

# **STATE OF NEW MEXICO**

## **TOWN OF SPRINGER HOUSING AUTHORITY**

**(A COMPONENT UNIT OF THE  
TOWN OF SPRINGER)**

### **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2015**

# TOWN OF SPRINGER HOUSING AUTHORITY

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**TOWN OF SPRINGER HOUSING AUTHORITY**

OFFICIAL ROSTER

JUNE 30, 2015

**Board of Commissioners**

<b><u>Name</u></b>	<b><u>Title</u></b>
<i>James Angel</i>	<i>Chairman</i>
<i>Samuel W. Roy, Sr.</i>	<i>Vice-Chairman</i>
<i>Rodney Hood</i>	<i>Commissioner</i>
<i>Dora Tompkins</i>	<i>Commissioner</i>

**Administrative Official**

<i>Julie Martinez</i>	<i>Executive Director</i>
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## INDEPENDENT AUDITORS' REPORT

Mr. Tim Keller, State Auditor and  
To the Board of Commissioners  
Town of Springer Housing Authority  
(A Component Unit of the Town of Springer)  
Springer, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the business-type activities and each major fund of the Town of Springer Housing Authority (Authority), a component unit of the Town of Springer (Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the budgetary comparisons presented as supplementary information, as defined by the Government Accounting Standards Board for the year ended June 30, 2015 as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

Mr. Tim Keller, State Auditor and  
To the Board of Commissioners  
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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 business-type activities of Town of Springer Housing Authority as of June 30, 2015, and the respective changes in financial position and cash flows thereof 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, each non-major fund and the respective budgetary comparisons for the year then ended in conformity with budgetary basis required by the U.S. Department of Housing and Urban Development that is more fully described in Note 1 which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Reporting Entity*

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position and changes in its financial position and cash flows of only that portion of the Town that is attributable to the Authority. They do not purport to, and do not present fairly the financial position of the Town as of June 30, 2015, and the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 and the pension liability schedules on pages 26 and 27 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 the required supplementary information in accordance with 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.

Mr. Tim Keller, State Auditor and  
To the Board of Commissioners  
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*Other Information*

Our audit was conducted for the purpose of forming opinions on the Authority's financial statements and the budgetary comparisons. The Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Financial Data Schedule and *other schedules required by 2.2.2 NMAC* are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and *other schedules required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Kriegel/Gray/Shaw & Co., P.C.  
Las Cruces, New Mexico  
November 23, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

The following is an analysis for the Springer Housing Authority's financial performance. It is to provide the reader with an overview to the Authority's financial activities for the fiscal year ended June 30, 2015. The information contained here in this MD&A should be considered in conjunction with the Authority's basic financial statements.

### Financial Highlights

- The Springer Housing Authority's total assets decreased from \$790,471 to \$668,541 a decrease of \$121,930 or 15.4%.
- The net position's balance decreased from \$613,865 to \$500,315 at June 30, 2015. This represents a decrease of \$111,550 or 18.5% from the previous year. The unrestricted net position balance decreased from \$68,484 to \$28,225, a decrease of \$40,259 or 58.8%.
- Revenues decreased from \$410,537 to \$304,615, a decrease of \$105,923 or 25.8% from the previous year.
- Total expenses increased by \$28,761, from \$389,404 to \$418,165 for the current year. This represents an increase of 7.4%.
- Prior year balances were restated to include the net pension liability of \$145,456 which decreased in the current year to \$100,634.

### Using this Annual Report

This annual report consists of basic financial statements and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Authority's financial performance and activities for the year ended June 30, 2015. The basic statements provide readers with a broad overview of the Authority's finances. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

1. The Statements of Net Position provides information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving.
2. The Statements of Revenue, Expenses, and Changes in Fund Net Position present information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
3. The Statement of Cash Flows presents information showing how the Authority's cash changed during the most recent fiscal year. It shows the sources and uses of cash.



# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

The agency has two individual programs. These include the Low Rent Housing Program and the Capital Fund Program.

- The Low Rent Housing Program consists of the 56 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received from the Department of Housing & Urban Development. Tenants typically pay dwelling rent, which is based on a formula that equates to 30 percent of the tenant's adjusted gross income.
- The Capital Fund program is also funded by HUD based on a formula. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

### Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the years ended June 30, 2015 and June 30, 2014.

#### Statement of Net Position-Condensed As of June 30, 2015

	<u>2015</u>	<u>2014</u> <u>Restated</u>
<b>ASSETS</b>		
Current assets	\$183,999	\$231,476
Noncurrent assets	12,452	13,614
Capital assets (net of depreciation)	472,090	545,381
<i>Total assets</i>	668,541	790,471
<b>Deferred outflows of resources</b>	9,814	10,264
<i>Total assets and deferred outflows of resources</i>	<b>\$678,355</b>	<b>\$800,735</b>
<b>LIABILITIES</b>		
Current liabilities	\$23,500	\$25,500
Long-term liabilities	115,101	161,370
<i>Total liabilities</i>	138,601	186,870
<b>Deferred inflows of resources</b>	39,439	0
<b>NET POSITION</b>		
Unrestricted net position	28,225	68,484
Investment in net capital assets	472,090	545,381
<i>Total net position</i>	500,315	613,865
<i>Total liabilities, deferred inflows of resources, and net position</i>	<b>\$678,355</b>	<b>\$800,735</b>

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

## *Cash & Investments*

Unrestricted cash and investments totaled \$164,702, a decrease of \$43,184 from the previous year.

## *Current Assets*

Current assets decreased 20.5% from \$231,476 to \$183,999 due primarily to a decrease in cash resulting from expenditures greater than the current year HUD subsidy and rent income.

## *Current Liabilities*

Current liabilities decreased from \$25,500 to \$23,500 or 7.8%. This decrease was primarily the result of a decrease in accrued payroll and related payroll benefits.

## *Net Position*

The total net position balance decreased from \$613,865 (restated) to \$500,315 at June 30, 2015. The Authority's unrestricted net position totaled \$28,225, a decrease of \$40,259 from the previous year (as restated). Unrestricted net position is the amount of available funds for future appropriations. These funds are reserved for expenditures of the actual program.

### Statement of Revenues & Expenses - Condensed For the Fiscal Year Ended June 30, 2015

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Rental revenue	\$136,791	\$140,803
HUD operating grants	132,047	130,550
Capital grants	31,981	136,702
Interest income	243	93
Other revenue	3,553	2,389
<i>Total revenue</i>	<u>304,615</u>	<u>410,537</u>
<b>EXPENSES</b>		
Personnel	169,703	177,373
Operating	130,171	138,008
Non-operating	45,000	0
Depreciation	73,291	74,023
<i>Total expenses</i>	<u>418,165</u>	<u>389,404</u>
<i>Excess of revenue over expenses</i>	<u>(\$113,550)</u>	<u>\$21,133</u>

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

## *Results of Operations*

Operating revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenues decreased by \$105,923. Total expenses increased by \$28,761 from the previous year. Revenues decreased from the previous year principally due to the decreased activity noted in the CFP Program and a decrease in HUD operating grants. Expenses increased from the previous year principally due to an increase in legal fees and other non-operating general expenses.

## *Budgets*

There were no budget adjustments during the year consistent with the HUD budgeting process.

## *Capital Assets*

As of June 30, 2015, the Springer Housing Authority's investment in capital assets was \$472,090. This investment includes land, construction in process, building, building improvements, office equipment, and maintenance equipment.

<u>Category</u>	<u>2015</u>	<u>2014</u>
Land	\$41,101	\$41,101
Buildings	2,640,505	2,640,504
Equipment	131,929	131,929
Non-dwelling Structures	233,192	233,193
Accumulated Depreciation	(2,574,637)	(2,501,346)
<i>Total Net Fixed Assets</i>	\$472,090	\$545,381

Depreciation expense was \$73,291.

No significant changes in financial position or results of operations are anticipated for the fiscal year ending June 30, 2015.

## **Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Springer Housing Authority  
Julie Martinez, Executive Director  
P.O. Box 207  
Springer, New Mexico 87747

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## PROPRIETARY FUNDS

### STATEMENTS OF NET POSITION

JUNE 30, 2015

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$91,714	\$0	\$91,714
Investments	72,988	0	72,988
Prepaid insurance	11,413	0	11,413
Tenant receivable - net of allowance of \$714	626	0	626
Interest receivable	96	0	96
Inventory	7,162	0	7,162
<i>Total current assets</i>	183,999	0	183,999
<b>Noncurrent Assets:</b>			
Restricted cash	12,452	0	12,452
Net capital assets	440,671	31,419	472,090
<i>Total noncurrent assets</i>	453,123	31,419	484,542
<i>Total assets</i>	637,122	31,419	668,541
<b>Deferred outflows of resources</b>	9,814	0	9,814
<b>LIABILITIES AND NET POSITION</b>			
<b>Current Liabilities:</b>			
Accounts payable	2,811	0	2,811
Accrued payroll liabilities	10,792	0	10,792
Wages payable	3,765	0	3,765
Other accrued liabilities	2,088	0	2,088
Prepaid rent	51	0	51
Accrued compensated absences - current portion	3,993	0	3,993
<i>Total current liabilities</i>	23,500	0	23,500
<b>Long-term Liabilities:</b>			
Accrued compensated absences	2,698	0	2,698
Tenant security deposits	11,769	0	11,769
Net pension liability	100,634	0	100,634
<i>Total long-term liabilities</i>	115,101	0	115,101
<i>Total liabilities</i>	138,601	0	138,601
<b>Deferred inflows of resources</b>	39,439	0	39,439
<b>Net Position:</b>			
Net investment in capital assets	440,671	31,419	472,090
Unrestricted	28,225	0	28,225
<i>Total net position</i>	\$468,896	\$31,419	\$500,315

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## PROPRIETARY FUNDS

### STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>OPERATING REVENUES:</b>			
Rental income	\$136,791	\$0	\$136,791
HUD operating subsidy	132,047	0	132,047
Other revenue	3,553	0	3,553
<i>Total operating revenues</i>	272,391	0	272,391
<b>OPERATING EXPENSES:</b>			
Personnel	169,703	0	169,703
Operating	112,494	17,677	130,171
Depreciation	67,035	6,256	73,291
<i>Total operating expenses</i>	349,232	23,933	373,165
<i>Net operating income (loss)</i>	(76,841)	(23,933)	(100,774)
<b>NON-OPERATING REVENUE AND (EXPENSES)</b>			
HUD capital grants	0	31,981	31,981
Interest	243	0	243
Legal settlement	(45,000)	0	(45,000)
<i>Total non-operating revenue and (expenses)</i>	(44,757)	31,981	(12,776)
<i>Income (loss) before transfers</i>	(121,598)	8,048	(113,550)
Transfers in (out)	14,304	(14,304)	0
Capital transfers in (out)	109,374	(109,374)	0
	123,678	(123,678)	0
<i>Change in net position</i>	2,080	(115,630)	(113,550)
Net position, beginning of year, as previously stated	602,008	147,049	749,057
Restatements	(135,192)	0	(135,192)
Net position, beginning of year, as restated	466,816	147,049	613,865
<b><i>Total net position, June 30, 2015</i></b>	<b>\$468,896</b>	<b>\$31,419</b>	<b>\$500,315</b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## PROPRIETARY FUNDS

### STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$140,249	\$0	\$140,249
Cash subsidies - HUD	132,047	0	132,047
Cash paid to suppliers	(107,084)	(17,677)	(124,761)
Cash paid to employees (or on behalf of)	(177,937)	0	(177,937)
<i>Net cash provided (used) by operating activities</i>	<i>(12,725)</i>	<i>(17,677)</i>	<i>(30,402)</i>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Legal settlement	(45,000)	0	(45,000)
Transfers in (out)	14,304	(14,304)	0
<i>Net cash provided (used) by non capital financing activities</i>	<i>(30,696)</i>	<i>(14,304)</i>	<i>(45,000)</i>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital grant	0	31,981	31,981
Purchase of capital assets	0	0	0
Disposition of assets	0	0	0
<i>Net cash provided (used) by capital and related financing activities</i>	<i>0</i>	<i>31,981</i>	<i>31,981</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of certificates of deposit	(221)	0	(221)
Interest received	221	0	221
<i>Net cash provided (used) by investing financing activities</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Net increase (decrease) in pooled cash and cash equivalents</i>	<i>(43,421)</i>	<i>0</i>	<i>(43,421)</i>
Cash and cash equivalents, beginning of year	147,587	0	147,587
<b><i>Cash and cash equivalents, end of year</i></b>	<b><i>\$104,166</i></b>	<b><i>\$0</i></b>	<b><i>\$104,166</i></b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## PROPRIETARY FUNDS

### STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities		
	Low Rent	Nonmajor Fund	
		CFP	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	(\$76,841)	(\$23,933)	(\$100,774)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	67,035	6,256	73,291
Change in assets and liabilities:			
Accounts receivable	1,128	0	1,128
Tenant prepaid rent	(34)	0	(34)
Inventory	3,894	0	3,894
Prepaid expenses	437	0	437
Tenants security deposits	(1,845)	0	(1,845)
Accounts and contracts payable	1,734	0	1,734
Accrued payroll and payroll taxes	(3,121)	0	(3,121)
Accrued compensated absences	(179)	0	(179)
Net GASB 68 accrual	(4,933)	0	(4,933)
<i>Total adjustments</i>	64,116	6,256	70,372
<b><i>Net cash provided (used) by operating activities</i></b>	<b><i>(\$12,725)</i></b>	<b><i>(\$17,677)</i></b>	<b><i>(\$30,402)</i></b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The function of the Town of Springer Housing Authority is to administer the Housing and Urban Development (HUD) programs to provide housing for qualified individuals in the Town of Springer area.

This funding is provided through various grant programs.

The financial statements of the Town of Springer Housing Authority (Housing Authority) have been prepared in conformity with 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 Town of Springer Housing Authority's most significant accounting policies are described below.

#### **Reporting Entity**

The Housing Authority is a component unit of the Town of Springer. The accompanying financial statements present only the Town of Springer Housing Authority's financial information.

The Town of Springer Housing Authority is a Town organization created by Town Ordinance to provide housing for qualified Town residents. The Authority is a component unit of the Town of Springer.

The Town of Springer Housing Authority has no component units.

#### **Basis of Presentation**

For financial reporting purposes, the accounts of the Town of Springer Housing Authority are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings, revenues and expenses as appropriate. All assets, all liabilities and deferred outflows and inflows of resources associated with the operations are included on the statement of net position. The various funds are summarized by type in the financial statements. All programs have been accounted for as proprietary funds under the HUD UFRS guidelines.

#### **Proprietary Fund Type**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including amortization and depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Proprietary Funds are as follows:

Low Income Housing Project – To account for the rental activities of the Town-owned low income housing project.

Public Housing Capital Fund Program – To account for HUD's Public Housing Capital Fund Program, which replaces CIAP and CGP.



# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The financial statements of the Town of Springer Housing Authority are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary fund types are reported on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Grant revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. It is the Housing Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

#### **Budgets and Budgetary Accounting**

The Housing Authority adopts budgets for Proprietary Funds in accordance with the Housing and Urban Development program agreements.

**Budgetary Compliance** – Budgetary control is required to be maintained at the individual fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

**Budget Amendments** – Budget increases and decreases can only be accomplished by Commission resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

**Budgetary Basis** – State law prescribes that the Town's budget be prepared on the basis of cash receipts and cash expenses. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenses with a cash basis budget as amended.

#### **Income Taxes**

As a local government entity, the Town is not subject to federal or state income taxes.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Compensated Absences

The Town allows employees to accrue annual leave based on years of service. Upon termination, accrued annual leave is paid in full. Employees are eligible to be paid half of their accrued sick leave up to 240 hours upon termination.

The accrual for compensated absences made as of June 30, 2015 is \$6,691.

#### Cash and Cash Equivalents

For the purpose of the statement of cash flows the proprietary fund considers all highly liquid investments to be cash equivalents.

#### Interfund Transactions

There are transactions that constitute reimbursements to a fund for expenditures initially expended from one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Interfund payables and receivables are reflected in the appropriate fund.

#### Capital Assets

Purchase or constructed capital assets are reported at cost or estimated historical cost. The Housing Authority defines capital assets as assets with lives of greater than one-year and a cost or donated value of \$1,000 or greater.

Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Non Dwelling Structures	15
Machinery and Equipment	5-7

Software is capitalized in the machinery and equipment category.

#### Inventory

Inventory is valued at cost, which approximates market using the first-in/first-out (FIFO) method. Inventory is recorded as expenditures when consumed rather than when purchased.

#### Deferred Outflows and Inflows of Resources

The Authority has recognized deferred outflows of resources for 2015 pension contributions paid after the actuarial measurement date. The Authority has also recognized deferred inflows of resources for change in assumptions and the difference between projected and actual earnings on pension plan investments.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, 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.

### NOTE 2. CASH AND INVESTMENTS

Cash consists of United States currency and financial institution checking accounts. The Housing Authority follows state law in regard to deposits and investments. At June 30, 2015, the Housing Authority held only short term certificates of deposit and therefore, they were shown as cash equivalents.

All financial institutions in which the Housing Authority has an account are covered by Federal Deposit Insurance Corporation (FDIC) insurance.

#### Cash on Deposit

	Bank Balance	Carrying Amounts
<b><u>Wells Fargo Bank</u></b>		
Public Fund – regular checking	\$92,592	\$91,714
Public Fund – interest checking	12,452	12,452
CFP – regular checking	0	0
Certificate of deposit – investments	39,560	39,560
Certificate of deposit – investments	33,428	33,428
<i>Total cash on deposit</i>	178,032	177,154
Less certificates of deposit – shown as investments	(72,988)	(72,988)
<b><i>Total cash</i></b>	<b>\$105,044</b>	<b>\$104,166</b>

<b><u>Investments</u></b>	WAM	Cost	Market Value
Certificates of deposit		\$39,560	\$39,560
Certificates of deposit		33,428	33,428
<b><i>Total investments</i></b>	<b>360 days</b>	<b>\$72,988</b>	<b>\$72,988</b>

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 2. CASH AND INVESTMENTS (CONTINUED)

There were no uninsured bank deposits (not covered by F.D.I.C).

	Wells Fargo Bank
Amount held in bank	\$178,032
Less F.D.I.C.	(178,032)
<b>Amount uninsured</b>	<b>\$0</b>
100% Collateral requirement	\$0

### NOTE 3. ACCOUNTS RECEIVABLE AND MORTGAGES RECEIVABLE

Accounts receivable are reported at their gross value. Those amounts considered doubtful have been recorded as allowance for doubtful accounts in the amount of \$714.

### NOTE 4. CHANGES IN CAPITAL ASSETS

Capital Assets are stated at historical cost. The following is a summary of changes in Capital Assets for the fiscal year in the proprietary funds:

	Balance June 30, 2014	Reclassifications	Additions	Disposals	Balance June 30, 2015
Non Depreciable Assets:					
Land	\$41,101	\$0	\$0	\$0	\$41,101
Depreciable Assets:					
Buildings	2,640,504	1	0	0	2,640,505
Non dwelling structures	233,193	(1)	0	0	233,192
Machinery and equipment	131,929	0	0	0	131,929
<i>Total</i>	3,046,727	0	0	0	3,046,727
Less Accumulated Depreciation:					
Buildings	(2,268,520)	0	(47,544)	0	(2,316,064)
Non dwelling structures	(130,351)	0	(11,598)	0	(141,949)
Machinery and equipment	(102,475)	0	(14,149)	0	(116,624)
<i>Total accumulated depreciation</i>	(2,501,346)	0	(73,291)	0	(2,574,637)
<b>Net capital assets</b>	<b>\$545,381</b>	<b>\$0</b>	<b>(\$73,291)</b>	<b>\$0</b>	<b>\$472,090</b>

Depreciation expense for the year was \$73,291.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 5. NET POSITION

The unrestricted net position represent the amounts available for budgeting future operations (i.e., current).

#### Net Position

Net position is displayed in three components:

Net Investment in Capital Assets – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Net position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – Net position that does not meet the definition of “restricted” and “Net investment in capital assets.”

### NOTE 6. PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is a member of the New Mexico Self-Insurers’ Fund (the “Fund”). The Fund was created to formulate, develop, and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for insurance coverage, and develop a comprehensive loss control program. The Town pays an annual premium to the Fund for its workers’ compensation liability, general liability, auto liability, auto physical damage, and property coverage. The Town’s agreement with the Fund provides that the Fund will be self-sustaining through member premiums, and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member cities.

### NOTE 7. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

A.	<b>Net Working Capital:</b>	
	Proprietary Funds	\$160,499

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# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

#### General Information about the Pension Plan

**Plan description.** The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and the Town of Springer Housing Authority are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to Town of Springer Housing Authority is Municipal General. Statutorily required contributions to the pension plan from the Town of Springer Housing Authority were \$9,814 for the year ended June 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Town of Springer Housing Authority's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Division Municipal General**, at June 30, 2015, the Town of Springer Housing Authority reported a liability of \$100,634 for its proportionate share of the net pension liability. At June 30, 2014, the Town of Springer Housing Authority's proportion was .0129 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town of Springer Housing Authority recognized PERA Fund Division Municipal General pension expense of \$4,198. At June 30, 2015, the Town of Springer Housing Authority reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	\$0
Changes of assumptions	0	68
Net difference between projected and actual earnings on pension plan investments	0	39,371
Changes in proportion and differences between Town of Springer Housing Authority contributions and proportionate share of contributions	0	0
Town of Springer Housing Authority contributions subsequent to the measurement date	9,814	0
Total	<b>\$9,814</b>	<b>\$39,439</b>

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

\$9,814 reported as deferred outflows of resources related to pensions resulting from Town of Springer Housing Authority contributions subsequent to the measurement date June 30, 2014 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:	
2016	\$9,860
2017	9,860
2018	9,860
2019	9,859
2020	0
Thereafter	
	\$39,439

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate



# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	4.0	4.15
Total	100.0%	

**Discount rate:** The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Town of Springer Housing Authority’s proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Town of Springer Housing Authority’s net pension liability in each PERA Fund Division that Town of Springer Housing Authority participates in, 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%)
<b>PERA Fund Division Municipal General</b>			
Town of Springer Housing Authority’s proportionate share of the net pension liability	\$189,717	\$100,634	\$31,813

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 8. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Payables to the pension plan.** The Authority is legally required to make defined contributions to the cost sharing pension plan on behalf of its' participant employees. At June 30, 2015, the Authority had paid all required contributions and therefore, there is no payable to the pension plan.

### NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

*Plan Description.* Town of Springer Housing Authority 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](http://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.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

### NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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, 2015, the statutes 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, 2015, the statute required each participating employer to contribute 2.0 of each participating employee’s annual salary; each participating employee was required to contribute 1.0 of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1,2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Town of Springer Housing Authority’s contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$2,068, \$1,939 and \$2,594, respectively, which equal the required contributions for each year.

### NOTE 10. TRANSFERS AND DUE FROM/TO OTHER FUNDS

Transfers between funds were as follows:

Operating Transfers In:	Operating Transfers Out		Totals
	Low Rent	CFP	
Low Rent	\$0	\$14,304	\$14,304
CFP	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$14,304</b>	<b>\$14,304</b>

Transfers are used to move the portion of CFP funding allotted for operating expenditures to the Low Rent Fund.

Capital Transfers In:	Capital Transfers Out		Totals
	Low Rent	CFP	
Low Rent	\$0	\$109,374	\$109,374
CFP	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$109,374</b>	<b>\$109,374</b>

Capital transfers arose from the purchase or construction of capital assets in one fund, which were then transferred to another fund where they are being utilized.

**TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**NOTE 11. CHANGES IN ACCRUED COMPENSATED ABSENCES**

The following summarized the changes in accrued compensated absences during 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Amount Due Within One Year
Accrued compensated absences	\$6,871	\$4,881	\$5,061	\$6,691	\$3,993

**NOTE 12. SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 23, 2015, which is the date the financial statements were available to be issued.

**NOTE 13. RESTATEMENTS**

The Authority has restated Net Position at June 30, 2014 for the following:

Net Pension Liability	\$135,192
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This restatement is due to the implementation of GASB 68, Accounting and Financial Reporting for Pensions.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN OF SPRINGER  
HOUSING AUTHORITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY OF PERA FUND DIVISION  
MUNICIPAL GENERAL**

Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<b>2015</b>
Town of Springer Housing Authority's proportion of the net pension liability (asset)	0.0129%
Town of Springer Housing Authority's proportionate share of the net pension liability (asset)	\$100,634
Town of Springer Housing Authority's covered-employee payroll	\$104,480
Town of Springer Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	96.32%
Plan fiduciary net position as a percentage of the total pension liability	81.5%

\*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 Town of Springer Housing Authority will present information for those years for which information is available.

**SCHEDULE OF TOWN OF SPRINGER  
HOUSING AUTHORITY'S CONTRIBUTIONS**  
Public Employees Retirement Association (PERA) Plan  
**PERA FUND DIVISION - MUNICIPAL GENERAL**  
Last 10 Fiscal Years\*

	<b>2015</b>
Contractually required contribution	\$9,814
Contributions in relation to the contractually required contribution	\$9,814
Contribution deficiency (excess)	\$0
Town of Springer Housing Authority's covered-employee payroll	\$104,480
Contributions as a percentage of covered-employee payroll	9.39%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town of Springer Housing Authority will present information for those years for which information is available.

**TOWN OF SPRINGER HOUSING AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Public Employee Retirement Association Plan (PERA)**

**Changes of benefit terms.** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

**Changes of assumptions.**

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at

[http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf). The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.



## SUPPLEMENTARY INFORMATION

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

## LOW RENT

### PROPRIETARY FUND

#### STATEMENT OF REVENUES AND EXPENSES

#### BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Rental income	\$136,620	\$136,620	\$139,385	(\$2,765)
Other	2,290	2,290	2,053	237
<i>Total revenues</i>	<u>138,910</u>	<u>138,910</u>	<u>141,438</u>	<u>(2,528)</u>
<b>OPERATING EXPENSES:</b>				
Tenant services	0	0	0	0
Personnel	168,680	168,680	170,667	(1,987)
Admin expenses	29,490	29,490	42,644	(13,154)
Operating and maintenance	53,830	53,830	85,483	(31,653)
Capital outlay	0	0	0	0
Utilities	22,410	22,410	25,122	(2,712)
<i>Total operating expenses</i>	<u>274,410</u>	<u>274,410</u>	<u>323,916</u>	<u>(49,506)</u> *
<i>Operating income (loss)</i>	(135,500)	(135,500)	(182,478)	46,978
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	141,297	141,297	132,047	9,250
Interest	110	110	22	88
Transfers in	14,300	14,300	14,304	(4)
Sale of capital assets	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	<u>155,707</u>	<u>155,707</u>	<u>146,373</u>	<u>9,334</u>
<i>Net income</i>	<u>\$20,207</u>	<u>\$20,207</u>	<u>(\$36,105)</u>	<u>\$56,312</u>

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2015, is presented below:

Net income (budgetary basis)	(\$36,105)
Adjustments for revenue accruals, transfers, earnings on investments	108,500
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(70,315)
<u>Change in net position (GAAP basis)</u>	<u>\$2,080</u>

\*The Housing Authority adopts budgets in accordance with the Housing and Urban Development program agreements. The budget serves only as a guideline.

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2009

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	0	0	0	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	0	0	0	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2015, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(26,340)
<i>Change in net position (GAAP basis)</i>	(\$26,340)

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2010

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	0	0	0	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	0	0	0	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2015, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(28,542)
Change in net position (GAAP basis)	(\$28,542)

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2011

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	0	0	0	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	0	0	0	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2015, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(54,492)
<i>Change in net position (GAAP basis)</i>	(\$54,492)

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2012

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	4,069	4,069	1,359	2,710
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	(2,710)	(2,710)	0	(2,710)
<i>Total operating expenses</i>	1,359	1,359	1,359	0
<i>Operating income (loss)</i>	(1,359)	(1,359)	(1,359)	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	1,359	1,359	1,359	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	1,359	1,359	1,359	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2015, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(6,256)
<b>Change in net position (GAAP basis)</b>	<b>(\$6,256)</b>

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2013

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	0	0	6,927	(6,927)
Audit costs	0	0	0	0
Capital outlay	41,809	41,809	0	41,809
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	41,809	41,809	6,927	34,882
<i>Operating income (loss)</i>	(41,809)	(41,809)	(6,927)	(34,882)
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	41,809	41,809	6,927	34,882
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	41,809	41,809	6,927	34,882
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2015, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	0
<i>Change in net position (GAAP basis)</i>	\$0

The Notes to Financial Statements are an integral part of these statements.

# TOWN OF SPRINGER HOUSING AUTHORITY

(A Component Unit of the Town of Springer)

CFP FUND - 2014

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Operations	14,304	14,304	2,891	11,413
Audit costs	6,500	6,500	6,500	0
Capital outlay	48,717	48,717	0	48,717
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	2,000	2,000	0	2,000
<i>Total operating expenses</i>	71,521	71,521	9,391	62,130
<i>Operating income (loss)</i>	(71,521)	(71,521)	(9,391)	(62,130)
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	71,521	71,521	23,695	47,826
Interest	0	0	0	0
Transfers (out)	0	0	(14,304)	14,304
<i>Total non-operating revenue (expenses)</i>	71,521	71,521	9,391	62,130
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2015, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	0
<b>Change in net position (GAAP basis)</b>	<b>\$0</b>

The Notes to Financial Statements are an integral part of these statements.



**TOWN OF SPRINGER HOUSING AUTHORITY**

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by Agency Staff Name: Julie Martinez

Title: Executive Director Date: 10/23/2015

RFB#/RFP# / State-Wide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of <u>ALL</u> Vendor(s) that responded	In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in- state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
NA								

OTHER SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE TOWN OF SPRINGER**  
**Springer New Mexico**  
**Financial Data Schedule**  
**June 30, 2015**

Line Item #	Account Description	Public Housing Low Rent 14,850	Public Housing Capital Fund Program 14,872	Total
111	Cash - Unrestricted	91,714		91,714
114	Cash - Tenant Security Deposits	12,452		12,452
100	Total Cash	104,166	-	104,166
126	Accounts Receivable - Tenants	1,340		1,340
126.1	Allowance for Doubtful Accts - Tenants	(714)		(714)
129	Accrued Interest Receivable	96		96
120	Total Receivables, Net of Allowance for Doubtful Accts	722	-	722
131	Investments - Unrestricted	72,988		72,988
142	Prepaid Expenses and Other Assets	11,413		11,413
143	Inventories	7,958		7,958
143.1	Allowance for Obsolete Inventories	(796)		(796)
150	Total Current Assets	196,451	-	196,451
161	Land	41,101		41,101
162	Buildings	2,847,136	26,560	2,873,696
164	Furniture, Equipment & Machinery - Administration	113,930	18,000	131,930
166	Accumulated Depreciation	(2,561,496)	(13,141)	(2,574,637)
160	Total Capital Assets, Net of Accumulated Depreciation	440,671	31,419	472,090
180	Total Non-Current Assets	440,671	31,419	472,090
190	Total Assets	637,122	31,419	668,541
200	Deferred Outflow of Resources	9,814		9,814
<b>290</b>	<b>Total Assets and Deferred Outflow of Resources</b>	<b>646,936</b>	<b>31,419</b>	<b>678,355</b>
312	Accounts Payable <= 90 Days	2,811		2,811
321	Accrued Wage/Payroll Taxes Payable	11,684		11,684
322	Accrued Compensated Absences - Current Portion	3,993		3,993
341	Tenant Security Deposits	11,769		11,769
342	Unearned Revenue	51		51
346	Other current liabilities	4,961		4,961
310	Total Current Liabilities	35,269	-	35,269
354	Accrued compensated absences - non-current	2,698		2,698
357	Accrued Pension and OPEB Liabilities	100,634		100,634
350	Total Noncurrent Liabilities	103,332	-	103,332
300	Total Liabilities	138,601	-	138,601
400	Deferred Inflow of Resources	39,439	-	39,439
508.1	Net Investment of Capital Assets	440,671	31,419	472,090
511.4	Restricted Net Position	-		-
512.4	Unrestricted Net Position	28,225		28,225
513	Total Equity - Net Position	468,896	31,419	500,315
<b>600</b>	<b>Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position</b>	<b>646,936</b>	<b>31,419</b>	<b>678,355</b>
70300	Net Tenant Rental Revenue	138,291		138,291
70400	Tenant Revenue - Other	881		881
70500	Total Tenant Revenue	139,172	-	139,172
70600	HUD PHA Operating Grants	132,047	-	132,047
70610	Capital Grants	-	31,981	31,981
70700	Total Fee Revenue	132,047	31,981	164,028
71100	Investment Income - Unrestricted	243	-	243
71500	Other Revenue	1,172	-	1,172
70000	Total Revenue	272,634	31,981	304,615
91100	Administrative Salaries	60,490		60,490

**HOUSING AUTHORITY OF THE TOWN OF SPRINGER**  
**Springer New Mexico**  
**Financial Data Schedule**  
**June 30, 2015**

Line Item #	Account Description	Public Housing Low Rent 14,850	Public Housing Capital Fund Program 14,872	Total
91200	Auditing Fees	443	6,500	6,943
91400	Advertising & Marketing	-		-
91500	Employee Benefit Contributions - Administrative	19,824		19,824
91600	Office Expenses	11,624		11,624
91700	Legal Expenses	25,810		25,810
91800	Travel	1,538		1,538
91900	Other	3,898		3,898
91000	Total Operating - Administrative	123,627	6,500	130,127
93100	Water	7,434	-	7,434
93200	Electricity	2,163	-	2,163
93300	Gas	2,958	-	2,958
93600	Sewer	10,746	-	10,746
93800	Other Utilities	-	-	-
93000	Total Utilities	23,301	-	23,301
94100	Ordinary Maintenance and Operations - Labor	60,408		60,408
94200	Ordinary Maintenance and Operations - Materials & Other	18,528	11,177	29,705
94300	Ordinary Maintenance and Operations Contracts	4,894		4,894
94500	Employee Benefit Contributions - Ordinary Maintenance	24,100		24,100
94000	Total Maintenance	107,930	11,177	119,107
96110	Property Insurance	10,860	-	10,860
96120	Liability Insurance	2,061	-	2,061
96130	Workmen's Compensation	7,015	-	7,015
96140	All other insurance	2,826	-	2,826
96100	Total Insurance Premiums	22,762	-	22,762
96200	Other General Expenses	352	-	352
96210	Compensated Absences	4,881	-	4,881
93400	Bad debt-tenant rents	(656)		(656)
96000	Total Other General Expenses	4,577	-	4,577
96900	Total Operating Expenses	282,197	17,677	299,874
97000	Excess Revenue over Operating Expenses	(9,563)	14,304	4,741
97400	Depreciation Expense	67,035	6,256	73,291
90000	Total Expenses	349,232	23,933	373,165
10010	Operating Transfers In	14,304	-	14,304
10020	Operating Transfers Out	-	(14,304)	(14,304)
10070	Extraordinary items, net gain/loss	(45,000)	-	(45,000)
10100	Total Other Financing Sources (Uses)	(30,696)	(14,304)	(45,000)
<b>10000</b>	<b>Excess (Deficiency) of Total Rev Over (Under) Total Exp</b>	<b>(107,294)</b>	<b>(6,256)</b>	<b>(113,550)</b>
11030	Beginning Equity	\$ 602,008	\$ 147,049	\$ 749,057
11040	Prior Period Adj, Equity Transfers, Correction of Errors	\$ (25,818)	\$ (109,374)	\$ (135,192)
11190	Unit Months Available	672	-	672
11210	Number of Unit Months Leased	630	-	630

**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***

**Independent Auditor's Report**

Mr. Tim Keller, State Auditor and  
Board of Commissioners  
Town of Springer Housing Authority  
(A Component Unit of the Town of Springer)  
Springer, New Mexico

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 business-type activities of the Town of Springer Housing Authority (Authority), a component unit of the Town of Springer as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and the related budgetary comparisons of the Authority, presented as supplemental information, and have issued our report thereon dated November 23, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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.

Mr. Tim Keller, State Auditor and  
Board of Commissioners  
Town of Springer Housing Authority  
(A Component Unit of the Town of Springer)  
Springer, New Mexico  
Page Two

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Kriegel/Gray/Shaw & Co., P.C.  
Las Cruces, New Mexico  
November 23, 2015

**TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**CURRENT YEAR SIGNIFICANT DEFICIENCIES:**

None.

**CURRENT STATUS ON PRIOR YEAR FINDINGS:**

None.

# **TOWN OF SPRINGER HOUSING AUTHORITY**

(A Component Unit of the Town of Springer)

## **EXIT CONFERENCE**

JUNE 30, 2015

### **EXIT CONFERENCE:**

The exit conference was held October 23, 2015 and was attended by the following:

#### **From the Town of Springer Housing Authority:**

James Angel, Chairman

Julie Martinez, Executive Director

#### **From Kriegel/Gray/Shaw & Co., P.C.:**

Ken Shaw, CPA/Shareholder

Crystal Martinez, Staff Auditor

### **FINANCIAL STATEMENTS PREPARATION**

Preparation of financial statements is the responsibility of management. Although, the Housing Authority of the Town of Springer's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Kriegel/Gray/Shaw & Co., P.C.