cafeteria	* 66,493	19,156	-	47,337
	Checking	Activities & Athletics	* 259,355	16,312	-	243,043
	Checking	Federal Programs	-	-	-	-
	Checking	Payroll Clearing	422,980	176,398	-	246,582
	MM	Capital Improvement	* 8,010,384	-	-	8,010,384
Total Wells Fargo Bank			<u>19,889,956</u>	<u>530,574</u>	<u>-</u>	<u>19,359,382</u>
New Mexico State Treas	C.D.	Capital Improvement	* 312	-	-	312
New Mexico State Treas	C.D.	Teacherage	* 32,474	-	-	32,474
Total New Mexico Treas			<u>32,786</u>	<u>-</u>	<u>-</u>	<u>32,786</u>
Amount on Deposit			<u>\$ 19,922,742</u>	<u>\$ 530,574</u>	<u>\$ -</u>	<u>\$ 19,392,168</u>
Cash On Hand						295
Total Cash						<u>\$ 19,392,463</u>
			* Interest Bearing			

See Independent Auditor's Report

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BANK RECONCILIATION

June 30, 2013

	OPERATIONAL	TRANSP.	FOOD SERVICES	ATHLETICS	FEDERAL PROJECTS	LOCAL/STATE ACCOUNT
Audited Net Cash						
JUNE 30, 2012	\$ 941,132	\$ 46,042	\$ 55,808	\$ 43,918	\$ (86,212)	\$ 1,534
Investments	-	-	-	-	-	-
TOTAL CASH BALANCE						
JUNE 30, 2012	941,132	46,042	55,808	43,918	(86,212)	1,534
Add: Prior year void checks	-	-	-	-	-	-
2012-2013 Revenue	4,785,303	205,938	292,070	117,328	264,233	53,445
Transfers In	3	-	-	-	-	-
TOTAL AVAILABLE CASH	5,726,438	251,980	347,878	161,246	178,021	54,979
Prior year void checks	-	-	-	-	-	-
2012-2013 Expenditures	4,858,511	197,523	300,541	123,023	295,381	67,965
Transfers Out	-	-	-	-	3	-
	4,858,511	197,523	300,541	123,023	295,384	67,965
NET CASH, JUNE 30, 2013	867,927	54,457	47,337	38,223	(117,363)	(12,986)
Cash On hand	-	-	45	-	-	-
Paid back to PED	-	(23,021)	-	-	(5,270)	(9)
Held Payroll Checks	246,582	-	-	-	-	-
Loans (Out) In	(137,998)	-	-	-	123,370	14,628
TOTAL CASH, JUNE 30, 2013	\$ 976,511	\$ 31,436	\$ 47,382	\$ 38,223	\$ 737	\$ 1,633

See Independent Auditor's Report

SB-9	ACTIVITIES	INSTRUCTIONAL MATERIALS	HB-33	TEACHERAGE	BOND BUILDING	DEBT SERVICE
\$ 4,213,815	\$ 175,234	\$ 11,332	\$ 4,610,483	\$ 41,825	\$ 8,503,713	\$ 1,710,936
-	-	-	-	-	-	-
4,213,815	175,234	11,332	4,610,483	41,825	8,503,713	1,710,936
1,414,991	205,171	40,333	1,381,903	27,794	3,714,600	3,292,740
-	-	-	-	-	-	-
5,628,806	380,405	51,665	5,992,386	69,619	12,218,313	5,003,676
1,105,285	175,584	39,741	505,444	7,700	5,788,691	3,426,134
-	-	-	-	-	-	-
1,105,285	175,584	39,741	505,444	7,700	5,788,691	3,426,134
4,523,521	204,821	11,924	5,486,942	61,919	6,429,622	1,577,542
-	250	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 4,523,521	\$ 205,071	\$ 11,924	\$ 5,486,942	\$ 61,919	\$ 6,429,622	\$ 1,577,542

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 *(No Material Weaknesses Identified; Significant Deficiencies and Reportable
Instances of Noncompliance and Other Matters Identified)*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Eunice Public Schools (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated November 13, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Woodard, Cowen & Co.

Portales, New Mexico
November 13, 2013

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Eunice Public School's (the District) 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 District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

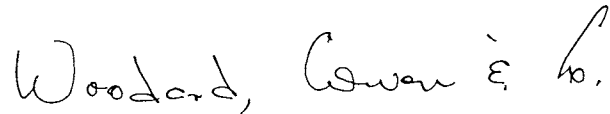
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Woodard, Cowen & Company
Portales, New Mexico
November 13, 2013

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

June 30, 2013

PRIOR YEAR AUDIT 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.
Recommendation:	Review pledged collateral at least monthly and compare to bank balance. Insure that all bank balances are covered by pledged collateral.
Status:	Resolved.

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

JUNE 30, 2013

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	None
Material Weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Program	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:

None

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

Year Ended June 30, 2013

OTHER DISCLOSURES

AUDITOR PREPARED FINANCIAL STATEMENTS

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

EXIT CONFERENCE

An Exit Conference was held on November 13, 2013. Present were Dwain Haynes, Superintendent; Cynthia Sims, Business Manager; Don Jones, Board of Education President; and Misty Clouse, Bookkeeper. Our firm was represented by Gayland Cowen, CPA and John McKinley Jr., CPA.