

**STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
JUNE 30, 2016**

Woodard, Cowen & Co.

Certified Public Accountants

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STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
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STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
JUNE 30, 2016

OFFICIAL ROSTER

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Dwain Haynes	Superintendent
Cynthia Sims	Business Manager

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
School Board
Eunice Public Schools
Eunice, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and 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, 2016, 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 non-major governmental, fiduciary funds and the budgetary comparisons for all non-major 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, 2016 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 of 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, 2016, and the respective changes in financial position, thereof and the respective budgetary comparison statements 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 non-major governmental fund and the fiduciary funds of the District, as of June 30, 2016, and the respective changes in financial position, thereof and the respective budgetary comparison statements for all non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The District has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the omission of the Management Discussion and Analysis.

Other Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability on page 64, the Schedule of Contributions on page 65, with the notes to the required supplementary information of page 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

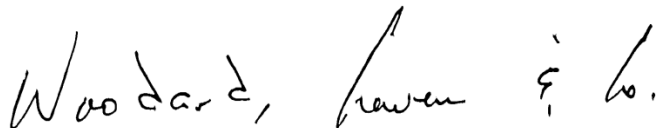
Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements and budgetary comparisons. The schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of changes in assets and liabilities – agency funds and the additional schedules listed as “required supplemental information” in the table of contents 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, except for the Vendor Listing on pages 67 and 68 of this report, 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 changes in assets and liabilities – agency funds and the additional schedules listed as “required supplemental information” in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Vendor Information schedule on pages 67 and 68 of this report has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2016 on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Woodward, Lewin & Co." The signature is written in dark ink and is positioned above the typed name and date.

Portales, New Mexico
November 11, 2016

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
STATEMENT OF NET POSITION

June 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 15,444,042
Accounts Receivable	-
Property Taxes Receivable	207,228
Due From Other Agencies	227,584
Inventory	1,527
Total Current Assets	<u>15,880,381</u>
Non-current assets:	
Capital assets, net	46,134,814
Total Assets	<u>62,015,195</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources related to Pensions	1,495,177
 <u>LIABILITIES</u>	
Current:	
Accounts payable	479,505
Bond Premium, net of amortization	163,226
Debt due in one year	3,190,000
Total Current Liabilities	<u>3,832,731</u>
Non-current:	
Compensated Absences	35,984
Net Pension Liability	9,075,946
Debt in more than one year:	24,845,000
Total Non-current Liabilities	<u>33,956,930</u>
Total Liabilities	<u>37,789,661</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Revenue	-
Deferred Inflows of Resources related to Pensions	209,113
Total Deferred Inflows of Resources	<u>209,113</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	18,099,814
Restricted for:	
Capital Projects	11,416,195
Debt Service	1,754,746
Inventory	1,527
Instructional Materials	60,806
Athletics	104,917
Cafeteria	92,062
Special Revenue	51,706
Unrestricted	<u>(6,070,175)</u>
Total Net Position	<u>\$ 25,511,598</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 4,481,869	\$ 89,100	\$ 401,714	-	\$ (3,991,055)
Support Services					
Support Services-Students	498,641	-	10,393	-	(488,248)
Support Services-Instruction	127,853	-	19,956	-	(107,897)
Support Services-General Administration	321,536	-	75,385	-	(246,151)
Support Services-School Administration	459,456	-	73,744	-	(385,712)
Central Services	185,475	-	-	-	(185,475)
Operation & Maintenance of Plant	2,583,160	-	-	-	(2,583,160)
Student Transportation	199,951	-	197,408	-	(2,543)
Other Support Services	1,537	-	-	-	(1,537)
Food Services-Operations	364,895	75,218	298,858	-	9,181
Community Services-operations	-	-	-	-	-
Bond Interest	885,494	-	-	-	(885,494)
Depreciation-unallocated	1,599,801	-	-	-	(1,599,801)
Amortization Unallocated	-	-	-	-	-
Unallocated Revenue	-	-	-	-	-
Total governmental activities	\$ 11,709,668	\$ 164,318	\$ 1,077,458	\$ -	\$ (10,467,892)

General revenues:

Property taxes:

Levied for General purpose	\$ 382,014
Levied for Capital Projects	3,081,190
Levied for Debt Service	2,831,910
Fees	27,568
PED Equalization Guarantee	5,909,130
Unrestricted interest income	5,380
Rent	29,200
Federal Grants	-
Donations	3,260
State Grants	147,984
Loss on Asset Disposal	(406)
Local Grants	30,000

Total general revenues 12,447,230

Change in net position	1,979,338
Net position - beginning	23,560,890
Restatement	(28,630)
Restated Balance	<u>23,532,260</u>
Net position - ending	<u>\$ 25,511,598</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, 2016

	<u>GENERAL</u>	<u>ENTITLEMENT</u>	<u>HB33</u>
ASSETS			
Cash on Deposit	\$ 2,199,842	\$ -	\$ 5,891,026
Accounts Receivable			
Due from Other Funds	221,869	-	-
Due from Other Governments	-	78,751	-
Due From External Funds	-	-	-
Property Taxes Receivable	12,433	-	51,562
Inventory	-	-	-
TOTAL ASSETS	<u><u>\$ 2,434,144</u></u>	<u><u>\$ 78,751</u></u>	<u><u>\$ 5,942,588</u></u>
LIABILITIES			
Accounts Payable	\$ 288,807	\$ -	\$ -
Due to Other Funds	-	78,751	-
TOTAL LIABILITIES	288,807	78,751	-
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	869	-	4,909
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>869</u>	<u>-</u>	<u>4,909</u>
FUND BALANCE			
Non-spendable	-	-	-
Restricted for: Capital Projects	-	-	5,937,679
Restricted for: Debt Service	-	-	-
Restricted for: Instructional Materials	60,806	-	-
Restricted for: Athletics	-	-	-
Restricted for: Cafeteria	-	-	-
Restricted for: Special Revenue	-	-	-
Unassigned:			
General Fund	2,083,662	-	-
Special Revenue Funds	-	-	-
TOTAL FUND BALANCE	<u>2,144,468</u>	<u>-</u>	<u>5,937,679</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 2,434,144</u></u>	<u><u>\$ 78,751</u></u>	<u><u>\$ 5,942,588</u></u>

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

SB-9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 5,429,555	\$ 1,672,401	\$ 251,219	\$ 15,444,043
-	-	-	-
-	-	148,833	221,869
-	-	-	227,584
51,562	91,671	-	-
-	-	1,527	207,228
<u>\$ 5,481,117</u>	<u>\$ 1,764,072</u>	<u>\$ 401,579</u>	<u>\$ 16,102,251</u>
\$ -	\$ -	\$ 8,243	\$ 297,050
-	-	143,118	221,869
-	-	151,361	518,919
4,909	10,305	-	20,992
<u>4,909</u>	<u>10,305</u>	<u>-</u>	<u>20,992</u>
-	-	1,527	1,527
5,476,208	-	6	11,413,893
-	1,753,767	-	1,753,767
-	-	-	60,806
-	-	104,917	104,917
-	-	92,062	92,062
-	-	51,706	51,706
-	-	-	2,083,662
-	-	-	-
<u>5,476,208</u>	<u>1,753,767</u>	<u>250,218</u>	<u>15,562,340</u>
<u>\$ 5,481,117</u>	<u>\$ 1,764,072</u>	<u>\$ 401,579</u>	<u>\$ 16,102,251</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, 2016

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

Fund Balances - total governmental funds	\$ 15,562,340
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	46,134,814
Net Pension Liability not reported in the funds	(9,075,946)
Deferred Outflows of Resources related to Pensions not reported in the funds	1,495,177
Deferred Inflows of Resources related to Pensions not reported in the funds	(209,113)
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	20,992
Bond Premium proceeds	(163,226)
Accrued Int Payable	(182,455)
Liabilities not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bonded Debt	(28,035,000)
Compensated Absences	<u>(35,985)</u>
Net postion of governmental activities	<u><u>\$ 25,511,598</u></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, 2016

	GENERAL	ENTITLEMENT	HB33
REVENUE			
Residential/Non-Residential Taxes	\$ 381,800	\$ -	\$ 1,539,444
Fees - Educational	23,380	-	-
Rent and Leases	29,200	-	-
Fees Activities	4,188	-	-
Interest Income	298	-	2,536
State Equalization	5,909,130	-	-
State Flow Through Grants	-	-	-
State Programs	399,864	-	-
Donations	500	-	-
Sale of Property/Equipment	6,718	-	-
Private & Local Grants	-	-	-
Federal Program	-	182,137	-
TOTAL REVENUES	6,755,078	182,137	1,541,980
EXPENDITURES			
Current			
Instruction	3,806,993	47,048	-
Support Services			
Support Services-Students	468,135	-	-
Support Services-Instruction	103,744	-	-
Support Services-General Administration	225,919	61,345	2,487
Support Services-School Administration	357,895	73,744	-
Central Services	175,623	-	-
Operation & Maintenance of Plant	1,122,589	-	-
Student Transportation	190,731	-	-
Other Support Services	1,537	-	-
Food Services-Operations	-	-	-
Acquisition & Construction	9,400	-	1,701,014
Bond Principal	-	-	-
Bond Interest	-	-	-
TOTAL EXPENDITURES	6,462,566	182,137	1,703,501
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	292,512	-	(161,521)
Other Financing Sources			
Refunds to PED	(28,630)	-	-
Transfers In<Out>	(75,118)	-	-
Total Other Financial Sources	(103,748)	-	-
Net Change In Fund Balances	188,764	-	(161,521)
FUND BALANCE			
June 30, 2015	1,955,704	-	6,099,200
Restatement	-	-	-
Restated Fund Balance June 30, 2015	1,955,704	-	6,099,200
FUND BALANCE			
June 30, 2016	\$ 2,144,468	\$ -	\$ 5,937,679

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

SB9	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 1,539,444	\$ 2,830,931	\$ -	\$ 6,291,619
-	-	-	23,380
-	-	-	29,200
-	-	164,317	168,505
2,536	-	8	5,378
-	-	-	5,909,130
-	-	213,941	213,941
-	-	-	399,864
-	-	2,760	3,260
-	-	-	6,718
-	-	30,000	30,000
-	-	429,500	611,637
<u>1,541,980</u>	<u>2,830,931</u>	<u>840,526</u>	<u>13,692,632</u>
-	-	379,377	4,233,418
-	-	10,393	478,528
-	-	20,074	123,818
2,487	6,474	14,040	312,752
-	-	-	431,639
-	-	-	175,623
-	-	-	1,122,589
-	-	-	190,731
-	-	-	1,537
-	-	364,895	364,895
1,282,938	-	-	2,993,352
-	3,165,000	-	3,165,000
-	942,666	-	942,666
<u>1,285,425</u>	<u>4,114,140</u>	<u>788,779</u>	<u>14,536,548</u>
256,555	(1,283,209)	51,747	(843,916)
-	-	-	(28,630)
-	-	75,118	-
-	-	<u>75,118</u>	<u>(28,630)</u>
256,555	(1,283,209)	126,865	(872,546)
5,219,653	2,839,348	123,353	16,237,258
-	197,628	-	197,628
<u>5,219,653</u>	<u>3,036,976</u>	<u>123,353</u>	<u>16,434,886</u>
<u>\$ 5,476,208</u>	<u>\$ 1,753,767</u>	<u>\$ 250,218</u>	<u>\$ 15,562,340</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, 2016

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

Net change in fund balance - total governmental funds	\$ (872,546)
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 asset additions exceeded depreciation in the current year	(37,405)
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.	3,498
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Loss on Asset Deletions Net of Proceeds	(7,124)
(Increase)/Decrease in pension expense due to net pension liability apportionment	(358,860)
Expenses in the statement of activities which do not require use of current financial resources	
Refunded to PED	28,630
Accrued Interest payable	15,173
Bond principal payments	3,165,000
Increase in Compensated Absences	973
Amortization of bond premium taken against bond interest	41,999
Change in Net Position	<u>\$ 1,979,338</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, 2016

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 333,522	\$ 333,522	\$ 387,183	\$ 53,661
Fees Activities	-	-	4,188	4,188
Interest Income	195	195	298	103
State Equalization	5,645,868	5,920,194	5,909,130	(11,064)
State Flow Through Grants	335,432	341,880	399,864	57,984
Rent	-	-	500	500
Sale of Property/Equipment	-	-	6,718	6,718
Access Board	1,000	1,000	-	(1,000)
TOTAL REVENUE	6,344,817	6,625,591	\$ 6,760,461	\$ 134,870
Cash Balance Budgeted	1,212,768	1,305,571		
TOTAL REVENUE & CASH	\$ 7,557,585	\$ 7,931,162		
EXPENDITURES				
Current				
Instruction	\$ 4,137,537	\$ 4,264,268	\$ 3,806,993	\$ 457,275
Support Services				
Support Services-Students	480,667	532,817	468,136	64,681
Support Services-Instruction	132,685	134,825	103,744	31,081
Support Services-General Administration	384,345	388,695	225,918	162,777
Support Services-School Administration	366,850	387,700	357,895	29,805
Central Services	243,536	228,386	175,623	52,763
Operation & Maintenance of Plant	1,577,155	1,723,841	1,122,589	601,252
Student Transportation	205,217	226,037	190,731	35,306
Other Support Services	29,593	29,593	1,537	28,056
Acquisition & Construction	-	15,000	9,400	5,600
TOTAL EXPENDITURES	\$ 7,557,585	\$ 7,931,162	\$ 6,462,566	\$ 1,468,596

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,760,461
Differences-Budget to GAAP	
Property tax Receivable	11,563
Prior Year Tax Receivables	(16,946)
Prior Year Deferral	-
Current Year Deferral	-
Commodities Received	-
Total Revenues (GAAP Basis)	<u>\$ 6,755,078</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,462,566
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,462,566</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 151,874	\$ 189,670	\$ 145,391	\$ (44,279)
TOTAL REVENUE	<u>151,874</u>	<u>189,670</u>	<u>\$ 145,391</u>	<u>\$ (44,279)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 151,874</u>	<u>\$ 189,670</u>		
EXPENDITURES				
Current				
Instruction	\$ 46,152	\$ 49,152	\$ 47,048	\$ 2,104
Support Services				
Support Services-Students	-	-	-	-
Support Services-General Administration	31,530	65,826	61,345	4,481
Support Services-School Administration	74,192	74,692	73,744	948
TOTAL EXPENDITURES	<u>\$ 151,874</u>	<u>\$ 189,670</u>	<u>\$ 182,137</u>	<u>\$ 7,533</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 145,391
Differences-Budget to GAAP	
Current Year Receivable	78,751
Prior Year Receivable	(42,005)
Total Revenues (GAAP Basis)	<u>\$ 182,137</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 182,137
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 182,137</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, 2016

ASSETS

Cash on Deposit	<u>\$ 257,405</u>
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LIABILITIES AND FUND BALANCE

Liabilities:	
Due to Student Groups	<u>257,405</u>
Total Liabilities	<u>\$ 257,405</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 position and the statement of changes in net position) 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, 2016

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.

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.

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.

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.

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, 2016

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 2016 fiscal year was \$616,295,154. 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, 2016

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, 2016, the annual leave liability decreased \$972 to \$35,985.

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, 2016

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 \$5,909,130 in state equalization guarantee distributions during the year ended June 30, 2016.

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 \$197,408 in transportation distributions during the year ended June 30, 2016.

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 (\$37,405) difference are as follows:

Capital Outlay	\$ 1,562,396
Depreciation expense	<u>(1,599,801)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	\$ <u><u>(37,405)</u></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, 2016

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 re-appropriated 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., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is 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, 2016 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	\$ 7,557,585	\$ 7,931,162
Special Revenue Fund	5,364,600	5,695,756
Debt Service Fund	6,358,450	6,358,450
Capital Projects Fund	6,501,685	6,501,685
Totals	<u>\$ 25,782,320</u>	<u>\$ 26,487,053</u>

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2016

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

There were no deficit fund balances at June 30, 2016.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2016, the carrying amount of the District's deposits was \$15,701,448 and the bank balance was \$16,192,095. Of this balance \$2,750,000 was covered by federal depository insurance and \$11,916,289 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, 2016, 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, 2016, \$1,525,806 of the government's deposits totaling \$16,192,095 was exposed to custodial credit risk.

Uninsured and Uncollateralized	<u>\$1,525,806</u>
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STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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	\$ 19,652
Entitlement	78,751
Idea-B Preschool	13,678
Risk Pool	130
Results Plan	12,123
Teacher and Principal Training	9,276
2012 GO Bond Student Library	9,943
New Mexico Reads to Lead	12,123
Kindergarten Three Plus	65,598
Total due to Operational Fund	<u>\$ 221,869</u>

The balance of \$221,869 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	\$ 0
Delinquent Property Taxes	<u>20,992</u>
Total deferred/unearned revenue	
For governmental funds	\$ <u>20,992</u>

D. Receivables

Due from other governments:	
Title I	\$ 19,652
Entitlement	78,751
Idea-B Preschool	13,678
Risk Pool	130
Results Plan	12,718
2012 GO Bond Student Library	9,943
Teacher and Principal Training	9,276
New Mexico Reads to Lead	12,123
Kindergarten Three Plus	65,598
Total due from other governments	<u>\$ 221,869</u>

Due from local taxes	
General	\$ 12,433
Senate Bill Nine	51,562
HB-33	51,562
Debt Service	91,671
Total Property Tax Receivable	<u>\$ 207,228</u>

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2016

IV. Detailed notes on all funds (continued)

E. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

EUNICE PUBLIC SCHOOLS

	Audited Balance 6/30/2015	Reclass	Additions	Retirements	Ending Balance 6/30/2016
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 1,699,396	-	-	-	\$ 1,699,396
Construction in Progress	-	-	255,532	-	255,532
Total Capital Assets, not being depreciated	1,699,396	-	255,532	-	1,954,928
Capital Assets, being depreciated:					
Buildings & Improvements	63,316,338	-	1,251,279	-	63,316,338
Equipment	2,672,628	-	55,585	(107,754)	2,672,628
Total Capital Assets being depreciated	65,988,966	-	1,306,864	(107,754)	65,988,966
Less accumulated depreciation for:					
Buildings and Improvements	20,057,900	-	1,419,007	-	21,476,907
Equipment	1,451,117	-	180,794	100,629	1,531,282
Total accumulated depreciation	21,509,017	-	1,599,801	100,629	23,008,189
Total Capital Assets, being depreciated, net	44,479,949	-	(292,937)	(7,125)	44,179,887
Governmental activities capital assets, net	\$46,179,345	-	\$(37,405)	(21,576)	\$ 46,134,815

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, 2016

IV. Detailed notes on all funds (continued)

F. Long-Term Debt

General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2015	Additions	Retirements	Balance 6/30/2016	Amount Due in One Year
2009	\$ 6,000,000	3.0%-4.0%	\$ 4,115,000	\$ -	520,000	\$ 3,595,000	\$ 540,000
2010	16,000,000	2.0%-4.0%	9,750,000	-	1,750,000	8,000,000	1,750,000
2011	8,100,000	3.25%-3.40%	7,300,000	-	225,000	7,075,000	225,000
2012	8,100,000	2.00%-3.00%	6,750,000	-	450,000	6,300,000	450,000
2013	1,400,000	2.00%-2.125%	1,285,000	-	120,000	1,165,000	125,000
2013	2,400,000	1.00%-2.00%	2,000,000	-	100,000	1,900,000	100,000
Total	\$ 42,000,000		\$ 31,200,000	\$ -	3,165,000	\$ 28,035,000	\$ 3,190,000

Fiscal Year	Principal	Interest	Total
2017	\$ 3,190,000	\$ 848,316	\$ 4,038,316
2018	3,220,000	755,779	3,975,779
2019	3,445,000	660,981	4,105,981
2020	3,480,000	554,667	4,034,667
2021	3,610,000	442,466	4,052,466
2022-2024	11,090,000	559,306	11,649,306
	\$ 28,035,000	\$ 3,821,425	\$ 31,856,425

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$36,977,709 including \$28,035,000 debt outstanding based on the 2016 initial 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, 2016 was as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in one year
\$36,957	\$33,690	(\$34,663)	\$35,985	\$35,985

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, 2016.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

Pensions For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended to administer the New Mexico Educational Employee's Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

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

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

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

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

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2016

V. Other information (continued)

C. Employee retirement plan (continued)

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

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

Contributions. The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$572,273 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2015, the District's reported a liability of \$9,075,946 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by section 22-11-21, NMSA 1978. At June 30, 2015, the District's proportion was .14012%, which was an increase of .04740% from its proportion measured as of June 30, 2014.

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2016

V. Other information (continued)

C. Employee retirement plan (continued)

For the year ended June 30, 2016, the District recognized pension expense of \$931,133. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$ 812,226	\$ 788,720
Changes of assumptions	312,170	-
Net difference between projected and actual earnings on pension plan investments	-	(504,225)
Changes in proportion	441,921	57,147
2015 Actual Employer Contributions	(553,653)	-
2016 Actual Employer Contributions	572,273	-
Differences between expected and actuarial experience	-	90,517
Proportionate change in deferred outflow	-	-
Net amortization of deferred amounts from changes in proportion	<u>(89,760)</u>	<u>(223,046)</u>
Total	<u>\$1,495,177</u>	<u>\$ 209,113</u>

\$373,630 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$220,053
2018	\$214,241
2019	\$153,442
2020	\$126,056

Actuarial assumptions. As described above, the total ERB pension liability and net liability are based on an actuarial valuation performed as of June 30, 2015. The liabilities reflect the impact of Senate Bill 115, signed into law on March 29, 2013 and new assumptions adopted by the Board of Trustees on June 12, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLA's for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on June 30, 2015 in conjunction with the six-year experience study period ending June 30, 2014.
5. For those purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2016

V. Other information (continued)

C. Employee retirement plan (continued)

The actuarial methods and assumptions used to determine contribution rates included in the measurements are as follows:

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

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows etc.).

Sensitivity of the District's proportionate share of the net pension to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the District's net pension liability under the current single rate assumption; as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75)	1% Increase (8.75%)
	_____	_____	_____
District's proportionate share of the net pension liability	<u>\$12,212,291</u>	<u>\$9,075,946</u>	<u>\$6,441,089</u>

Pension plan fiduciary net position. Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2015 and 2014 which are publicly available at www.nmerb.org.

Payable to the pension plan. The District has no payables to the pension plan.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2016

V. Other information (continued)

D. Post-retirement health care benefits

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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 employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% 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, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2016

V. Other information (continued)

D. Post-retirement health care benefits (continued)

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$82,342, \$79,662 and \$71,555, respectively, which equal the required contributions for each year.

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	House Bill 33	Senate Bill 9	Debt Service	Other Governmental Funds	Total Governmental Funds
Non-Spendable:	-	-	-	-	-	-
Inventory	-	\$ -	\$ -	\$ -	\$ 1,527	\$ 1,527
Total Nonspendable	-	-	-	-	1,527	1,527
Restricted for:						
Capital Projects	-	5,937,679	5,476,208	-	6	11,413,893
Debt Service	-	-	-	1,753,767	-	1,753,767
Athletics	-	-	-	-	104,917	104,917
Cafeteria	-	-	-	-	92,062	92,062
Instructional Materials	60,806	-	-	-	-	60,806
Special Revenue	-	-	-	-	51,706	51,706
Total restricted	60,806	5,937,679	5,476,208	1,753,767	248,691	13,477,151
Unassigned Total Fund Balances	2,083,662	-	-	-	-	2,083,662
	<u>2,144,468</u>	<u>5,937,679</u>	<u>5,476,208</u>	<u>1,753,767</u>	<u>250,218</u>	<u>15,562,340</u>

F. Restatement of Net Position

Restatements of Net Position are as follows:

Net Position at June 30, 2015	\$ 23,560,890
Restatement:	
Amounts paid back to PED for Transportation	(28,630)
Restated Net Position July 1, 2015	<u>\$ 23,532,260</u>

G. Restatement of Fund Balance

Fund Balance at June 30, 2015	\$ 16,237,258
Restatement:	
Reclassify accrued interest payable to government-wide	197,628
Restated Fund Balance at July 1, 2015	<u>\$ 16,434,886</u>

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 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)

IDEA B – RESULTS PLAN – To provide funding to schools for professional development, coaching, technical assistance, and additional funds to support school improvement targeted to early elementary reading achievement. Authority for this fund comes from the Individuals with Disabilities Act, Part B.

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.

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.

CHEVRON SCHOOL GRANTS – To account for the receipt and use of funds received from the Chevron Corporation. These funds are to be used for professional development and support of the District's mathematics programs. This fund was established by Chevron's gift and approval of the school board.

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.

2012 G.O. BOND STUDENT LIBRARY – This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public schools and juvenile detention libraries statewide.

NON-MAJOR SPECIAL REVENUE FUNDS

(continued)

NEW MEXICO READS TO LEAD – To account for the funding provided by the PED for the purchase of K-3 non-fiction books, K-3 non-fiction classroom libraries, and K-3 non-fiction text materials. Fund was created under the state-wide reading initiative authorized under NM Section 22-13-1.3.

KINDERGARTEN THREE PLUS – To account for the funds used to provide additional educational time for students in kindergarten through the third grade with at least 25 additional instructional days beginning up to two months earlier than the regular school year. The funding and authority provided by the NM PED.

NEXT GENERATION ASSESSMENT – To account for funds provided to the District for purchases computers and related hardware that will aid and prepare the District in taking the PARCC assessment test. Funding and authority provided by the NM PED.

NON-MAJOR CAPITAL PROJECTS FUND

BOND BUILDING (Capital Projects Fund) – 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.

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>SPECIAL REVENUE</u>			
	<u>CAFETERIA</u>	<u>ATHLETICS</u>	<u>TITLE I</u>	<u>PRESCHOOL</u>
ASSETS				
Cash	\$ 92,062	\$ 107,445	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due from Other Governments	-	-	25,367	13,678
Inventory	1,527	-	-	-
TOTAL ASSETS	<u>\$ 93,589</u>	<u>\$ 107,445</u>	<u>\$ 25,367</u>	<u>\$ 13,678</u>
LIABILITIES				
Due to other Funds	\$ -	\$ -	\$ 19,652	\$ 13,678
Accounts Payable	-	2,528	5,715	-
TOTAL LIABILITIES	<u>-</u>	<u>2,528</u>	<u>25,367</u>	<u>13,678</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	1,527	-	-	-
Restricted	92,062	104,917	-	-
TOTAL FUND BALANCE	<u>93,589</u>	<u>104,917</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 93,589</u>	<u>\$ 107,445</u>	<u>\$ 25,367</u>	<u>\$ 13,678</u>

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

SPECIAL REVENUE

RISK POOL	RESULTS PLAN	TEACHER PRINCIPAL TRAINING	JTPA	MICROSOFT SETTLEMENT	CHEVRON SCHOOL GRANTS
\$ -	\$ -	\$ -	\$ 68	\$ 739	\$ 50,899
-	-	-	-	-	-
130	12,718	9,276	-	-	-
-	-	-	-	-	-
<u>\$ 130</u>	<u>\$ -</u>	<u>\$ 9,276</u>	<u>\$ 68</u>	<u>\$ 739</u>	<u>\$ 50,899</u>
\$ 130	\$ 12,718	\$ 9,276	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>130</u>	<u>12,718</u>	<u>9,276</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	68	739	50,899
-	-	-	<u>68</u>	<u>739</u>	<u>50,899</u>
<u>\$ 130</u>	<u>\$ 12,718</u>	<u>\$ 9,276</u>	<u>\$ 68</u>	<u>\$ 739</u>	<u>\$ 50,899</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, 2016

	SPECIAL REVENUE		
	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2012 GO BOND STUDENT LIBRARY	NEW MEXICO READS TO LEAD
ASSETS			
Cash	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-
Due from Other Governments	-	9,943	12,123
Inventory	-	-	-
TOTAL ASSETS	\$ -	\$ 9,943	\$ 12,123
LIABILITIES			
Due to other Funds	\$ -	\$ 9,943	\$ 12,123
Accounts Payable	-	-	-
TOTAL LIABILITIES	-	9,943	12,123
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCE			
Non-spendable	-	-	-
Restricted	-	-	-
TOTAL FUND BALANCE	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ -	\$ 9,943	\$ 12,123

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

SPECIAL REVENUE		CAPITAL PROJECTS		
KINDERGARTEN THREE PLUS	NEXT GENERATION ASSESSMENT	BOND BUILDING	TOTAL NONMAJOR FUNDS	
\$ -	\$ -	\$ 6	\$ 251,219	
-	-	-	-	
65,598	-	-	148,833	
-	-	-	1,527	
<u>\$ 65,598</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 401,579</u>	
\$ 65,598	\$ -	\$ -	\$ 143,118	
-	-	-	8,243	
<u>65,598</u>	<u>-</u>	<u>-</u>	<u>151,361</u>	
-	-	-	-	
-	-	-	-	
-	-	-	1,527	
-	-	6	248,691	
<u>-</u>	<u>-</u>	<u>6</u>	<u>250,218</u>	
<u>\$ 65,598</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 401,579</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, 2016

	SPECIAL REVENUES			
	CAFETERIA	ATHLETICS	TITLE I	PRESCHOOL
REVENUE				
Fees Activities	\$ 75,218	\$ 89,099	\$ -	\$ -
Interest Income	8	-	-	-
State Flow Through Grants	-	-	-	-
Donations	-	2,760	-	-
Local Grants	-	-	-	-
Federal Program	298,858	-	82,520	13,848
TOTAL REVENUES	<u>374,084</u>	<u>91,859</u>	<u>82,520</u>	<u>13,848</u>
EXPENDITURES				
Current				
Instruction	-	71,273	68,610	3,455
Support Services				
Support Services-Students	-	-	-	10,393
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	13,910	-
Support Services-School Administration	-	-	-	-
Student Transportation	-	-	-	-
Food Services-Operations	364,895	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>364,895</u>	<u>71,273</u>	<u>82,520</u>	<u>13,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,189	20,586	-	-
OTHER FINANCING SOURCES (USES)				
REFUNDS TO PED	-	-	-	-
TRANSFERS IN/ TRANSFERS OUT	-	75,000	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	9,189	95,586	-	-
FUND BALANCE				
Beginning Fund Balance June 30, 2015	84,400	9,331	-	-
Restatement	-	-	-	-
Restated Fund Balance June 30, 2015	<u>84,400</u>	<u>9,331</u>	<u>-</u>	<u>-</u>
FUND BALANCE June 30, 2016	<u>\$ 93,589</u>	<u>\$ 104,917</u>	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE

RISK POOL	RESULTS PLAN	TEACHER PRINCIPAL TRAINING	JTPA	MICROSOFT SETTLEMENT	CHEVRON SCHOOL GRANTS
\$ -	\$ -	\$ -		\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,000
130	19,396	14,748	-	-	-
130	19,396	14,748	-	-	30,000
-	19,396	4,735	-	-	7,910
-	-	-	-	-	-
-	-	10,131	-	-	-
130	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
130	19,396	14,866	-	-	7,910
-	-	(118)	-	-	22,090
-	-	-	-	-	-
-	-	118	-	-	-
-	-	118	-	-	-
-	-	-	-	-	22,090
-	-	-	68	739	28,809
-	-	-	-	-	-
-	-	-	68	739	28,809
\$ -	\$ -	\$ -	\$ 68	\$ 739	\$ 50,899

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, 2016

	SPECIAL REVENUE		
	2009 DUAL CREDIT INSTRUCTIONAL MATERIALS	2012 GO BOND STUDENT LIBRARY	NEW MEXICO READS TO LEAD
REVENUE			
Fees Activities	\$ -	\$ -	\$ -
Interest Income	-	-	-
State Flow Through Grants	3,545	9,943	49,517
Donations	-	-	-
Local Grants	-	-	-
Federal Program	-	-	-
TOTAL REVENUES	<u>3,545</u>	<u>9,943</u>	<u>49,517</u>
EXPENDITURES			
Current			
Instruction	3,545	-	49,517
Support Services	-	-	-
Support Services-Students	-	-	-
Support Services-Instruction	-	9,943	-
Support Services-General Administration	-	-	-
Support Services-School Administration	-	-	-
Student Transportation	-	-	-
Food Services-Operations	-	-	-
Community Services-operations	-	-	-
Acquisition & Construction	-	-	-
TOTAL EXPENDITURES	<u>3,545</u>	<u>9,943</u>	<u>49,517</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
REFUNDS TO PED	-	-	-
TRANSFERS IN/ TRANSFERS OUT	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	-	-	-
FUND BALANCE			
Beginning Fund Balance June 30, 2015	-	-	-
Restatement	-	-	-
Restated Fund Balance June 30, 2015	-	-	-
FUND BALANCE June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE		CAPITAL PROJECTS		
KINDERGARTEN THREE PLUS	NEXT GENERATION ASSESSMENT	BOND BUILDING	TOTAL NONMAJOR FUNDS	
\$ -	\$ -	\$ -	\$ 164,317	
-	-	-	8	
150,936	-	-	213,941	
-	-	-	2,760	
-	-	-	30,000	
-	-	-	429,500	
<u>150,936</u>	<u>-</u>	<u>-</u>	<u>840,526</u>	
150,936	-	-	379,377	
-	-	-	10,393	
-	-	-	20,074	
-	-	-	14,040	
-	-	-	-	
-	-	-	-	
-	-	-	364,895	
-	-	-	-	
-	-	-	-	
<u>150,936</u>	<u>-</u>	<u>-</u>	<u>788,779</u>	
-	-	-	51,747	
-	-	-	-	
-	-	-	75,118	
<u>-</u>	<u>-</u>	<u>-</u>	<u>75,118</u>	
-	-	-	126,865	
-	-	6	123,353	
-	-	-	-	
<u>-</u>	<u>-</u>	<u>6</u>	<u>123,353</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 250,218</u>	

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

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

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 79,000	\$ 79,000	\$ 77,568	\$ (1,432)
Interest Income	6	6	8	2
Insurance Recoveries	-	-	-	-
Federal Revenue	190,000	190,000	283,492	93,492
TOTAL REVENUE	<u>269,006</u>	<u>269,006</u>	<u>\$ 361,068</u>	<u>\$ 92,062</u>
Cash Balance Budgeted	<u>41,252</u>	<u>80,721</u>		
TOTAL REVENUE & CASH	<u>\$ 310,258</u>	<u>\$ 349,727</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 310,258	\$ 349,727	\$ 349,727	\$ -
TOTAL EXPENDITURES	<u>\$ 310,258</u>	<u>\$ 349,727</u>	<u>\$ 349,727</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 361,068
Differences-Budget to GAAP	
Prior Year Receivable	(2,350)
Commodities Received	15,366
Total Revenues (GAAP Basis)	<u>\$ 374,084</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 349,727
Differences-budget to GAAP	
Cost of Commodities Used	15,366
Inventory Adjustment	(198)
Total Expenditures (GAAP Basis)	<u>\$ 364,895</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	\$ 80,000	\$ 80,000	\$ 89,099	\$ 9,099
Interest Income	-	-	-	-
Donations	-	-	2,760	2,760
TOTAL REVENUE	<u>80,000</u>	<u>80,000</u>	<u>\$ 91,859</u>	<u>\$ 11,859</u>
Cash Balance Budgeted	<u>9,867</u>	<u>9,867</u>		
TOTAL REVENUE & CASH	<u>\$ 89,867</u>	<u>\$ 89,867</u>		
EXPENDITURES				
Current				
Instruction	\$ 89,867	\$ 89,867	\$ 68,746	\$ 21,121
TOTAL EXPENDITURES	<u>\$ 89,867</u>	<u>\$ 89,867</u>	<u>\$ 68,746</u>	<u>\$ 21,121</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 91,859
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 91,859</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 68,746
Differences-budget to GAAP	
Current Year Accounts Payable	2,527
Total Expenditures (GAAP Basis)	<u>\$ 71,273</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 69,015	\$ 95,235	\$ 87,733	\$ (7,502)
TOTAL REVENUE	<u>69,015</u>	<u>95,235</u>	<u>\$ 87,733</u>	<u>\$ (7,502)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 69,015</u>	<u>\$ 95,235</u>		
EXPENDITURES				
Current				
Instruction	\$ 56,454	\$ 78,674	\$ 62,895	\$ 15,779
Support Services-School Administration	12,561	16,561	13,910	2,651
TOTAL EXPENDITURES	<u>\$ 69,015</u>	<u>\$ 95,235</u>	<u>\$ 76,805</u>	<u>\$ 18,430</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 87,733
Differences-Budget to GAAP	
Current Year Receivable	25,366
Prior Year Receivable	(30,579)
Total Revenues (GAAP Basis)	<u>\$ 82,520</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 76,805
Differences-budget to GAAP	
Current Year Accounts Payable	5,715
Total Expenditures (GAAP Basis)	<u>\$ 82,520</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 8,393	\$ 16,786	\$ 2,266	\$ (14,520)
TOTAL REVENUE	<u>8,393</u>	<u>16,786</u>	<u>2,266</u>	<u>(14,520)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 8,393</u>	<u>\$ 16,786</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,393	\$ 6,393	\$ 3,455	\$ 2,938
Support Services				-
Support Services-Students	4,000	10,393	10,393	-
Support Services-General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,393</u>	<u>\$ 16,786</u>	<u>\$ 13,848</u>	<u>\$ 2,938</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,266
Differences-Budget to GAAP	
Current Year Receivable	13,678
Prior Year Receivable	(2,096)
Total Revenues (GAAP Basis)	<u>\$ 13,848</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 13,848
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 13,848</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 133	\$ 143	\$ 10
TOTAL REVENUE	<u>-</u>	<u>133</u>	<u>143</u>	<u>10</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 133</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Support Services-General Administration	-	133	130	3
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 133</u>	<u>\$ 130</u>	<u>\$ 3</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 143
Differences-Budget to GAAP	
Current Year Receivable	130
Prior Year Receivable	(143)
Total Revenues (GAAP Basis)	<u>\$ 130</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 130
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 130</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 RESULTS PLAN

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 20,000	\$ 20,000	\$ 6,678	\$ (13,322)
TOTAL REVENUE	<u>20,000</u>	<u>20,000</u>	<u>6,678</u>	<u>(13,322)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 20,000</u>	<u>\$ 20,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 20,000	\$ 20,000	\$ 19,396	\$ 604
Support Services-Instruction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 19,396</u>	<u>\$ 604</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,678
Differences-Budget to GAAP	
Current Year Receivable	12,718
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 19,396</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 19,396
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 19,396</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 35,862	\$ 24,133	\$ (11,729)
TOTAL REVENUE	<u>-</u>	<u>35,862</u>	<u>24,133</u>	<u>(11,729)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 35,862</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 10,000	\$ 4,735	\$ 5,265
Support Services				
Support Services-Instruction	-	25,862	10,131	15,731
Support Services-General Administration		-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 35,862</u>	<u>\$ 14,866</u>	<u>\$ 20,996</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 24,133
Differences-Budget to GAAP	
Property tax Receivable	
Prior Year Tax Receivables	(18,661)
Current Year Receivable	9,276
Total Revenues (GAAP Basis)	<u>\$ 14,748</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 14,866
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 14,866</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--CHEVRON SCHOOL GRANTS

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Private & Local Grants	\$ -	\$ 30,000	\$ 30,000	\$ -
TOTAL REVENUE	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Cash Balance Budgeted	-	28,809		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 58,809</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 58,809	\$ 7,910	\$ 50,899
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 58,809</u>	<u>\$ 7,910</u>	<u>\$ 50,899</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 30,000
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 30,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 7,910
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 7,910</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 4,171	\$ 3,545	\$ (626)
TOTAL REVENUE	<u>-</u>	<u>4,171</u>	<u>3,545</u>	<u>(626)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 4,171</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 4,171	\$ 3,545	\$ 626
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 4,171</u>	<u>3,545</u>	<u>626</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,545
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 3,545</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,545
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,545</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 - 2012 GO BONDS STUDENT LIBRARY

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 11,064	\$ 11,064	\$ -	\$ (11,064)
TOTAL REVENUE	<u>11,064</u>	<u>11,064</u>	<u>\$ -</u>	<u>\$ (11,064)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 11,064</u>	<u>\$ 11,064</u>		
EXPENDITURES				
Current				
Instruction	\$ 11,064	\$ 11,064	\$ 9,943	\$ 1,121
TOTAL EXPENDITURES	<u>\$ 11,064</u>	<u>\$ 11,064</u>	<u>\$ 9,943</u>	<u>\$ 1,121</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	9,943
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 9,943</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 9,943
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 9,943</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 - NEW MEXICO READS TO LEAD

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 50,000	\$ 50,000	\$ 47,717	(2,283)
TOTAL REVENUE	<u>50,000</u>	<u>50,000</u>	<u>\$ 47,717</u>	<u>\$ (2,283)</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 50,000	\$ 50,000	\$ 49,517	\$ 483
Support Services				
Support Services-General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 49,517</u>	<u>\$ 483</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 47,717
Differences-Budget to GAAP	
Current Year Receivable	12,123
Prior Year Receivable	(10,323)
Total Revenues (GAAP Basis)	<u>\$ 49,517</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 49,517
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 49,517</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--KINDERGARTEN-THREE PLUS

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 50,495	\$ 151,445	\$ 127,393	\$ (24,052)
TOTAL REVENUE	<u>50,495</u>	<u>151,445</u>	<u>\$ 127,393</u>	<u>\$ (24,052)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 50,495</u>	<u>\$ 151,445</u>		
EXPENDITURES				
Current				
Instruction	\$ 50,495	\$ 151,445	\$ 150,936	\$ 509
TOTAL EXPENDITURES	<u>\$ 50,495</u>	<u>\$ 151,445</u>	<u>\$ 150,936</u>	<u>\$ 509</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 127,393
Differences-Budget to GAAP	
Current Year Receivable	65,598
Prior Year Receivable	(42,055)
Total Revenues (GAAP Basis)	<u>\$ 150,936</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 150,936
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 150,936</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, 2016

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
ASSETS					
Cash on Deposit	\$ 1,987,952	\$ 35,307	\$ 60,806	\$ 115,777	\$ 2,199,842
Due From Other Governments	-	-	-	-	-
Due from Other Funds	221,869	-	-	-	221,869
Taxes Receivable	12,433	-	-	-	12,433
TOTAL ASSETS	\$ 2,222,254	\$ 35,307	\$ 60,806	\$ 115,777	\$ 2,434,144
LIABILITIES					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	288,807	-	-	-	288,807
TOTAL LIABILITIES	288,807	-	-	-	288,807
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenue	869	-	-	-	869
TOTAL DEFERRED INFLOWS OF RESOURCES	869	-	-	-	869
FUND BALANCE					
Fund Balance					
Restricted	-	-	60,806	-	60,806
Unassigned	1,932,578	35,307	-	115,777	2,083,662
TOTAL FUND BALANCE	1,932,578	35,307	60,806	115,777	2,144,468
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 2,222,254	\$ 35,307	\$ 60,806	\$ 115,777	\$ 2,434,144

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, 2016

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
REVENUE					
Residential/Non-Residential Taxes	\$ 381,800	\$ -	\$ -	\$ -	\$ 381,800
Fees - Educational	23,380	-	-	-	23,380
Rent and Leases	-	-	-	29,200	29,200
Fees-Activities	4,188	-	-	-	4,188
Interest Income	211	-	-	87	298
State Equalization	5,909,130	-	-	-	5,909,130
State Programs	147,984	197,408	54,472	-	399,864
Donations	500	-	-	-	500
Sale of Property/Equipment	6,718	-	-	-	6,718
TOTAL REVENUES	6,473,911	197,408	54,472	29,287	6,755,078
EXPENDITURES					
Instruction	3,749,153	-	57,840	-	3,806,993
Support Services					
Support Services-Students	468,135	-	-	-	468,135
Support Services-Instruction	103,744	-	-	-	103,744
Support Services-General Administration	225,919	-	-	-	225,919
Support Services-School Administration	357,895	-	-	-	357,895
Central Services	175,623	-	-	-	175,623
Operation & Maintenance of Plant	1,111,744	-	-	10,845	1,122,589
Student Transportation	-	190,731	-	-	190,731
Other Support Services	1,537	-	-	-	1,537
Acquisition & Construction	-	-	-	9,400	9,400
TOTAL EXPENDITURES	6,193,750	190,731	57,840	20,245	6,462,566
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	280,161	6,677	(3,368)	9,042	292,512
OTHER FINANCING SOURCES (USES)					
Refunds to PED	-	(28,630)	-	-	(28,630)
TRANSFERS IN/ TRANSFERS OUT	(75,118)	-	-	-	(75,118)
TOTAL OTHER FINANCING SOURCES	(75,118)	(28,630)	-	-	(103,748)
Net Change In Fund Balance	205,043	(21,953)	(3,368)	9,042	188,764
FUND BALANCE					
June 30, 2015	1,727,535	57,260	64,174	106,735	1,955,704
Restatement	-	-	-	-	-
Restated Fund Balance June 30, 2015	1,727,535	57,260	64,174	106,735	1,955,704
FUND BALANCE June 30, 2016	\$ 1,932,578	\$ 35,307	\$ 60,806	\$ 115,777	\$ 2,144,468

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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 333,522	\$ 333,522	\$ 387,183	\$ 53,661
Fees - Educational	-	-	23,380	23,380
Fees Activities	-	-	4,188	4,188
Interest Income	150	150	211	61
State Equalization	5,645,868	5,920,194	5,909,130	(11,064)
State Flow Through Grants	90,000	90,000	147,984	57,984
Donations	-	-	500	500
Sale of Property/Equipment	-	-	6,718	6,718
Access Board	1,000	1,000	-	(1,000)
TOTAL REVENUE	6,070,540	6,344,866	\$ 6,479,294	\$ 134,428
Cash Balance Budgeted	1,109,474	1,109,474		
TOTAL REVENUE & CASH	\$ 7,180,014	\$ 7,454,340		
EXPENDITURES				
Current				
Instruction	\$ 4,097,322	\$ 4,145,622	\$ 3,749,153	\$ 396,469
Support Services				
Support Services-Students	480,667	532,817	468,136	64,681
Support Services-Instruction	132,685	134,825	103,744	31,081
Support Services-General Administration	384,345	388,695	225,918	162,777
Support Services-School Administration	366,850	387,700	357,895	29,805
Central services	243,536	228,386	175,623	52,763
Operation & Maintenance of Plant	1,445,016	1,606,702	1,111,744	494,958
Other Support Services	29,593	29,593	1,537	28,056
TOTAL EXPENDITURES	\$ 7,180,014	\$ 7,454,340	\$ 6,193,750	\$ 1,260,590

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,479,294
Differences-Budget to GAAP	
Property tax Receivable	11,563
Prior Year Tax Receivable	(16,946)
Total Revenues (GAAP Basis)	\$ 6,473,911

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,193,750
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 6,193,750

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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 205,217	\$ 197,408	\$ 197,408	\$ -
TOTAL REVENUE	<u>205,217</u>	<u>197,408</u>	<u>\$ 197,408</u>	<u>\$ -</u>
Cash Balance Budgeted	-	28,629		
TOTAL REVENUE & CASH	<u>\$ 205,217</u>	<u>\$ 226,037</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 205,217	\$ 226,037	\$ 190,731	\$ 35,306
TOTAL EXPENDITURES	<u>\$ 205,217</u>	<u>\$ 226,037</u>	<u>\$ 190,731</u>	<u>\$ 35,306</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 197,408
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 197,408</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 190,731
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 190,731</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

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

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 40,215	\$ 54,472	\$ 54,472	\$ -
TOTAL REVENUE	<u>40,215</u>	<u>54,472</u>	<u>\$ 54,472</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>64,174</u>		
TOTAL REVENUE & CASH	<u>\$ 40,215</u>	<u>\$ 118,646</u>		
EXPENDITURES				
Current				
Instruction	\$ 40,215	\$ 118,646	\$ 57,840	\$ 60,806
TOTAL EXPENDITURES	<u>\$ 40,215</u>	<u>\$ 118,646</u>	<u>\$ 57,840</u>	<u>\$ 60,806</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 54,472
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 54,472</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 57,840
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 57,840</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, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Rent and Leases	\$ 28,800	\$ 28,800	\$ 29,200	\$ 400
Interest Income	45	45	87	42
TOTAL REVENUE	<u>28,845</u>	<u>28,845</u>	<u>\$ 29,287</u>	<u>\$ 442</u>
Cash Balance Budgeted	<u>103,294</u>	<u>103,294</u>		
TOTAL REVENUE & CASH	<u>\$ 132,139</u>	<u>\$ 132,139</u>		
EXPENDITURES				
Current				
Operation & Maintenance of Plant	\$ 132,139	\$ 117,139	\$ 10,845	\$ 106,294
Acquisition & Construction	-	15,000	9,400	5,600
TOTAL EXPENDITURES	<u>\$ 132,139</u>	<u>\$ 132,139</u>	<u>\$ 20,245</u>	<u>\$ 111,894</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 29,287
Differences-Budget to GAAP	

Total Revenues (GAAP Basis)

\$ 29,287

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 20,245
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 20,245</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

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

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,346,125	\$ 1,346,125	\$ 1,560,894	\$ 214,769
Interest Income	-	-	2,536	2,536
Sale of Property/Equipment	-	-	-	-
TOTAL REVENUE	<u>1,346,125</u>	<u>1,346,125</u>	<u>\$ 1,563,430</u>	<u>\$ 217,305</u>
Cash Balance Budgeted	<u>5,155,560</u>	<u>5,155,560</u>		
TOTAL REVENUE & CASH	<u>\$ 6,501,685</u>	<u>\$ 6,501,685</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 3,000	\$ 3,000	\$ 2,487	\$ 513
Acquisition & Construction	6,498,685	6,498,685	1,701,014	4,797,671
TOTAL EXPENDITURES	<u>\$ 6,501,685</u>	<u>\$ 6,501,685</u>	<u>\$ 1,703,501</u>	<u>\$ 4,798,184</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,563,430
Differences-Budget to GAAP	
Property tax Receivable	46,653
Prior Year Tax Receivables	(68,103)
Total Revenues (GAAP Basis)	<u>\$ 1,541,980</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,703,501
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,703,501</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--CAPITAL PROJECTS FUND--SENATE BILL 9

FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,346,125	\$ 1,346,125	\$ 1,560,894	\$ 214,769
Interest Income	1,300	1,300	2,537	1,237
State Flow Through Grants	-	19,353	-	(19,353)
Refunds	-	-	-	-
Insurance Recoveries	-	-	-	-
TOTAL REVENUE	<u>1,347,425</u>	<u>1,366,778</u>	<u>\$ 1,563,431</u>	<u>\$ 196,653</u>
Cash Balance Budgeted	<u>3,256,209</u>	<u>3,256,209</u>		
TOTAL REVENUE & CASH	<u>\$ 4,603,634</u>	<u>\$ 4,622,987</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 3,000	\$ 3,000	\$ 2,486	\$ 514
Acquisition & Construction	4,600,634	4,619,987	1,282,939	3,337,048
TOTAL EXPENDITURES	<u>\$ 4,603,634</u>	<u>\$ 4,622,987</u>	<u>\$ 1,285,425</u>	<u>\$ 3,337,562</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,563,431
Differences-Budget to GAAP	
Property tax Receivable	46,653
Prior Year Tax Receivables	(68,104)
Total Revenues (GAAP Basis)	<u>\$ 1,541,980</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,285,425
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,285,425</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

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

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 4,107,666	\$ 4,107,666	\$ 2,899,001	\$ (1,208,665)
TOTAL REVENUE	<u>4,107,666</u>	<u>4,107,666</u>	<u>\$ 2,899,001</u>	<u>\$ (1,208,665)</u>
Cash Balance Budgeted	<u>2,250,784</u>	<u>2,250,784</u>		
TOTAL REVENUE & CASH	<u>\$ 6,358,450</u>	<u>\$ 6,358,450</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 11,100	\$ 11,100	\$ 4,438	\$ 6,662
Principal	3,165,000	3,165,000	3,165,000	-
Interest and Finance Charges	945,167	945,167	944,702	465
Debt Service Reserve	2,237,183	2,237,183	-	2,237,183
TOTAL EXPENDITURES	<u>\$ 6,358,450</u>	<u>\$ 6,358,450</u>	<u>\$ 4,114,140</u>	<u>\$ 2,244,310</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,899,001
Differences-Budget to GAAP	
Property tax Receivable	81,367
Prior Year Tax Receivables	(149,437)
Total Revenues (GAAP Basis)	<u>\$ 2,830,931</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 4,114,140
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 4,114,140</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, 2016

	Balance 6/30/2015	ADDITIONS	DEDUCTIONS	Balance 6/30/2016
Annual	\$ 49,358	\$ 16,309	\$ 14,200	\$ 51,467
Arts Club	1,180	-	-	1,180
Drama Club	108	-	-	108
Scholarship Fund	2,000	-	1,500	500
High School Student Activity	10,450	11,939	7,307	15,082
High School Student Council	211	505	254	462
Middle School General Activity	2,020	27,397	21,412	8,005
Middle School Shop	362	-	-	362
Library	20,656	12,043	9,990	22,709
Miscellaneous	11,758	218	1,722	10,254
Activity Center	66,725	11,350	1,131	76,944
Pep Club	2,537	24,850	25,650	1,737
Spanish Club	1,082	-	1,082	-
Textbooks	3,241	851	150	3,942
Senior Class	5,700	-	2,563	3,137
Junior Class	-	9,467	4,179	5,288
Graduating Class	3,184	-	3,184	-
Activity Interest	646	23	667	2
National Honor Society	741	8,825	7,066	2,500
Café A La Carte	701	-	701	-
Elementary General	4,902	8,132	2,695	10,339
Tech Lab	472	-	472	-
PowerAde Account	118	-	118	-
AR Math Club	89	-	89	-
NMPSIA	1,445	566	2,011	-
REC Reimbursement	202	-	-	202
Freddie Mitchell Memorial Golf Acct	8,322	18,344	17,193	9,473
Welding Shop Acct	5,475	-	4,432	1,043
CMS Library Fund	1,181	113	-	1,294
EHS Library Fund	621	279	666	234
Drug Testing	1,764	-	-	1,764
Alumni Cheer	250	-	-	250
ID Tag Replacement	8,029	1,601	800	8,830
1970 Alumni Fund	2,125	-	-	2,125
Eunice Community Foundation	1,658	4,000	-	5,658
Mettie Jordan Science Supplies	7,240	-	-	7,240
Chevron Math & Science Donation	3,572	-	882	2,690
CMS Student Council & Honor Soc	3,267	3,388	4,387	2,268
First Robotics	-	11,917	11,601	316
Cash On Hand	250	-	250	-
Total	<u>\$ 233,642</u>	<u>\$ 172,117</u>	<u>\$ 148,354</u>	<u>\$ 257,405</u>

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2016

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL REQUIRED	COLLATERAL PLEDGED	UNINSURED & UNCOLLATERALIZED DEPOSITS	PLEDGED COLLATERAL DEFICIT
WELLS FARGO BANK	\$ 12,143,480	\$ 500,000	\$ 11,643,480	\$ 5,821,740	\$ 10,117,674	\$ 1,525,806	\$ -
COLLATERAL							
		MATURES					
FNMA FNMS 3138ANN41	2,045,774	8/1/2026					
FNMA FNMS 3138XOLUO	9,690	7/1/2043					
31418ASX7	768,999	5/1/2043					
FNG3 3128MJWB2	7,293,211	5/1/2045					
	<u>\$ 10,117,674</u>						
COLLATERAL IS HELD AT MINNEAPOLIS, MINNESOTA							
NEW MEXICO STATE TREASURER	\$ 32,933	\$ -	\$ 32,933	\$ 32,933	\$ 32,933	\$ -	\$ -
SECURITIES HELD BY CHASE BANK, NEW YORK CITY							
MORETON CAPITAL							
CAMBRIDGE SAVINGS BANK	\$ 250,000	250,000					
JP MORGAN CHASE BANK	250,000	250,000					
SW BANK ATHENS TENN	250,000	250,000					
BANK INDIA NY	250,000	250,000					
APPLE BANK	250,000	250,000					
SAFRA NATL BANK	250,000	250,000					
COMPASS BANK	250,000	250,000					
STATE BANK INDA	250,000	250,000					
ALLY BANK	250,000	250,000					
US GOVT MONEY MARKET	1,765,682		1,765,682	1,765,682	1,765,682		
	<u>\$ 4,015,682</u>	<u>\$ 2,250,000</u>	<u>\$ 1,765,682</u>	<u>\$ 1,765,682</u>	<u>\$ 1,765,682</u>	<u>\$ -</u>	<u>\$ -</u>
Totals	\$ 16,192,095	\$ 2,750,000	\$ 13,442,095	\$ 7,620,355	\$ 11,916,289	\$ 1,525,806	

See Independent Auditor's Report

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BANK SUMMARY

JUNE 30, 2016

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	CASH BALANCE
Wells Fargo Bank	Checking	Operational	* \$ 2,074,130	\$ 36,564	\$ -	\$ 2,037,566
	Checking	Capital Improvement	* 9,062,465	85,474	-	8,976,991
	Checking	Cafeteria	* 92,062	-	-	92,062
	Checking	Activities & Athletics	* 259,002	1,595	-	257,407
	Checking	Payroll Clearing	* 655,821	367,014	-	288,807
			* -	-	-	-
Total Wells Fargo Bank			<u>12,143,480</u>	<u>490,647</u>	<u>-</u>	<u>11,652,833</u>
New Mexico State Treas	C.D.	Capital Improvement	* 32,619	-	-	32,619
New Mexico State Treas	C.D.	Teacherage	* 314	-	-	314
Total New Mexico Treas			<u>32,933</u>			<u>32,933</u>
Moreton Capital	C.D.	Capital Improvement	2,250,000			2,250,000
	MM	Capital Improvement	1,765,682			1,765,682
Total Moreton Capital			<u>4,015,682</u>			<u>4,015,682</u>
Amount on Deposit			<u>\$ 16,192,095</u>	<u>\$ 490,647</u>	<u>\$ -</u>	\$ 15,701,448
Less: Agency Funds						(257,405)
Total Cash						<u>\$ 15,444,043</u>

See Independent Auditor's Report

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

BANK RECONCILIATION

June 30, 2016

	<u>OPERATIONAL</u>	<u>TRANSP.</u>	<u>FOOD SERVICES</u>	<u>ATHLETICS</u>	<u>FEDERAL PROJECTS</u>	<u>LOCAL/STATE ACCOUNT</u>
Audited Net Cash						
JUNE 30, 2015	\$ 1,710,589	\$ 57,260	\$ 80,721	\$ 9,331	\$ 68	\$ 29,548
Investments	-	-	-	-	-	-
TOTAL CASH BALANCE						
JUNE 30, 2015	1,710,589	57,260	80,721	9,331	68	29,548
Add: Prior year void checks	-	-	-	-	-	-
2015-2016 Revenue	6,479,293	197,408	361,068	91,860	172,858	156,277
Loans in	-	-	-	-	134,206	87,663
Transfers In	-	-	-	75,000	118	-
TOTAL AVAILABLE CASH	8,189,882	254,668	441,789	101,191	307,250	273,488
Prior year void checks	-	-	-	-	-	-
2015-2016 Expenditures	6,193,750	190,731	349,727	68,746	307,182	221,851
Transfers Out	75,118	-	-	-	-	-
	6,268,868	190,731	349,727	169,937	307,182	221,851
NET CASH, JUNE 30, 2016	1,921,014	63,937	92,062	(68,746)	68	51,637
Cash On hand	-	-	-	-	-	-
Paid back to PED	-	(28,630)	-	-	-	-
Held Payroll Checks	288,807	-	-	-	-	-
Loans (Out) In	(221,869)	-	-	-	-	-
TOTAL CASH, JUNE 30, 2016	<u>\$ 1,987,952</u>	<u>\$ 35,307</u>	<u>\$ 92,062</u>	<u>\$ (68,746)</u>	<u>\$ 68</u>	<u>\$ 51,637</u>

See Independent Auditor's Report

<u>SB-9</u>	<u>ACTIVITIES</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>HB-33</u>	<u>TEACHERAGE</u>	<u>BOND BUILDING</u>	<u>DEBT SERVICE</u>
\$ 5,151,549	\$ 233,642	\$ 64,174	\$ 6,031,096	\$ 106,735	\$ 6	\$ 2,887,540
-	-	-	-	-	-	-
5,151,549	233,642	64,174	6,031,096	106,735	6	2,887,540
1,563,431	172,117	54,472	1,563,430	29,287	-	2,899,001
-	-	-	-	-	-	-
6,714,980	405,759	118,646	7,594,526	136,022	6	5,786,541
1,285,425	148,352	57,840	1,703,501	20,245	-	4,114,140
-	-	-	-	-	-	-
<u>1,285,425</u>	<u>148,352</u>	<u>57,840</u>	<u>1,703,501</u>	<u>20,245</u>	<u>-</u>	<u>4,114,140</u>
5,429,555	257,407	60,806	5,891,025	115,777	6	1,672,401
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,429,555</u>	<u>\$ 257,407</u>	<u>\$ 60,806</u>	<u>\$ 5,891,025</u>	<u>\$ 115,777</u>	<u>\$ 6</u>	<u>\$ 1,672,401</u>

STATE OF NEW MEXICO
 EUNICE MUNICIPAL SCHOOLS
 SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.14012%	0.13065%
Proportionate share of the net pension liability	\$ 9,075,946	\$ 7,454,528
Covered Employee Payroll	\$ 3,825,725	\$ 3,601,292
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	237.23%	207.00%
Plan fiduciary net position as a percentage of total pension liability	63.97%	66.54%

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

STATE OF NEW MEXICO
 EUNICE MUNICIPAL SCHOOLS
 SCHEDULE OF CONTRIBUTIONS Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 572,273	553653
Contributions in relation to the contractually required contribution	\$ 572,273	553653
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,825,725	\$ 3,601,292
Contributions as a percentage of covered-employee payroll	14.96%	15.37%

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

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION: SCHEDULE OF THE PROPORTIONATE
SHARE OF NET PENSION LIABILITY and SCHEDULE OF CONTRIBUTIONS Educational
Retirement Board (ERB) Pension Plan

JUNE 30, 2016

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

Changes of assumptions.

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 12 2015, ERB implemented the following changes in assumptions for fiscal years 2015 and 2014.

1. Fiscal year 2015 and 2014 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.25% to 3.75%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Update demographic assumptions to use currently published tables
- d. Population growth per year from 0.50% to 0.00%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%
- c. COLA assumption 2.00% per year
- d. Payroll growth remain at 3.50%

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

STATE OF NEW MEXICO
 EUNICE PUBLIC SCHOOLS
 VENDOR SCHEDULE

JUNE 30, 2016

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFB#/RFP# (If applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	CES/CHAPARRAL BUILDER	Winner	\$255,617.63
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	CES/CHAPARRAL BUILDER	WINNER	\$844,327.28
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	CES/WILSON & COMPANY	Winner	\$255,532.20
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	CES/ETI	Winner	\$184,341.93
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	CES/KIRKMEYER	Winner	\$108,129.60
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	CES/WILSON & COMPANY	Winner	\$61,827.03
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	CES/HONEYWELL	Winner	\$287,756.50
7030	EUNICE PUBLIC SCHOOLS	Schools		Competitive (RFP or RFB)	SUMMIT FOOD SERVICE	Winner	\$360,084.22

<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
	HOBBS, NM	Yes	NO	ELECTRICAL TRANSFORMER	
	HOBBS, NM	YES	NO	REROUTE	
	ALBUQUERQUE, NM	YES	NO	FOOTBALL FIELD PARKING	
	ALBUQUERQUE, NM	YES	NO	DESIGN SERVICES FOR ATHLETIC	
	HOBBS, NM	YES	NO	COMPLES	
	ALBUQUERQUE, NM	YES	NO	NETWORK CONFIGURATION	
	ALBUQUERQUE, NM	YES	NO	WIRELESS NETWORKING	
	ALBUQUERQUE, NM	YES	NO	DESIGN SERVICES FOR FIELD HOUSE	
	ALBUQUERQUE, NM	YES	NO	AUTOMATION & MECHANICAL	
	ALBUQUERQUE, NM	YES	NO	SERVICES	
	ALBUQUERQUE, NM	YES	NO	FOOD SERVICE CONTRACT	

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (No Material Weaknesses, no Significant Deficiencies and Reportable Instances of Noncompliance and Other Matters Identified)

Mr. Tim Keller
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 Eunice Public Schools (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Districts'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. 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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 results 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.

Handwritten signature in cursive script that reads "Woodard, Cowen & Co."

Woodard, Cowen & Company

Portales, New Mexico
November 11, 2016

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

June 30, 2016

PRIOR YEAR AUDIT FINDINGS

None

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2016

None

STATE OF NEW MEXICO
EUNICE PUBLIC SCHOOLS

Year Ended June 30, 2016

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 11, 2016. Present were Dwain Haynes, Superintendent; Cynthia Sims, Business Manager; and David Gallegos, Board of Education Vice President. Our firm was represented by Gayland Cowen, CPA. Also present was a member of the District's audit committee, Kisha McBee, parent.