



## ANNUAL FINANCIAL REPORT

JUNE 30, 2015

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## **INTRODUCTORY SECTION**

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**LOGAN MUNICIPAL SCHOOLS**  
**ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended June 30, 2015

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**LOGAN MUNICIPAL SCHOOLS**  
**OFFICIAL ROSTER**  
June 30, 2015

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Lynn Birch		President
Bryan Roach		Vice President
Scott Osborn		Secretary
Tom Bruhn		Member
Tom Humble		Member
	<u>Audit Committee</u>	
Tom Bruhn		Member
Tom Humble		Member
Garrett Baker		Community Member
Courtney Neece		Parent Member
	<u>School Officials</u>	
Dennis Roch		Superintendent
Craig Terry		Principal
Pat Copeland		Business Manager
Linnea Paris		Activity Funds Coordinator (Position ended 6/30/15)

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Logan Municipal Schools  
Logan, New Mexico

### **Report on 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 of the general fund and the major special revenue funds of the Logan Municipal Schools (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Logan Municipal Schools' basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Logan Municipal Schools' nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor 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, 2015, as listed in the table of contents. We did not audit the 2014 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Educational Retirement Board (ERB), the administrator of the cost sharing pension plan for the District. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the report of the other auditors.

### **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 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 Logan Municipal Schools' 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 Logan Municipal Schools 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, based on our report and the report of the other auditors, 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 Logan Municipal Schools, as of June 30, 2015, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary

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comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Logan Municipal Schools as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 15-22, the *Schedule of Proportionate Share of the Net Pension Liability* on page 113, the *Schedule of Contributions* on page 115, and the notes to the required supplementary information on page 117 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 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.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the Logan Municipal Schools' financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are the responsibility of management and was 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 statement 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 auditing standards generally accepted in the United States of America. In our opinion, the other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Vendor Information 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 September 9, 2015 on our consideration of the Logan Municipal Schools' 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 Logan Municipal Schools' internal control over financial reporting and compliance.

*Precision Accounting, LLC*

*Precision Accounting, LLC*  
Albuquerque, New Mexico  
September 9, 2015

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**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

This is the Management Discussion and Analysis (MD&A) of the fiscal performance of the Logan Municipal Schools (District) for the period ending June 30, 2015. The MD&A written analysis is a required part of the District's financial reporting and is an objective and easily readable discussion of the District's financial activities. For school districts, GASB 34 has had a significant impact in the manner in which the financial statements are prepared, as well as the kinds of statements that are included in the report. There are two new statements that began four years ago: a Statement of Net Position which includes all of the assets and liabilities of the district and a Statement of Activities, which is a report that uses a net cost format with expenses reported by functions/programs. The Management Discussion and Analysis as well as the two new statements, provide a review of the School District's *overall* financial activities using the accrual basis of accounting. Fund financial statements are reported on a modified accrual basis of accounting. The reports include a comparison with last fiscal year.

The discussion and analysis, as well as the Statement of Net Position and Statement of Activities, provide a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2015. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphics information.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The 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 Governmental Auditing Standards, and a Schedule of Findings and Responses. These statements and information were included in past audit reports.

**About LOGAN MUNICIPAL SCHOOLS**

To completely understand the financial discussion of the Logan Municipal Schools, it is important to understand the nature of the District.

Located in sparsely-populated eastern New Mexico, Logan Municipal Schools is located in Logan, NM, a village nestled next to beautiful Ute Lake State Park in Quay County. Logan is a small, rural community with a population of just over 1,000 people; however, because of visitors flocking to the lake for summer recreation, the population often expands to several thousand during its peak season. Most residents derive their livelihood from farming, ranching, government employment and, of course, recreation.

Logan has a registered voting population of approximately 795 with 50 percent of these voters being retired with no ties to the school. This enables the Logan Municipal Schools to qualify and apply for additional funding. Most of the community realizes the importance of the school as the center of this thriving area and wholeheartedly support the institution. The school enrollment is approximately 275 students in grades K-12 (including roughly 50 online school enrollees who may live some distance from the actual school campus). In addition, the school serves approximately 20 three and four year olds in its two-days-a-week preschool program. It is the intent of the district to provide its students with world-class academic and extracurricular opportunities which will foster knowledge and skills and which are designed to successfully prepare students for life after high school. Older students are active in sports—football, volleyball, basketball, baseball, softball, and track—and many also participate in such organizations as FFA, National Honor Society, Student Council and various others. Elementary students are encouraged to focus their efforts on building fundamental academic skills in the classroom; however, these students also enjoy some opportunities for participation in limited athletic competitions. The district has operated an online school for several years to address retention issues as well as provide students credit recovery options. There is little to no violence or vandalism to report, and the environment of the school is still so safe that there are no locks on most students' lockers. Logan continues to do very well in the area of academics, with the elementary school receiving a "C", the middle school maintaining a "B", and the high school maintaining an "A" grade on the most recent NMPED school grade report card.

**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

The District provides a full range of educational services to its students. The special education staff of the Logan district partners with the general education faculty, and together with family and community support, provides high quality learning opportunities for all students. The district's special education program is governed by a commitment to providing an individualized yet comprehensive education in the most inclusive environment based on a student's educational needs. The central mission of the Logan Municipal Schools is to prepare students, regardless of demographic background or ability, to become productive and responsible citizens and to equip them to meaningfully participate in an ever-changing global society.

**Significant Financial Highlights for the Year Ending June 30, 2015**

The overall Fund Balances increased from \$1,625,632 for the year ending June 30, 2014 to \$1,401,736 for the year ending June 30, 2015. The total decrease in fund balance is \$223,896. The decrease was due to a small increase in expenditures and the increase in revenue.

Total expenditures decreased from \$3,942,413 for the year ending June 30, 2014 to \$4,477,096 for the year ending June 30, 2015. This is an increase in expenditures of \$534,683 or 13.6%. The reason for this increase is because the district experienced an increase in expenditures. Revenues increased from \$3,975,224 for the year ending June 30, 2014 to \$4,253,200 for the year ending June 30, 2015 resulting in a total increase of \$277,976.

Total cash decreased by \$152,077 in 2015 in part due to the district having increased spending and an increase in revenue.

The change of \$58,191 in capital assets is attributable to capital additions and depreciation expense of \$218,877 for the year.

There was an increase in accounts payable of \$9,252 while overall liabilities decreased (as a result) by \$161,422 due to the decrease of interfund payables, bond payments and unearned revenues.

**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Position

The overall Statement of Net Position is prepared using the accrual method of accounting. This statement shows that the District has net position of \$103,834. The District has \$1,453,913 of cash and cash equivalents on hand as of June 30, 2015 compared to \$280,929 in accounts payable and other current liabilities. Net Position totaling \$(3,562,040) are "unrestricted" which was affected by the pension liability as per GASB 68.

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Cash Assets	\$ 1,605,991	\$ 1,453,913
Other Current Assets	139,267	72,848
Capital Assets	4,777,454	4,835,645
Deferred Outflows of Resources	-	265,691
Total Assets	<u>6,503,158</u>	<u>6,628,097</u>
<u>Liabilities</u>		
Accounts Payable	10,010	19,262
Other Current Liabilities	282,341	261,667
Long Term Liabilities	1,950,000	5,766,615
Total Liabilities	<u>2,242,351</u>	<u>6,047,544</u>
<u>Deferred Inflows of Resources</u>	-	476,719
<u>Net Position</u>		
Invested in Capital Assets	2,680,761	2,885,645
Restricted	857,028	780,229
Unrestricted	<u>723,018</u>	<u>(3,562,040)</u>
Total Net Position	<u>4,260,807</u>	<u>103,834</u>
Total Net Position and Liabilities	<u>\$ 6,503,158</u>	<u>\$ 6,628,097</u>

GASB 34 rules require public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$5,470,266. The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

Statement of Activities

The Statement of (Governmental) Activities is a statement required by GASB 34 and is prepared using the accrual method of accounting. This report compliments the Statement of Net Position by showing the overall change in the District's net position for the fiscal year ending June 30, 2015. As of June 30, 2015, the District had net position of \$103,834. The adjusted beginning year total net position is \$90,136 reflecting an increase in total net position of \$13,698 for the year ending June 30, 2015.

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Expenses for Governmental Activities	\$ (3,988,000)	\$ (4,239,502)
Less Charges for Services	70,251	74,248
Less Operating Grants and Contributions	572,788	591,175
Less Capital Grants and Contributions	<u>101,326</u>	<u>85,666</u>
Net (Expenses) Revenues and Changes in Net Position	<u>\$ (3,243,635)</u>	<u>\$ (3,488,413)</u>

**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
General Revenues:		
Taxes -general, debt service, capital projects	\$ 380,088	\$ 403,659
Federal and State Aid not restricted to specific purpose	2,824,060	3,081,452
Interest Earned	8,718	6,186
Gain on Sale of Assets	500	5,634
Miscellaneous	-	5,180
Subtotal, General Revenues	3,213,366	3,502,111
Changes in Net Position	(30,269)	13,698
Net Position, Beginning	4,311,407	4,260,807
Restatement	(20,331)	(4,170,671)
Net Position, Ending	\$ 4,291,076	\$ 103,834

**FUND FINANCIAL STATEMENTS**

The Statement of Revenues and Expenditures and Changes in Fund Balances report guides the reader to a meaningful overall view for the District revenue, expenditures and changes to the fund balance. Total revenues from state, local and federal sources and other sources were \$3,849,541. Total expenditures for the District were \$4,477,096. The total ending fund balance was \$1,625,632; a decrease of \$(223,896) from the prior year.

**Multi-Year District Revenues and Expenditures**

A multi-year view of overall District revenues and expenditures indicates a growth and then lack of growth in both areas through the 2015 fiscal year. The revenue and expenditures decreased in the 2015 fiscal year due to the policy of the Logan Municipal Schools to not expend more revenue than we receive coupled with the cap on cash balances allowed by the PED. The District enrollment fluctuates. It is expected that expenditures increase with increased enrollment.

<u>Year</u>	<u>Total Revenues *</u>	<u>Increase %</u>	<u>Total Expenses*</u>
2003/2004	5,752,380	27%	5,680,426
2004/2005	3,152,102	(45%)	3,230,588
2005/2006	3,497,169	11%	3,550,617
2006/2007	4,132,870	18%	3,995,021
2007/2008	3,923,827	6%	3,717,908
2008/2009	5,391,333	28%	4,202,518
2009/2010	3,845,106	(29%)	4,642,245
2010/2011	3,666,319	(5%)	4,352,199
2011/2012	4,096,258	12%	4,182,019
2012/2013	4,147,200	1%	4,027,546
2013/2014	3,965,857	2%	3,933,046
2014/2015	4,253,200	7.2%	4,477,096

Note: \* Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; \* Expenditures include capital outlays.

**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

**The Budget**

District budgets reflect the same growth as seen in the revenue and expenditures of the District. The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop to the District's budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are: The General Fund (Operational Fund) (Transportation Fund) and the (Instructional Materials Fund), The Bond Building Fund, The Capital Improvements SB-9 Fund and the Debt Service Fund. In addition, seventeen (17) Special Revenue Funds and Capital Projects Funds are also reported for their budgetary performance. The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.

The reader will note that the Operational Fund represents 62% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Direct Instruction, Instructional Support, Administration, Business Support, Food Service and Maintenance staff as well as classroom materials, special education consulting staff and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The General Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined nonmajor funds for the fiscal year ending June 30, 2015. Detailed budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the combined Special Revenue Funds, Capital Projects Funds, and Debt Service.

**MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE**

<u>Fund Type</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Operational	\$ 3,745,909	\$ 3,004,485	\$ 741,424
Bond Building	518,677	330,562	188,115
Capital Improvements SB-9	369,275	123,082	246,193
Debt Service	\$ 251,020	\$ 251,020	\$ -

The General Fund's original budget of \$4,907,819 is \$1,161,910 more than the final budget of \$3,745,909. The reason for this decrease is that the budget is prepared in April, approved in early June and final budget reflects grants and other awards garnered during the year that decreased revenue.

The \$741,424 variance between the final budget in the General Fund and the amount actually spent is the result of decreased revenues resulting in decreased expenditures in these revenue funds as detailed in the application process and award guidelines.

**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

**COMBINED NON-MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE**

Fund Type	Combined Budget	Actual	Final Variance
Special Revenue Funds	\$ 1,255,419	810,570	449,849

All funds fell within the regulatory criteria set by the Public Education Department and New Mexico Statute. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, Annotated require that budget expenditures be within the authorization of the approved budget.

**The General Fund**

The General Fund revenues represent \$3,138,188 of the total \$4,253,200 in overall District revenues.

The Operational Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. The Operational Fund provides the predominant funding for athletics and food service. Because of the student growth experienced by the School District, an emphasis on schools by the New Mexico Legislature, and because the Equalization Guarantee Formula is based upon student populations, the Operational Fund saw significant increases in revenues through fiscal year 2007 but a change in the funding formula has resulted in a decrease in State Equalization Guarantee funding since for fiscal years 2008 through 2012 as seen in the following table. In 2014-2015 fiscal year there was a decrease in the State Equalization Guarantee because the unit value was increased. Additionally Logan Schools had increase in student enrollment.

<u>Year</u>	<u>Revenues</u>	<u>Increase %</u>
2002-2003	2,091,714	3%
2003-2004	2,071,638	-1%
2004-2005	2,003,867	-3%
2005-2006	2,257,142	9%
2006-2007	2,724,397	9%
2007-2008	2,602,897	-4%
2008-2009	2,545,755	-3%
2009-2010	2,445,102	-4%
2010-2011	2,434,687	-1%
2011-2012	2,963,721	21%
2012-2013	2,923,191	-1%
2013-2014	2,882,852	-1%
2014-2015	3,138,188	8.9%

Because the Operational Fund is the main fund whose expenditures are significantly related to the educational process, \$2,999,798 was expended in the year ending June 30, 2015.

The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$1,677,788 and represents 56% of all general expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services. Approximately 5.5% of all Operational Fund expenditures are made for employee salaries, payroll taxes and benefits.



**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs combined represent 9% of the total Operational Fund. Operation of Plant accounts for 16% of the Operational Fund expenditures. Included in the Operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund. The Operational Fund also supports expenditures for athletics, food service and transportation.

**Capital Assets**

Because of aging facilities, the District has taken an aggressive approach to maintaining existing facilities.

Asset Type	Balance June 30, 2012	Balance June 30, 2013	Balance June 30, 2014	Balance June 30, 2015
Land & Improvements	\$ 9,043,151	\$ 9,255,436	\$ 9,124,918	\$ 9,364,360
Construction in Progress	-	-	-	-
Furniture, Fixtures & Equipment	739,259	750,167	921,465	941,551
Total Capital Assets	9,782,410	10,005,603	10,046,383	10,305,911
Less Accumulated Depreciation	(4,834,110)	(5,053,052)	(5,268,929)	(5,470,266)
Capital Assets-Net	\$ 4,948,300	\$ 4,592,551	\$ 4,777,454	\$ 4,835,645

In the fiscal year ending June 30, 2015, the Statement of Revenues and Expenditures and Changes in Fund Balances shows the District expended \$277,068 for all capital outlays. The capital outlay expenditures consist mostly of maintenance of equipment and grounds, and library books.

**General Long Term Debt**

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below are the District's total general obligation debts as of June 30, 2015.

Year Ended June 30,	Principal	Interest	Totals
2016	\$ 125,000	\$ 49,969	\$ 174,969
2017	125,000	44,031	169,031
2018	125,000	37,938	162,938
2019	125,000	31,688	156,688
2020	125,000	25,438	150,438
2021-2023	375,000	38,688	413,688
	\$ 1,000,000	\$ 277,750	\$ 1,227,750

**LOGAN MUNICIPAL SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2016	\$ 25,000	\$ 41,810	\$ 66,810
2017	35,000	41,060	76,060
2018	45,000	41,010	85,010
2019	50,000	38,660	88,660
2020	50,000	37,160	87,160
2021-2025	565,000	147,780	712,780
2026	180,000	9,000	189,000
	\$ 950,000	\$ 355,480	\$ 1,305,480

In 2003, the New Mexico legislature passed some major education reforms known as House Bill 212 that implemented a new three tiered licensure system for classroom teachers. It has had a major impact on the district's budget because it establishes a \$30,000, \$40,000 and a \$50,000 salary minimum for Level I, Level II and Level III teachers. In addition, the legislation provides for a minimum salary for school principals effective in FY 07-08.

It is expected that there will continue to be double-digit inflation in the cost of health and medical insurance benefits provided through the New Mexico Public Schools Insurance Authority in subsequent years. This will have a large budget impact to the district.

The New Mexico Public Schools Insurance Authority also provides general liability, property damage and worker's compensation coverage for all school districts in New Mexico. It is anticipated that for the next several years, that school districts will experience double-digit inflationary increases for this coverage. The cost increases of general liability, property damage and worker's compensation premiums should be included in the funding formula, but because of the high claims history of some districts, those districts will realize a budget shortfall.

The above factors will present some challenges and opportunities for the District to closely review all programs, operations, and staffing levels, in hopes of identifying ways in which to balance its budget in future years. The board of education has indicated their desire to establish a long-range strategic planning committee to help develop plans for coping with the budget challenges.

**Contacting the Logan Municipal School**

This financial report is designed to provide our community, parents, taxpayers, investors, and creditors with an overview of the Logan Municipal School District's financial condition and to provide accountability for the funds the school district receives. If you have any questions about this report or about the operations of the Logan Municipal School District, please contact:

Pat Copeland, Business Manager  
Logan Municipal School District  
PO Box 67 Logan, NM 88426  
e-mail: [loganbusiness@plateautel.net](mailto:loganbusiness@plateautel.net)

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

Exhibit A-1  
(Page 1 of 2)

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Current assets:	
Cash and temporary investments	\$ 1,453,913
Receivables (net of allowance for uncollectibles)	44,348
Prepaid Assets	6,498
Inventory	22,002
Total current assets	<u>1,526,761</u>
Noncurrent assets:	
Capital assets:	
Other capital assets	10,305,911
Less accumulated depreciation	<u>(5,470,266)</u>
Total Capital assets	4,835,645
Total noncurrent assets	4,835,645
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Post Measurement Date Contributions-Employer	265,691
Change in Assumptions in Net Pension Liability	<u>-</u>
Total deferred outflows of resources	265,691
Total assets and deferred outflows of resources	<u><u>\$ 6,628,097</u></u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

Exhibit A-1  
(Page 2 of 2)

	<b><u>Governmental Activities</u></b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 19,262
Accrued salaries and benefits	92,547
Accrued interest	19,120
Unearned Revenue	-
Current portion of long-term debt	150,000
Total current liabilities	<u>280,929</u>
Noncurrent liabilities:	
Bonds, loans and other payables:	
Due in more than one year	1,800,000
Net Pension Liability	3,966,615
Total noncurrent liabilities	<u>5,766,615</u>
Total liabilities	6,047,544
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue-Property Taxes	13,216
Actuarial Experience in Net Pension Liability	59,093
Investment Experience in Net Pension Liability	360,607
Change in Proportion in Net Pension Liability	43,803
Total deferred inflows of resources	<u>476,719</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,885,645
Restricted for	
Special Revenue Funds	17,932
Capital Projects Funds	517,066
Debt Service Funds	245,231
Unrestricted	<u>(3,562,040)</u>
Total net position	<u>103,834</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 6,628,097</u></u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Governmental activities:		
Instruction:		
Direct instruction	\$ 1,980,822	\$ 1,070
Support services:		
Students	656,320	-
Instruction	11,727	190
General Administration	168,005	-
School Administration	113,274	-
Central Services	139,243	-
Operation & Maintenance of Plant	474,080	39,783
Student Transportation	258,837	-
Other Support Services	8,148	-
Food Services	157,607	33,205
Capital Outlay	196,136	-
Interest on long-term debt	75,303	-
Total governmental activities	<u>\$ 4,239,502</u>	<u>\$ 74,248</u>

<u>Program Revenues</u>		<u>Net</u>
<u>Operating</u>	<u>Capital</u>	<u>(Expenses)</u>
<u>Grants and</u>	<u>Grants and</u>	<u>Revenues and</u>
<u>Contributions</u>	<u>Contributions</u>	<u>Changes in</u>
		<u>Net Position</u>
\$ 228,549	\$ -	\$ (1,751,203)
-	-	(656,320)
-	-	(11,537)
-	-	(168,005)
-	-	(113,274)
-	-	(139,243)
-	85,666	(348,631)
257,905	-	(932)
-	-	(8,148)
104,721	-	(19,681)
-	-	(196,136)
-	-	(75,303)
<u>\$ 591,175</u>	<u>\$ 85,666</u>	<u>\$ (3,488,413)</u>

**General Revenues:**

Property taxes:	
Levied for general purposes	28,196
Levied for debt service	262,933
Levied for capital projects	112,530
Gain on Sale of Assets	5,634
State aid not restricted	3,081,452
Unrestricted investment earnings	6,186
Miscellaneous	5,180
	<u>3,502,111</u>
Total general revenues	
	<u>13,698</u>
Change in net position	
Net position - beginning	4,260,807
Restatement for Net Pension Liability	(4,170,671)
Beginning Net Position-restated	90,136
Net position - ending	<u>\$ 103,834</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2015

	General Fund		
	Operational	Transportation	Instructional Materials
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 897,806	\$ -	\$ -
Accounts receivable			
Taxes	3,631	-	-
Due from other governments	190	-	-
Other accounts receivable	-	-	-
Interfund receivable	29,163	-	-
Prepaid Assets	6,498	-	-
Inventory	16,325	2,448	-
	<u>953,613</u>	<u>2,448</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 953,613</u>	<u>\$ 2,448</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ 7,026	\$ -	\$ -
Accrued salaries and benefits	92,547	-	-
Interfund payable	-	-	-
Unearned revenue	-	-	-
	<u>99,573</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>99,573</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	3,631	-	-
	<u>3,631</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflow of resources</i>	<u>3,631</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	850,409	2,448	-
	<u>850,409</u>	<u>2,448</u>	<u>-</u>
<i>Total fund balances</i>	<u>850,409</u>	<u>2,448</u>	<u>-</u>
<i>Total liabilities, deferred inflow of resources and fund balances</i>	<u>\$ 953,613</u>	<u>\$ 2,448</u>	<u>\$ -</u>



<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 189,576	\$ 257,640	\$ 72,072	\$ 36,819	\$ 1,453,913
-	4,108	5,477	-	13,216
-	-	-	30,942	31,132
-	-	-	-	-
-	-	-	-	29,163
-	-	-	-	6,498
-	-	-	3,229	22,002
<u>\$ 189,576</u>	<u>\$ 261,748</u>	<u>\$ 77,549</u>	<u>\$ 70,990</u>	<u>\$ 1,555,924</u>
\$ 12,103	\$ -	\$ -	\$ 133	\$ 19,262
-	-	-	-	92,547
-	-	-	29,163	29,163
-	-	-	-	-
<u>12,103</u>	<u>-</u>	<u>-</u>	<u>29,296</u>	<u>140,972</u>
-	4,108	5,477	-	13,216
-	4,108	5,477	-	13,216
-	-	-	3,229	3,229
-	-	-	-	-
-	-	-	14,703	14,703
177,473	257,640	-	23,762	458,875
-	-	72,072	-	72,072
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	852,857
<u>177,473</u>	<u>257,640</u>	<u>72,072</u>	<u>41,694</u>	<u>1,401,736</u>
<u>\$ 189,576</u>	<u>\$ 261,748</u>	<u>\$ 77,549</u>	<u>\$ 70,990</u>	<u>\$ 1,555,924</u>

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**GOVERNMENTAL FUNDS**

Exhibit B-1  
(Page 2 of 2)

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
June 30, 2015

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

Fund balances - total governmental funds	\$ 1,401,736
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets	4,835,645
Other liabilities are not due and payable in the current period and therefore are not reported in the funds - accrued interest payable	(19,120)
Long-term liabilities, including bonds payable and compensated absences and deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds	<u>(6,114,427)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 103,834</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2015

	General Fund		
	Operational	Transportation	Instructional Materials
<i>Revenues:</i>			
Taxes			
Taxes levied/assessed	\$ 28,196	\$ -	\$ -
Local sources			
Tuition	-	-	-
Investment income	3,144	-	-
Food services	-	-	-
District activities	3,839	-	-
Other revenue	7,158	-	-
State sources			
Unrestricted Grants	3,081,452	-	-
Restricted Grants	-	257,905	20,704
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	14,399	-	-
<i>Total revenues</i>	<u>3,138,188</u>	<u>257,905</u>	<u>20,704</u>
<i>Expenditures:</i>			
Current:			
Instruction	1,677,788	-	28,323
Support Services			
Students	411,194	-	-
Instruction	11,727	-	-
General Administration	164,344	-	-
School Administration	113,274	-	-
Central Services	139,243	-	-
Operation & maintenance of plant	474,080	-	-
Student transportation	-	258,837	-
Other Support Services	8,148	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>2,999,798</u>	<u>258,837</u>	<u>28,323</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>138,390</u>	<u>(932)</u>	<u>(7,619)</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	138,390	(932)	(7,619)
<i>Fund balances - beginning of year</i>	712,019	3,380	7,619
<i>Restatement of fund balances</i>	-	-	-
<i>Fund balances-beginning of year restated</i>	<u>712,019</u>	<u>3,380</u>	<u>7,619</u>
<i>Fund balances - end of year</i>	<u>\$ 850,409</u>	<u>\$ 2,448</u>	<u>\$ -</u>

<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 112,530	\$ 262,933	\$ -	\$ 403,659
-	-	-	-	-
2,464	518	60	-	6,186
-	-	-	33,205	33,205
-	-	-	37,014	40,853
-	-	-	49,730	56,888
-	-	-	-	3,081,452
-	25,923	-	51,448	355,980
-	-	-	-	-
-	-	-	-	-
-	-	-	21,398	21,398
-	-	-	239,180	239,180
-	-	-	-	-
-	-	-	-	14,399
<u>2,464</u>	<u>138,971</u>	<u>262,993</u>	<u>431,975</u>	<u>4,253,200</u>
-	-	-	280,955	1,987,066
-	-	-	26,249	437,443
-	-	-	-	11,727
-	1,103	2,558	-	168,005
-	-	-	-	113,274
-	-	-	-	139,243
-	-	-	-	474,080
-	-	-	-	258,837
-	-	-	-	8,148
-	-	-	157,607	157,607
342,665	121,979	-	8,560	473,204
-	-	150,000	-	150,000
-	-	98,462	-	98,462
<u>342,665</u>	<u>123,082</u>	<u>251,020</u>	<u>473,371</u>	<u>4,477,096</u>
<u>(340,201)</u>	<u>15,889</u>	<u>11,973</u>	<u>(41,396)</u>	<u>(223,896)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(340,201)</u>	<u>15,889</u>	<u>11,973</u>	<u>(41,396)</u>	<u>(223,896)</u>
517,674	241,751	60,099	83,090	1,625,632
-	-	-	-	-
<u>517,674</u>	<u>241,751</u>	<u>60,099</u>	<u>83,090</u>	<u>1,625,632</u>
<u>\$ 177,473</u>	<u>\$ 257,640</u>	<u>\$ 72,072</u>	<u>\$ 41,694</u>	<u>\$ 1,401,736</u>

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**GOVERNMENTAL FUNDS**

Exhibit B-2  
 (Page 2 of 2)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 For the Year Ended June 30, 2015

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

Net change in fund balances - total governmental funds	\$	(223,896)
--	----	-----------

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:

Capital expenditures:		
Current year capital expenditures capitalized		277,068
Depreciation expense		(218,877)

Revenues in the statement of activities that do not provide current financial  
 resources are not reported as revenue in the funds:

Property tax

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial  
 resources to governmental funds, while the repayment of the principal of long-term  
 debt consumes the current financial resources of governmental funds. Neither  
 transaction, however, has any effect on net assets.

Change in deferred inflows		6,244
Decrease in accrued interest		23,159
Decrease in principal payments on bonds		150,000
		150,000

Changes in Net Position of Governmental Activities	\$	13,698
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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**OPERATIONAL FUND**

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 40,785	\$ 40,785	40,029	\$ (756)
State sources	2,891,426	2,703,218	3,081,452	378,234
Federal sources	-	-	-	-
Interest	-	-	17,543	17,543
<i>Total revenues</i>	<u>2,932,211</u>	<u>2,744,003</u>	<u>3,139,024</u>	<u>395,021</u>
<i>Expenditures:</i>				
Current:				
Instruction	2,024,347	1,976,737	1,680,925	295,812
Support Services				
Students	333,166	484,784	415,865	68,919
Instruction	14,423	19,423	11,727	7,696
General Administration	214,781	225,781	163,090	62,691
School Administration	118,267	123,267	115,714	7,553
Central Services	1,532,960	197,448	139,131	58,317
Operation & maintenance of plant	559,284	602,678	471,257	131,421
Student transportation	100,000	100,000	-	100,000
Other Support Services	10,591	15,791	6,776	9,015
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,907,819</u>	<u>3,745,909</u>	<u>3,004,485</u>	<u>741,424</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,975,608)</u>	<u>(1,001,906)</u>	<u>134,539</u>	<u>1,136,445</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	1,975,608	1,001,906	3,018	(998,888)
<i>Total other financing sources (uses)</i>	<u>1,975,608</u>	<u>1,001,906</u>	<u>3,018</u>	<u>(998,888)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>137,557</u>	<u>137,557</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>789,412</u>	<u>789,412</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 926,969</u>	<u>\$ 926,969</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 137,557	
Adjustment to revenues for accruals and other deferrals			(704)	
Adjustment to expenditures for payables, prepaids and other accruals			1,537	
Net change in fund balance (GAAP Basis)			<u>\$ 138,390</u>	

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TRANSPORTATION FUND**

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	286,467	315,029	257,905	(57,124)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>286,467</u>	<u>315,029</u>	<u>257,905</u>	<u>(57,124)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	286,467	257,906	257,905	1
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>286,467</u>	<u>257,906</u>	<u>257,905</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>57,123</u>	<u>-</u>	<u>(57,123)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	(57,123)	-	57,123
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(57,123)</u>	<u>-</u>	<u>57,123</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals and other deferrals			(932)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (932)</u>	

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**INSTRUCTIONAL MATERIALS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	13,416	6,128	20,704	14,576
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>13,416</u>	<u>6,128</u>	<u>20,704</u>	<u>14,576</u>
<i>Expenditures:</i>				
Current:				
Instruction	13,416	28,324	28,323	1
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,416</u>	<u>28,324</u>	<u>28,323</u>	<u>1</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>-</u>	<u>(22,196)</u>	<u>(7,619)</u>	<u>14,577</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	22,196	-	(22,196)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>22,196</u>	<u>-</u>	<u>(22,196)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,619)</u>	<u>(7,619)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,619</u>	<u>7,619</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (7,619)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (7,619)</u>	

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
 June 30, 2015

**ASSETS**

*Current Assets*

Cash	\$ <u>52,221</u>
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<i>Total assets</i>	\$ <u><u>52,221</u></u>
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**LIABILITIES**

*Current Liabilities*

Deposits held in trust for others	\$ <u>52,221</u>
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<i>Total liabilities</i>	\$ <u><u>52,221</u></u>
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STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies**

The Logan Municipal Schools 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 of the Village of Logan. 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.

This 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 the Logan Municipal Schools management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the government's accounting policies are described below.

A. *Financial Reporting Entity*

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency.

STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

**B. *Government-wide and fund financial statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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. These include fees for meals, lab fees and activity fees for Logan Municipal Schools. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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*, as is the fiduciary fund financial statement. 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 in the year for which they are billed. 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 of 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.

STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

Property taxes, franchise taxes, licenses, 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. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *Operational 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. Revenues are provided by district school tax levy, state equalization and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

The *Transportation Fund* is used to account for the transportation distribution received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Bond Building Capital Project* fund is used to account for resources received from the Department of Education state equalization guarantee for use in remodeling and equipping classroom facilities.

The *Capital Improvements SB-9 Capital Projects Fund* is used to account for the revenue derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

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.

Additionally, the government reports the following fund types:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

D. *Assets, Liabilities and Net Position or Equity*

**Deposits and Investments:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's 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.

**Receivables and Payables:** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from tax levies in Quay County and Harding County. The funds are collected by the County Treasurers and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2015 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2015.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the New Mexico Public Education Department "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The districts are allowed to carry forward unused allocations from year to year.

**Inventory:** Inventory is valued at cost utilizing the purchase basis of accounting. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as expenditures at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Donated commodities for the year ended June 30, 2015 were \$10,482.

STATE OF NEW MEXICO  
 Logan Municipal Schools  
 Notes to the Financial Statements  
 June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

D. *Assets, Liabilities and Net Position or Equity* (continued)

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. 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. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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 and Improvements	20-50
Equipment, vehicles, software & library	3-15

**Unearned Revenues:** Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as unearned revenues in the governmental fund financial statements.

**Deferred inflows/outflows of resources:** GASB 63 amended previous guidance on deferred revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period.

**Compensated Absences:** The District contracts with all employees on an annual basis. A terminated employee is paid through the date of dismissal in accordance with their contract. Due to this practice, no liability is reported for unpaid vacation or accumulated sick leave, as no payment is required upon termination of service by employees.

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond issuance costs are reflected as a current period expense per GASB 65.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:** Restricted fund balance represents amounts that are constrained either by: 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government’s highest level of decision-making authority.

STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

*D. Assets, Liabilities and Net Position or Equity (continued)*

Assigned fund balance represents amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high-level body or official whom the governing body has delegated.

Unassigned fund balance is the residual classification for the general fund and represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Reclassifications:** Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

**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.

**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 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.

*E. 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 costs.

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 of district, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$3,081,452 in state equalization guarantee distributions during the year ended June 30, 2015.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$403,659 in tax revenues in the governmental fund financial statements during the year ended June 30, 2015. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes

STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies** (continued)

**Transportation Distribution:** School districts in the State of New Mexico receive 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-12 attending public school within the school district. The District received \$257,905 in transportation distributions during the year ended June 30, 2015.

**Instructional Materials:** The District had allocations allowed by the State for the current year of \$20,704. The full amount of allocations used to purchase textbooks during the year was \$20,704. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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. Because 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 designated 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 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:

1. 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.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds 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 School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level. The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

STATE OF NEW MEXICO  
 Logan Municipal Schools  
 Notes to the Financial Statements  
 June 30, 2015

**NOTE 3. Cash and Temporary Investments**

State statutes authorize the investment of the District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed state investment requirements as of June 30, 2015.

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 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 rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, 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.

The collateral pledged is listed on Schedule 1 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 Corporation, public unit deposits are funds owned by the public unit. 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.

**Deposits**

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 a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

<u>Type</u>	<u>First National Bank of NM</u>
Checking- Activity	\$ 147,016
Checking-Operational	<u>1,378,347</u>
Total Deposits	1,525,363
Less: FDIC Coverage	<u>(250,000)</u>
Uninsured Amount	1,275,363
50% Collateral requirement	637,682
Pledged Securities (Schedule 1)	<u>1,022,592</u>
(Over) Under collateralized	<u>\$ (384,910)</u>



STATE OF NEW MEXICO  
 Logan Municipal Schools  
 Notes to the Financial Statements  
 June 30, 2015

**NOTE 3. Cash and Temporary Investments (continued)**

Custodial Credit Risk-Deposits	
Account Balance	\$ 1,525,363
FDIC Insured	250,000
Collateral:	
Collateral held by the pledging bank, not in the District's name	1,022,592
Uninsured and uncollateralized	<u>252,771</u>
Total Deposits	<u>\$ 1,525,363</u>

Custodial credit risk is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015, \$252,771 of the District's bank balance of \$1,525,363 was exposed to custodial credit risk.

Reconciliation of Cash and Temporary Investments

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 1,453,913
Cash and cash equivalents per Exhibit D	52,221
Add outstanding items	<u>19,229</u>
Bank balance of deposits	<u>\$ 1,525,36</u>

Custodial Credit Risk- Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for the securities underlying an overnight repurchase agreement, or a joint safekeeping receipt to be issued to the District for at least one hundred and two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

At June 30, 2015, the District had no investment balances therefore there was no custodial credit risk

The New MexiGrow Local Governmental Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico 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 Section 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 19078, as 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 LGIP is voluntary.

Interest Rate Risk and Credit Rating-Investment in State Treasurer's LGIP

The District does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The District had no investments at June 30, 2015.

Reconciliation of Cash and Temporary Investments

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 1,453,913
Cash per Fiduciary Statement	<u>52,221</u>
Balance per Financial Statements	\$ 1,506,134

STATE OF NEW MEXICO  
Logan Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 4. Accounts Payables and Accrued Expenses**

Accounts payable and Accrued Expenses as of June 30, 2015, are as follows:

Payable to suppliers	\$ 19,262
Accrued salaries	92,547
Accrued interest	19,120
Total Accounts Payable and Accrued Expenses	<u>\$ 130,929</u>

**NOTE 5. Interfund Receivables, Payables, and Transfers**

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received.

The composition of interfund balances during the year ended June 30, 2015 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 29,163	\$ -
IDEA B	-	56
Title I	-	5,229
IDEA B Entitlement	-	11,479
Dual Credit	-	217
Reads to Lead	-	12,182
	<u>\$ 29,163</u>	<u>\$ 29,163</u>

**NOTE 6. Accounts Receivable**

Accounts Receivable as of June 30, 2015, are as follows:

	General Fund	Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total
Property taxes	\$ 3,631	\$ 4,108	\$ 5,477	\$ -	\$ 13,216
Due from other governments:					
Operational	190	-	-	-	190
Title I	-	-	-	7,008	7,008
Idea B Reallocation	-	-	-	56	56
District REC Fiscal Agent	-	-	-	11,479	11,479
Dual Credit	-	-	-	217	217
Reads to Lead	-	-	-	12,182	12,182
GO Bonds Library	-	-	-	-	-
	<u>\$ 3,821</u>	<u>\$ 4,108</u>	<u>\$ 5,477</u>	<u>\$ 30,942</u>	<u>\$ 44,348</u>

The above receivables are deemed 100% collectible.

**NOTE 7. Unearned Revenues**

Unearned revenue represents advances on grants which have not been earned at June 30, 2015.

	Other	Governmental	Total
Federal Awards		\$ 13,216	\$ 13,216

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**NOTE 8. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2015, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	<u>Balance June 30, 2014</u>	<u>Additions and Transfers In</u>	<u>Deletions and Transfers Out</u>	<u>Balance June 30, 2015</u>
Capital assets not being depreciated:				
Land	\$ 66,766	\$ 17,588	\$ -	\$ 84,354
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>66,766</u>	<u>17,588</u>	<u>-</u>	<u>84,354</u>
Capital assets being depreciated:				
Buildings and improvements	9,058,152	221,854	-	9,280,006
Equipment, Vehicles, Software and Library	<u>921,465</u>	<u>37,626</u>	<u>17,540</u>	<u>941,551</u>
Total capital assets being depreciated	<u>9,979,617</u>	<u>259,480</u>	<u>17,540</u>	<u>10,221,557</u>
Total capital assets	<u>10,046,383</u>	<u>277,068</u>	<u>-</u>	<u>10,305,911</u>
Less accumulated depreciation:				
Buildings and improvements	4,769,370	172,862		4,942,232
Equipment, Vehicles, Software and Library Books	<u>499,599</u>	<u>46,015</u>	<u>(17,540)</u>	<u>528,034</u>
Total accumulated depreciation	<u>5,268,929</u>	<u>218,877</u>	<u>-</u>	<u>5,470,266</u>
Total capital assets net of depreciation	<u>\$ 4,777,454</u>	<u>\$ 40,603</u>	<u>\$ -</u>	<u>\$ 4,835,645</u>

Capital assets, net of accumulated depreciation, at June 30, 2015 appear in the Statement of Net Position as follows:

Governmental activities	\$ 4,835,645
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Depreciation expense for the year ended June 30, 2015 was charged to the following functions and funds:

Governmental activities:	
Capital Outlay	<u>\$ 218,877</u>
	<u>\$ 218,877</u>

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**NOTE 9. Long-term Debt**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2015 are for governmental activities. The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Bonds outstanding at June 30, 2015, are comprised of the following:

Series	Date of Issue	Amount	Interest Rate	Balance
2009	1/15/09	\$1,500,000	4.2%-5.25%	\$1,000,000
2011	4/15/11	\$1,000,000	3.0%-5.0%	\$ 950,000

The following is a summary of the long-term debt and the activity for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
General obligation bonds					
Series 1/15/2009	1,125,000	-	125,000	1,000,000	125,000
Series 4/15/2011	975,000	-	25,000	950,000	25,000
	<u>\$ 2,100,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 1,950,000</u>	<u>\$ 150,000</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 125,000	\$ 49,969	\$ 174,969
2017	125,000	44,031	169,031
2018	125,000	37,938	162,938
2019	125,000	31,688	156,688
2020	125,000	25,438	150,438
2021-2023	375,000	38,688	413,688
	<u>\$ 1,000,000</u>	<u>\$ 277,750</u>	<u>\$ 1,227,750</u>

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 25,000	\$ 41,810	\$ 66,810
2017	35,000	41,060	76,060
2018	45,000	41,010	85,010
2019	50,000	38,660	88,660
2020	50,000	37,160	87,160
2021-2025	565,000	147,780	712,780
2026	180,000	9,000	189,000
	<u>\$ 950,000</u>	<u>\$ 355,480</u>	<u>\$ 1,305,480</u>

The payments made to liquidate the debt are usually paid by the debt service fund.

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**NOTE 10. Risk Management**

The District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2015, there have been no claims that have exceeded insurance coverage.

**NOTE 11. Outstanding Commitments**

There were no commitments as of June 30, 2015.

**NOTE 12. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 13. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance

IDEA B Entitlement \$ (59)

Deficit fund balances will be funded by general fund transfers or additional grant funds.

B. Excess Expenditures over budget.

None

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**NOTE 14. Pension Plan- Educational Retirement Board**

**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 Employees' 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 report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://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 after July 1, 2010, or at 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 for a 50% survivor's benefit.

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 age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 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 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 retirements. 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 or more years of service credit will have a 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.

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**NOTE 14. Pension Plan- Educational Retirement Board (continued)**

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 approved 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 year 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 date 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 \$265,691 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 total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was 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. At June 30, 2015, the District reported a liability of \$3,966,617 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, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was 0.06952 percent, which was a decrease of 0.00099% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$259,447. At the June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 59,093
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	360,607
Changes in proportion and differences between District contributions and proportionate share of contributions	-	43,803
District contributions subsequent to the measurement date	265,691	-
Total	<u>\$ 265,691</u>	<u>\$ 463,503</u>

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**NOTE 14. Pension Plan- Educational Retirement Board (continued)**

\$265,691 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date June 30, 2015 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	\$	(125,873)
2017		(125,873)
2018		(121,585)
2019		(90,146)
2020	\$	-

**Actuarial assumptions.** As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB 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. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% 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. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement 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 20, 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 to 2014 using Scale AA (one year setback for females)



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**NOTE 14. Pension Plan- Educational Retirement Board** (continued)

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.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

Asset Class	<u>2014</u> Long-Term Expected Real Rate of Return	<u>2013</u> Long-Term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.5%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

**Discount rate:** A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels.

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**NOTE 14. Pension Plan- Educational Retirement Board** (continued)

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*  
 The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
District's proportionate share of the net pension liability	\$ 5,397,040	\$ 3,966,617	\$ 2,772,005

**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, 2014 and 2013 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**Payables to the pension plan.** At June 30, 2015, the District had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2015.

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**NOTE 15. Post-Employment Benefits-State Retiree Healthcare Plan**

*Plan description:* Logan Municipal Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment 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 Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for the employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; or (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 RCHA 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 RCHA or viewed on their website at [www.nmrhca.stat.nm.us](http://www.nmrhca.stat.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirement for the contributions can be changed by the New Mexico State Legislature. Employers that chose 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 plan 3, 4 or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention office member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, 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, 2015, the statute required each participating employer to contribute 2.0% 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 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, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$38,017, \$38,327, and \$38,142, respectively, which equal the required contributions for each year.

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**NOTE 16. Non-Cash Federal Assistance**

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2015 was \$10,482.

**NOTE 17. Surety Bond**

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, and 1978 Compilation.

**NOTE 18. Memorandum of Understanding**

DISTRICT

Purpose: To allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and Logan Municipal Schools

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school gives notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed: The REC paid expenditures on behalf of the District in the amount of \$24,099.

Quay County DWI Program

Purpose: To implement the DWI Program to decrease the use of alcohol, tobacco and other drugs in the Logan School District.

Participants: Quay County DWI Program and Logan Municipal Schools

Responsible Party for Operation and Audit: Quay County DWI Program

Beginning and Ending Date of Agreement: July 1, 2013 until June 30, 2015.

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

Energy Minerals and Natural Resources Department

Purpose: Provide for the joint use of certain baseball fields near Ute Lake.

Participants: New Mexico EMNRD and Logan Municipal Schools.

Responsibility: Both parties will repair and maintain the baseball fields.

Beginning and ending dates of agreement: April 23, 2012 until April 23, 2016.

Estimated costs: Total costs are unknown but the parties will share repair and maintenance costs.

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**NOTE 18. Memorandum of Understanding (continued)**

College Dual Enrollment Agreement

Purpose: Colleges as part of the agreement will provide higher education to qualified Logan High School junior and senior students in both technical and arts and science courses.

Participants: Clovis Community College, Eastern New Mexico University, Mesalands Community College and Logan Municipal Schools.

Responsibility: Logan Municipal Schools will be responsible for tuition and enrollment fees for the enrolled students.

Beginning and ending dates of agreement: July 1, 2014 – June 30, 2015 where agreement shall automatically renew annually unless either party notifies intent to terminate.

Estimated costs: Total costs are dependent on the number of enrolled students and is the sole responsibility of Logan Municipal Schools.

Clinical Facility

Purpose: Logan Municipal Schools and ENMU will improve existing standards of healthcare delivery and education.

Participants: Eastern New Mexico University and Logan Municipal Schools.

Responsibility: Shared between Logan Municipal Schools and Eastern New Mexico University.

Beginning and ending dates of agreement: July 1, 2011 until terminated.

**NOTE 19. Related Party Transactions**

The District conducts transactions with Bruhn Hardware which is owned by a Board Member. During the fiscal year they paid for supplies totaling \$2,442.

The District also paid \$4,754 to Amy's Every Bloomin Thing which is owned by a Board Member's spouse, and \$500 to B&C Lawn Care owned by a school employee.

**NOTE 20. Restatement of Net Position**

GASB statement 68 requires a government-wide financial reporting of a net position liability for the District effective this fiscal year 2015.

Beginning Net Position	\$4,260,807
Restatement – Net Pension Liability (NPL)	<u>(4,170,671)</u>
Beginning Net Position, restated	<u>\$90,136</u>

**NOTE 21. Subsequent Events Review**

Logan Municipal Schools has evaluated subsequent events through September 9, 2015, which is the date the financial statements were available to be issued. There were no subsequent events identified.

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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STATE OF NEW MEXICO  
Logan Municipal Schools  
NONMAJOR GOVERNMENTAL FUNDS  
**SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

**Food Service** – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. The Non-Federal funds consist of income derived from Snack-Bar facilities located in the District. Authority for the creation of this fund is NMSA 22-13-13. No minimum balance required according to legislation.

**Athletics** - This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC. No minimum balance required according to legislation.

**Title I** – This fund’s major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; education need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383. No minimum balance required according to legislation.

**IDEA B Entitlement and Discretionary** – The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17. No minimum balance required according to legislation.

**IDEA-B Preschool** - The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17. No minimum balance required according to legislation.

**IDEA B Risk Pool**- The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17. No minimum balance required according to legislation.

**Teacher/Principal Training** – The purpose of this fund is to improve the skills of teachers and the quality of instruction in mathematics and science and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act of 1965 as amended, Public Law 103-382. No minimum balance required according to legislation.

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## SPECIAL REVENUE FUNDS

**Rural Education Achievement Program-** The objective is to provide financial assistance to rural district to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA, Title VI, Part B, as amended. No minimum balance required according to legislation.

**Dual Credit Fund-** The objective is to account for the monies received from NMHU for the purpose of dual credit college enrollment for qualified high school seniors. Authority is based on Memorandum of Understanding between the District, the schools within the agreements, and LEA. No minimum balance required according to legislation.

**GO Bonds Library-** The objective is to account for the monies received from the Public Education Department to acquire books and library resources for public school libraries statewide. Funding is provided through Senate Bill 66, Laws of 2012, 2<sup>nd</sup> Session, Chapter 54, Section 10.B.(3). No minimum balance required according to legislation.

**Reads to Lead** – The purpose of this grant is to assist the District to purchase informational text materials for grades K-3 in alignment with Common Core State Standards (CCSS). The fund was created by grant provisions. No minimum balance required according to legislation.

**Technology for Education** – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10. No minimum balance required according to legislation.

**Beginning Teacher Mentoring-** These funds were intended and used to help beginning (Level I) teachers become more proficient through the guidance of more experienced Level II and especially Level III professional staff. Authority for creation of this fund is CFDA 84.367A, Title II, Part A, through USDE. No minimum balance required according to legislation.

**Fresh Fruits and Vegetables** –The objective is primarily to purchase fresh fruits and vegetables to be made available at no charge to the students, at a minimum of twice a week. Authority for creation of this fund is the United States Department of Agriculture (USDA) Fresh Fruit Vegetable Program (FFVP) for SY 2014-2015. No minimum balance required according to legislation.

**Direct REC fiscal agent** – The purpose of this fund is district funds administered by the REC to provide services available to all children within the district. Authority is based on Memorandum of Understanding between the District and the REC. No minimum balance required according to legislation.

**All funds are on a reimbursement basis, therefore there are no reverting fund requirements.**

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The District has one separate fund classified as non-major Capital Projects Funds as follows:

**Special Public School Capital Outlay-State-**The purpose of this fund is to account for capital projects funded from awards made by the Public School Capital Outlay Council.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2015

<b>ASSETS</b>	Food Service	Athletics	Title I
<i>Current Assets</i>			
Cash and cash equivalents	\$ 2,391	\$ 10,591	\$ -
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	7,008
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets			
Inventory	3,229	-	-
	<u>5,620</u>	<u>10,591</u>	<u>7,008</u>
<i>Total assets</i>	<u>\$ 5,620</u>	<u>\$ 10,591</u>	<u>\$ 7,008</u>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	5,229
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>5,229</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>5,229</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflow of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>			
Non-spendable	3,229	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	2,391	10,591	1,779
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
	<u>5,620</u>	<u>10,591</u>	<u>1,779</u>
<i>Total fund balances</i>	<u>5,620</u>	<u>10,591</u>	<u>1,779</u>
<i>Total liabilities, deferred inflow of resources and fund balances</i>	<u>\$ 5,620</u>	<u>\$ 10,591</u>	<u>\$ 7,008</u>



IDEA-B Entitlement	IDEA-B Preschool	IDEA-B Risk Pool	Fresh Fruits & Vegetables	Teacher/Principal Training	Rural Education Achievement Program
\$ 74	\$ -	\$ -	\$ -	\$ -	\$ 1
-	-	-	-	-	-
-	-	56	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>74</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>1</u>
\$ 133	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	56	-	-	-
-	-	-	-	-	-
<u>133</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(59)	-	-	-	-	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(59)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
\$ 74	\$ -	\$ 56	\$ -	\$ -	\$ 1

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2015

	District REC Fiscal Agent	Dual Credit Fund	GO Bonds Library
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable			
Taxes	-	-	-
Due from other governments	11,479	217	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets	-	-	-
Inventory	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total assets</i>	<u>\$ 11,479</u>	<u>\$ 217</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	11,479	217	-
Unearned revenue	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total liabilities</i>	<u>11,479</u>	<u>217</u>	<u>-</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflow of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Total liabilities and fund balances</i>	 <u>\$ 11,479</u>	 <u>\$ 217</u>	 <u>\$ -</u>

<u>Reads to Lead</u>	<u>Technology for Education</u>	<u>Beginning Teacher Mentoring</u>	<u>Special Capital Outlay State</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 23,762	\$ 36,819
-	-	-	-	-
12,182	-	-	-	30,942
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,229</u>
<u>\$ 12,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,762</u>	<u>\$ 70,990</u>
\$ -	\$ -	\$ -	\$ -	\$ 133
-	-	-	-	-
12,182	-	-	-	29,163
-	-	-	-	-
<u>12,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,296</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	3,229
-	-	-	-	-
-	-	-	-	-
-	-	-	-	14,703
-	-	-	23,762	23,762
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>23,762</u>	<u>41,694</u>
<u>\$ 12,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,762</u>	<u>\$ 70,990</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2015

	Food Service	Athletics	Title I
	_____	_____	_____
<i>Revenues</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	33,205	-	-
District activities	-	37,014	-
Other revenue	-	5,180	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	98,764	-	31,134
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>131,969</u>	<u>42,194</u>	<u>31,134</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	51,089	31,134
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	151,650	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>151,650</u>	<u>51,089</u>	<u>31,134</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,681)</u>	<u>(8,895)</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(19,681)	(8,895)	-
<i>Fund balances - beginning of year</i>	<u>25,301</u>	<u>19,486</u>	<u>1,779</u>
<i>Fund balances - end of year</i>	<u>\$ 5,620</u>	<u>\$ 10,591</u>	<u>\$ 1,779</u>

IDEA-B Entitlement	IDEA-B Preschool	IDEA-B Risk Pool	Fresh Fruits & Vegetables	Teacher/Principal Training	Rural Education Achievement Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	21,398
84,089	5,021	56	5,957	14,159	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>84,089</u>	<u>5,021</u>	<u>56</u>	<u>5,957</u>	<u>14,159</u>	<u>21,398</u>
84,222	5,021	56	-	13,435	-
-	-	-	-	-	26,249
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,957	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>84,222</u>	<u>5,021</u>	<u>56</u>	<u>5,957</u>	<u>13,435</u>	<u>26,249</u>
<u>(133)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724</u>	<u>(4,851)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(133)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724</u>	<u>(4,851)</u>
<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(724)</u>	<u>4,852</u>
<u>\$ (59)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2015

	District REC Fiscal Agent	Dual Credit	GO Bonds Library
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	44,550	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	1,448	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	44,550	1,448	-
<i>Expenditures:</i>			
Current:			
Instruction	44,550	1,448	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	44,550	1,448	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -

<u>Reads to Lead</u>	<u>Technology For Education</u>	<u>Beginning Teacher Mentoring</u>	<u>Special Public School Capital Outlay - State</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	33,205
-	-	-	-	37,014
-	-	-	-	49,730
-	-	-	-	-
50,000	-	-	-	51,448
-	-	-	-	-
-	-	-	-	-
-	-	-	-	21,398
-	-	-	-	239,180
-	-	-	-	-
<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,975</u>
50,000	-	-	-	280,955
-	-	-	-	26,249
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	157,607
-	-	-	8,560	8,560
-	-	-	-	-
<u>50,000</u>	<u>-</u>	<u>-</u>	<u>8,560</u>	<u>473,371</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,560)</u>	<u>(41,396)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,560)</u>	<u>(41,396)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>32,322</u>	<u>83,090</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,762</u>	<u>\$ 41,694</u>

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**FOOD SERVICE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-3

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 29,200	\$ 29,200	\$ 33,205	\$ 4,005
State sources	-	-	-	-
Federal sources	91,000	91,000	88,282	(2,718)
Interest	-	-	-	-
<i>Total revenues</i>	<u>120,200</u>	<u>120,200</u>	<u>121,487</u>	<u>1,287</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	138,843	138,452	138,449	3
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>138,843</u>	<u>138,452</u>	<u>138,449</u>	<u>3</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(18,643)</u>	<u>(18,252)</u>	<u>(16,962)</u>	<u>1,290</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	18,643	18,252	-	(18,252)
<i>Total other financing sources (uses)</i>	<u>18,643</u>	<u>18,252</u>	<u>-</u>	<u>(18,252)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(16,962)</u>	<u>(16,962)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,353</u>	<u>19,353</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,391</u>	<u>\$ 2,391</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (16,962)	
Adjustment to revenue for accruals and other deferrals			(2,719)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ (19,681)</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**ATHLETICS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-4

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 28,000	\$ 28,000	\$ 39,014	\$ 11,014
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>28,000</u>	<u>28,000</u>	<u>39,014</u>	<u>11,014</u>
<i>Expenditures:</i>				
Current:				
Instruction	51,089	51,090	51,089	1
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>51,089</u>	<u>51,090</u>	<u>51,089</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(23,089)</u>	<u>(23,090)</u>	<u>(12,075)</u>	<u>11,015</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	3,180	3,180
Proceeds from bonds	-	-	-	-
Designated Cash	23,089	23,090	-	(23,090)
<i>Total other financing sources (uses)</i>	<u>23,089</u>	<u>23,090</u>	<u>3,180</u>	<u>(19,910)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(8,895)</u>	<u>(8,895)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,486</u>	<u>19,486</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,591</u>	<u>\$ 10,591</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (8,895)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ (8,895)</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TITLE I SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-5

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	31,525	30,787	39,913	9,126
Interest	-	-	-	-
<i>Total revenues</i>	<u>31,525</u>	<u>30,787</u>	<u>39,913</u>	<u>9,126</u>
<i>Expenditures:</i>				
Current:				
Instruction	31,525	32,263	31,134	1,129
Support Services				
Students	1,000	1,000	-	1,000
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,525</u>	<u>33,263</u>	<u>31,134</u>	<u>2,129</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,000)</u>	<u>(2,476)</u>	<u>8,779</u>	<u>11,255</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	1,000	2,476	-	(2,476)
<i>Total other financing sources (uses)</i>	<u>1,000</u>	<u>2,476</u>	<u>-</u>	<u>(2,476)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>8,779</u>	<u>8,779</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,008)</u>	<u>(14,008)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,229)</u>	<u>\$ (5,229)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 8,779	
Adjustment to revenue for accruals and other deferrals			(8,779)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**IDEA B ENTITLEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-6

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	30,995	114,679	83,684
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>30,995</u>	<u>114,679</u>	<u>83,684</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	91,662	84,089	7,573
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>91,662</u>	<u>84,089</u>	<u>7,573</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(60,667)</u>	<u>30,590</u>	<u>91,257</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	60,667	-	(60,667)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>60,667</u>	<u>-</u>	<u>(60,667)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>30,590</u>	<u>30,590</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(30,516)</u>	<u>(30,516)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74</u>	<u>\$ 74</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 30,590	
Adjustment to revenue for accruals and other deferrals			(30,590)	
Adjustment to expenditures for payables, prepaids and other accruals			(133)	
Net change in fund balance (GAAP basis)			<u>\$ (133)</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**IDEA B PRESCHOOL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-7

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	5,130	5,521	391
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,130</u>	<u>5,521</u>	<u>391</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,130	5,021	109
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,130</u>	<u>5,021</u>	<u>109</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 500	
Adjustment to revenue for accruals and other deferrals			(500)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**IDEA B RISK POOL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-8

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	56	-	(56)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>56</u>	<u>-</u>	<u>(56)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	56	56	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>56</u>	<u>56</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u>(56)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u>(56)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56)</u>	<u>\$ (56)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (56)	
Adjustment to revenue for accruals and other deferrals			56	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-9

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	5,957	5,957	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,957</u>	<u>5,957</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	5,957	5,957	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,957</u>	<u>5,957</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TEACHER/PRINCIPAL TRAINING SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-10

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	7,200	240	22,629	22,389
Interest	-	-	-	-
<i>Total revenues</i>	<u>7,200</u>	<u>240</u>	<u>22,629</u>	<u>22,389</u>
<i>Expenditures:</i>				
Current:				
Instruction	7,200	14,160	13,435	725
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,200</u>	<u>14,160</u>	<u>13,435</u>	<u>725</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(13,920)</u>	<u>9,194</u>	<u>23,114</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	13,920	-	(13,920)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>13,920</u>	<u>-</u>	<u>(13,920)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,194</u>	<u>9,194</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,194)</u>	<u>(9,194)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 9,194	
Adjustment to revenue for accruals and other deferrals			(8,470)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ 724</u>	



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**RURAL EDUCATION ACHIEVEMENT SPECIAL REVENUE PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-11

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	(21,398)	21,397	42,795
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>(21,398)</u>	<u>21,397</u>	<u>42,795</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	4,851	-	-	-
Support Services				
Students	-	26,248	26,248	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,851</u>	<u>26,248</u>	<u>26,248</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,851)</u>	<u>(47,646)</u>	<u>(4,851)</u>	<u>42,795</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	4,851	47,646	-	(47,646)
<i>Total other financing sources (uses)</i>	<u>4,851</u>	<u>47,646</u>	<u>-</u>	<u>(47,646)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,851)</u>	<u>(4,851)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,852</u>	<u>4,852</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (4,851)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ (4,851)</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**DISTRICT REC FISCAL AGENT SPECIAL REVENUE PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-12

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 45,000	\$ 45,000	\$ 33,071	\$ (11,929)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>45,000</u>	<u>45,000</u>	<u>33,071</u>	<u>(11,929)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	45,000	45,001	44,550	451
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>45,000</u>	<u>45,001</u>	<u>44,550</u>	<u>451</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1)</u>	<u>(11,479)</u>	<u>(11,478)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	1	-	(1)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(11,479)</u>	<u>(11,479)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,479)</u>	<u>\$ (11,479)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (11,479)	
Adjustment to revenue for accruals and other deferrals			11,479	
Adjustment to expenditures for payables, prepaids and other accruals				
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**DUAL CREDIT SPECIAL REVENUE PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-13

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	(1,449)	1,497	2,946
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>(1,449)</u>	<u>1,497</u>	<u>2,946</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,449	1,448	1
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,449</u>	<u>1,448</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(2,898)</u>	<u>49</u>	<u>2,947</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	2,898	-	(2,898)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,898</u>	<u>-</u>	<u>(2,898)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>49</u>	<u>49</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(266)</u>	<u>(266)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (217)</u>	<u>\$ (217)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 49	
Adjustment to revenue for accruals and other deferrals			(49)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**GO BONDS LIBRARY SPECIAL REVENUE PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-14

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	2,522	2,522
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,522</u>	<u>2,522</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,522</u>	<u>2,522</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,522</u>	<u>2,522</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,522)</u>	<u>(2,522)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 2,522	
Adjustment to revenue for accruals and other deferrals			(2,522)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**READS TO LEAD SPECIAL REVENUE PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-15

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	50,000	50,000	54,648	4,648
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>54,648</u>	<u>4,648</u>
<i>Expenditures:</i>				
Current:				
Instruction	50,000	50,000	50,000	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,648</u>	<u>4,648</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,648</u>	<u>4,648</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,830)</u>	<u>(16,830)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,182)</u>	<u>\$ (12,182)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 4,648	
Adjustment to revenue for accruals and other deferrals			(4,648)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-16

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	(376)	(376)
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(376)</u>	<u>(376)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(376)</u>	<u>(376)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>376</u>	<u>376</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (376)	
Adjustment to revenue for accruals and other deferrals			376	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**

Statement A-17

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	(157)	(157)
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(157)</u>	<u>(157)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(157)</u>	<u>(157)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>157</u>	<u>157</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (157)	
Adjustment to revenue for accruals and other deferrals			157	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**BOND BUILDING CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-18

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	2,464	2,464
<i>Total revenues</i>	<u>1,000</u>	<u>1,000</u>	<u>2,464</u>	<u>1,464</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	336,698	518,677	330,562	188,115
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>336,698</u>	<u>518,677</u>	<u>330,562</u>	<u>188,115</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(335,698)</u>	<u>(517,677)</u>	<u>(328,098)</u>	<u>189,579</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	335,698	517,677	-	(517,677)
<i>Total other financing sources (uses)</i>	<u>335,698</u>	<u>517,677</u>	<u>-</u>	<u>(517,677)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(328,098)</u>	<u>(328,098)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>517,674</u>	<u>517,674</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,576</u>	<u>\$ 189,576</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (328,098)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(12,103)	
Net change in fund balance (GAAP basis)			<u>\$ (340,201)</u>	



**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SPECIAL CAPITAL OUTLAY STATE CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-19

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	10,055	10,055	-	(10,055)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>10,055</u>	<u>10,055</u>	<u>-</u>	<u>(10,055)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	10,055	10,055	8,560	1,495
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,055</u>	<u>10,055</u>	<u>8,560</u>	<u>1,495</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,560)</u>	<u>(8,560)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(8,560)</u>	<u>(8,560)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>32,322</u>	<u>32,322</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,762</u>	<u>\$ 23,762</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (8,560)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ (8,560)</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Statement A-20

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 141,617	\$ 141,617	\$ 117,246	\$ (24,371)
State sources	-	(9,258)	25,923	35,181
Federal sources	-	-	-	-
Interest	-	-	518	518
<i>Total revenues</i>	<u>141,617</u>	<u>132,359</u>	<u>143,687</u>	<u>11,328</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,324	1,324	1,103	221
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	358,693	367,951	121,979	245,972
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>360,017</u>	<u>369,275</u>	<u>123,082</u>	<u>246,193</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(218,400)</u>	<u>(236,916)</u>	<u>20,605</u>	<u>257,521</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	218,400	236,916	-	(236,916)
<i>Total other financing sources (uses)</i>	<u>218,400</u>	<u>236,916</u>	<u>-</u>	<u>(236,916)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>20,605</u>	<u>20,605</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>237,035</u>	<u>237,035</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,640</u>	<u>\$ 257,640</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 20,605	
Adjustment to revenue for accruals and other deferrals			(8,514)	
Adjustment to expenditures for payables, prepaids and other accruals			3,798	
Net change in fund balance (GAAP basis)			<u>\$ 15,889</u>	

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**DEBT SERVICE FUND**

Statement A-21

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ (255,117)	\$ (255,117)	\$ 271,492	\$ 526,609
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	60	60
<i>Total revenues</i>	<u>(255,117)</u>	<u>(255,117)</u>	<u>271,552</u>	<u>526,669</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,335	2,558	2,558	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	150,000	150,000	150,000	-
Interest	98,342	98,462	98,462	-
<i>Total expenditures</i>	<u>250,677</u>	<u>251,020</u>	<u>251,020</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(505,794)</u>	<u>(506,137)</u>	<u>20,532</u>	<u>526,669</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	505,794	506,137	-	(506,137)
<i>Total other financing sources (uses)</i>	<u>505,794</u>	<u>506,137</u>	<u>-</u>	<u>(506,137)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>20,532</u>	<u>20,532</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>51,540</u>	<u>51,540</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,072</u>	<u>\$ 72,072</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 20,532	
Adjustment to revenue for accruals and other deferrals			(22,743)	
Adjustment to expenditures for payables, prepaids and other accruals			14,184	
Net change in fund balance (GAAP basis)			<u>\$ 11,973</u>	

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**FIDUCIARY FUNDS**

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Agency Funds

**Agency Funds** – To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Logan Municipal Schools has the following funds classified as Agency Funds:

**Activity** – To account for assets held by the District until distributed to various organizations at the schools.

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**AGENCY FUNDS**

Statement B

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<b>ASSETS</b>				
23092 · Class of 2021	\$ -	\$ 156	\$ -	\$ 156
23092 · Class of 2020	124	214	72	266
23093 · Class of 2019	378	2,828	278	2,928
23094 · Class of 2018	348	5,814	4,037	2,125
23095 · Class of 2017	2,348	4,157	1,751	4,754
23096 · Class of 2016	4,375	16,412	12,259	8,528
23097 · Class of 2015	11,978	25,096	36,680	394
23098 · Class of 2014	649	-	431	218
23200 · Athletics	540	14,759	13,868	1,431
23201 · Baseball	-	435	180	255
23202 · Boys Basketball	257	45	215	87
23203 · Girls Basketball	457	128	445	140
23204 · Football	1	-	-	1
23206 · Cheerleaders	872	2,116	2,254	734
23207 · Volleyball	740	6,546	7,202	84
23209 · Softball	-	1,055	892	163
23300 · Cafeteria Workshop	679	4,849	4,999	529
23304 · FFA	1,975	38,927	40,107	795
23305 · Honor Society	1,107	329	740	696
23306 · FFA Nationals	57	1,673	302	1,428
23309 · Library	1,128	213	600	741
23310 · Preschool/Lil' Longhorns	398	170	218	350
23311 · Staff Fund	6,275	7,960	5,822	8,413
23314 · Student Council	1,962	661	403	2,220
23317 · Yearbook	5,504	8,217	6,929	6,792
23322 · SHREC	1,174	224	-	1,398
23323 · Burns Family Foundation	100	-	-	100
23326 · Honor Rewards	941	-	-	941
23328 · Ute Lake Online Learning Center	96	-	-	96
23329 · District 3A VB/BB	25	9,723	5,699	4,049
23331 · WoodShop	335	-	101	234
23332 · EPAC	172	1,090	355	907
23333 · Chess Club	36	-	-	36
23335 · Elementary Arts Fund	-	1,107	874	233
<b>Total Assets</b>	<b>\$ <u>45,030</u></b>	<b>\$ <u>154,904</u></b>	<b>\$ <u>147,713</u></b>	<b>\$ <u>52,221</u></b>
 <b>LIABILITIES</b>				
Deposits held for others	45,030	154,904	147,713	\$ 52,221
<b>Total Liabilities</b>	<b>\$ <u>45,030</u></b>	<b>\$ <u>154,904</u></b>	<b>\$ <u>147,713</u></b>	<b>\$ <u>52,221</u></b>

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**PENSION LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
 Required Supplementary Information  
 June 30, 2015

REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Educational Retirement Board (ERB) Plan  
 Last 10 fiscal years\*

	<b>2015</b>
District's proportion of net pension liability (asset)	0.06952%
District's proportionate share of the net pension liability (asset)	\$ 3,966,617
District's covered-employee payroll	\$ 1,916,346
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	206.99%
Plan fiduciary net position as a percentage of total pension liability	66.54%

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

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
 Required Supplementary Information  
 June 30, 2015

REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 EDUCATIONAL RETIREMENT BOARD (ERB) Pension PLAN  
 LAST 10 FISCAL YEARS\*

	<b>2015</b>
Contractually required contribution	\$ 265,691
Contributions in relation to the contractually required contribution	\$ 265,691
Contribution deficiency (excess)	\$ -
District's Covered-employee payroll	\$ 1,658,906
Contributions as a percentage of covered-employee payroll	16.02%

\* 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.

*Note: The employee contribution is not included in this schedule.*

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
Required Supplementary Information  
For the Year Ended June 30, 2015

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

***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 April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.75% to 4.25%
  - b. Lower payroll growth from 3.75% to 3.50%
  - c. Minor changes to demographic assumptions
  - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%

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

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## **SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
June 30, 2015

Schedule I

Name of Depository	Description of Pledged Collateral	Market Value June 30, 2015	Name and Location of Safekeeper
First National Bank of NM	FHLB Fixed Rate Note 313381F91 2.25% 12/21/2022	\$ 196,034	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	FNMA Fixed Rate Note 3136G13X5 2.25% 12/27/2023	473,866	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	Dulce NM Indpt Sch Dist No 21 2644300S9 4.0% 06/1/2016	95,529	Federal Home Loan Bank of Dallas Irving, TX
First National Bank of NM	San Juan Cty NM Cons Ind Scd 7983593F3 2.0% 08/01/17	<u>257,163</u>	Federal Home Loan Bank of Dallas Irving, TX
	Total Collateral Pledged	<u>\$ 1,022,592</u>	

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
June 30, 2015

Schedule II

Deposit or Investment Account Type	First National Bank of NM	Total
Operational Interest Bearing Checking	\$ 1,378,347	\$ 1,378,347
Activities Interest Bearing Checking	147,016	147,016
Total On Deposit	1,525,363	1,525,363
Reconciling Items	(19,230)	(19,230)
Reconciled Balance June 30, 2015	\$ 1,506,134	\$ 1,506,134

Reconciliation to financial statements:

Cash and cash equivalents:

Total cash and cash equivalents per Statement of Position	\$ 1,453,913
Total cash and cash equivalents per Fiduciary Statement of Assets and Liabilities	52,221
	\$ 1,506,134

**STATE OF NEW MEXICO**  
 Logan Municipal Schools  
 Cash Reconciliation  
 June 30, 2015

	Operational Account	Transportation Account	Instructional Materials Account	Food Services Account	Athletics Account
Cash per June 30, 2014	\$ 699,883	\$ -	\$ 7,619	\$ 19,353	\$ 19,486
Add:					
2014-15 revenues	3,139,025	257,905	20,704	121,487	39,014
Adjustments	92,547	-	-	-	3,180
Total cash available	3,931,455	257,905	28,323	140,840	61,680
Less:					
2014-15 expenditures	(3,004,486)	(257,905)	(28,323)	(138,449)	(51,089)
Permanent cash transfer	-	-	-	-	-
Cash June 30, 2015	\$ 926,969	\$ -	\$ -	\$ 2,391	\$ 10,591
Bank balance end of year	\$ 851,426	\$ -	\$ -	\$ 2,391	\$ 10,591
Deposits in transit	-	-	-	-	-
Outstanding checks	(17,004)	-	-	-	-
Adjustment for NMPSIA	92,547	-	-	-	-
Cash June 30, 2015	\$ 926,969	\$ -	\$ -	\$ 2,391	\$ 10,591



Activity Accounts	Federal Flowthrough	Federal Direct	Local Grants	State Flowthrough	State Direct
\$ 45,030	\$ (54,218)	\$ 4,852	\$ -	\$ (19,085)	\$ -
154,904	188,699	21,398	33,071	58,667	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
199,934	134,481	26,250	33,071	39,582	-
(147,713)	(139,692)	(26,249)	(44,550)	(51,448)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(533)</u>	<u>-</u>
<u>\$ 52,221</u>	<u>\$ (5,211)</u>	<u>\$ 1</u>	<u>\$ (11,479)</u>	<u>\$ (12,399)</u>	<u>\$ -</u>
\$ 54,468	\$ (5,211)	\$ 1	\$ (11,479)	\$ (12,399)	\$ -
-	-	-	-	-	-
(2,247)	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 52,221</u>	<u>\$ (5,211)</u>	<u>\$ 1</u>	<u>\$ (11,479)</u>	<u>\$ (12,399)</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO**  
 Logan Municipal Schools  
 Cash Reconciliation  
 June 30, 2015

Schedule III  
 (Page 2 of 2)

	Local/State Fund	Bond Building	Special Capital Outlay-State	Capital Impr SB9	Debt Service	Total
Cash per June 30, 2014	\$ -	\$ 517,673	\$ 32,322	\$ 237,035	\$ 51,540	\$ 1,561,490
Add:						
2014-15 revenues	-	2,464	-	143,687	271,570	4,452,595
Adjustments	-	-	-	-	-	95,727
Total cash available	-	520,137	32,322	380,722	323,110	6,109,812
Less:						
2014-15 expenditures	-	(330,565)	(8,560)	(123,082)	(251,038)	(4,603,149)
Permanent cash transfer	-	-	-	-	-	(533)
Cash June 30, 2015	<u>\$ -</u>	<u>\$ 189,572</u>	<u>\$ 23,762</u>	<u>\$ 257,640</u>	<u>\$ 72,072</u>	<u>\$ 1,506,130</u>
Bank balance end of year	\$ -	\$ 189,576	\$ 23,762	\$ 257,640	\$ 72,072	\$ 1,432,838
Deposits in transit	-	-	-	-	-	-
Outstanding checks	-	-	-	-	-	(19,251)
Adjustments	-	-	-	-	-	92,547
Cash June 30, 2015	<u>\$ -</u>	<u>\$ 189,576</u>	<u>\$ 23,762</u>	<u>\$ 257,640</u>	<u>\$ 72,072</u>	<u>\$ 1,506,134</u>

	1,453,913
Per Schedule B-1	52,221
Per Schedule E-1	<u>1,506,134</u>
Total Cash	<u>\$ 1,506,134</u>

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**Logan Municipal Schools**  
**Schedule of Vendor Information for purchases exceeding \$60,000 (excluding GRT)**  
**For the Year Ended June 30, 2015**

<b>RFP# RFB#/RFP# / State-Wide Price Agreement</b>	<b>Type of Procurement</b>	<b>Awarded Vendor</b>	<b>\$ Amount of Awarded Contract</b>	<b>\$ Amount of Amended Contract</b>	<b>Name and Physical Address of ALL Vendors that responded</b>	<b>In-State/ Out-of- State Vendor (Y or N) (Based on Statutory Definition)</b>	<b>Was the vendor instate and chose Veteran's preference (Y or N)</b>	<b>Brief Description of the Scope of Work</b>
There were no purchases exceeding \$60,000 for the fiscal year 2015.								

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**COMPLIANCE SECTION**

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**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**

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Logan Municipal Schools  
Logan, 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 governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, of the Logan Municipal Schools as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Logan Municipal Schools' basic financial statements, and the combining and individual and related budgetary comparisons of the Logan Municipal Schools, presented as supplemental information, and have issued our report thereon dated September 9, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Logan Municipal Schools' internal control over financial reporting to determine the auditing 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 Logan Municipal Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Logan Municipal Schools' 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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. The significant deficiencies are described as 2013-002 and 2015-001.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Logan Municipal Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 2013-002 and 2015-001.

### **Logan Municipal Schools Response to Findings**

The Logan Municipal Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Logan Municipal Schools' responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 Logan Municipal Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Logan Municipal Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Precision Accounting LLC*

Precision Accounting LLC  
Albuquerque, New Mexico  
September 9, 2015

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**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
Year Ended June 30, 2015

**A. FINDINGS AND RESPONSES-FINANCIAL STATEMENT AUDIT**

**2013-002 [FS 2013-02] Activity Funds Compliance repeated and revised (Significant Deficiency)**

**CONDITION:** In the Activity Funds test work, one issue was found out of forty samples tested. A purchase of \$110 was made prior to obtaining approval by management as shown on the purchase order and purchase requisition form. The projected error was 2.5% or 7 errors over the population.

**CRITERIA:** PSAB 18 Student Activities; and NMAC 6.20.2.11 C-Internal Control structure standards: "An internal control structure is required to demonstrate the school district's ability to record, process, summarize and report financial data consistent with the following financial statement assertions: 1) rights and ownership, 2) existence and occurrence, 3) valuation and allocations, 4) completeness, and 5) presentation and disclosure," and/or NMAC 6.20.2.14.C. Cash Control Standards.

**CAUSE:** Purchase controls are not being followed.

**EFFECT:** Bypassing the managerial approval process will not ensure that purchases are reasonable and in compliance with federal and state grants' policies and restrictions, district policies, etc., and potentially affect fiscal year budgets.

**RECOMMENDATION:** The District should ensure that all purchases are approved evaluate and implement internal controls on activities fund accounts in accordance with PSAB 18. Management oversight should be conducted periodically to ensure compliance with PSAB 18 on accounting for activity funds and for ensuring that transactions are properly supported. Training on purchases and approval process should be conducted.

**CLIENT RESPONSE:** District leaders with the authority to approve purchases, specifically the superintendent and business manager, will implement a corrective action plan which includes a review of the rules and regulations governing such purchases and also includes training all other district employees as to the required procedures necessary for district purchasing. This training, to be conducted on or before October 16, 2015, will serve as the rationale for refusal to grant payment authorization for purchases made in violation of established procedures.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
Year Ended June 30, 2015

**A. FINDINGS AND RESPONSES-FINANCIAL STATEMENT AUDIT (continued)**

**2015-001 Noncompliance with Travel and Per Diem (Significant Deficiency)**

**CONDITION:** During our testwork of travel and per diem, we noted six vouchers out of thirty vouchers tested where the employee travel reimbursements were not properly authorized. The purchase order and/or the purchase the requisition forms were signed by management after the travel event(s) had been taken and expenses were reimbursed. The combined reimbursements amounted to \$977. The projected error is 20% or 14 errors over a population of 66 vouchers.

**CRITERIA:** DFA Rule 95-1 requires that all travel expenses be properly authorized prior to the execution of travel and the request for reimbursements.

**CAUSE:** The cause may be related to an oversight in management's review and approval of travel and per diem reimbursements.

**EFFECT:** Without having proper authorization for travel reimbursements is in violation of the DFA Rule 95-1. Also, overriding procedures on the proper authorization for the travel reimbursements could cause over budget issues.

**RECOMMENDATION:** The District is encouraged to have all personnel in charge of reviewing and approving travel reimbursements, perform a review and approval of all supporting documents for these reimbursements in order to meet compliance required by DFA Rule 95-1. All staff and employees should review internal policy on meal reimbursements and state statute.

**CLIENT RESPONSE:** District leaders with the authority to approve purchases, specifically the superintendent and business manager, will implement a corrective action plan which includes a review of the rules and regulations governing such purchases and includes training all other district employees as to the required procedures necessary for district purchasing. This training, to be conducted on or before October 16, 2015, will serve as the rationale for refusal to grant payment authorization for purchases made in violation of established procedures. Furthermore, the district will ensure that all employees receive and sign for a copy of PSAB 18, which governs the accounting of activity funds.

The district is pleased that the incidence of this error has decreased in the second year, largely due to the district's efforts to more diligently enforce purchasing protocols. However, with an eye toward achieving our goal of 100% compliance, the district will undertake a comprehensive review of all purchases made in the first quarter of FY 16 to ensure proper implementation of the corrective action plan.

**B. PRIOR YEAR AUDIT FINDINGS**

2013-002 [FS 2013-02] Activity Funds Compliance (Material Weakness)-Repeated and Revised

**Note:** For traceability purposes, the audit finding reference numbers reported in prior year audit reports are presented in brackets, and where applicable, have been renumbered to comply with reporting standards.

**STATE OF NEW MEXICO**  
**LOGAN MUNICIPAL SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
Year Ended June 30, 2015

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

Management is responsible for the content of the report and financial statements. It would be preferred and desirable for the District to prepare its own GAAP-basis financial statements; although the District is capable, with guidance, of preparing, reviewing and approving the financial statements, it is felt that the District's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

**B. EXIT CONFERENCE**

The contents of this report were discussed on August 26, 2015. The following individuals were in attendance:

Logan Municipal Schools

Tom Humble, Board President  
Dennis Roch, Superintendent  
Pat Copeland, Business Manager  
Tammie Gates, Administration Business  
Office Support

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CGMA, CICA  
Mei Y. To, CPA