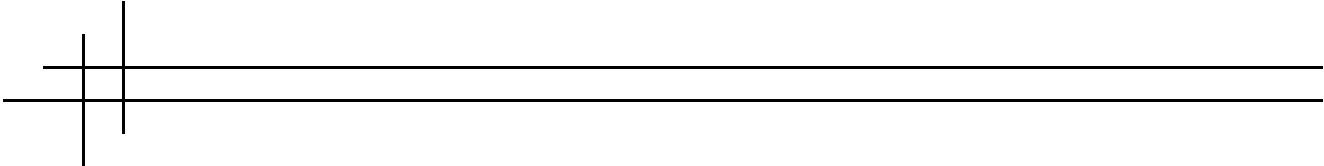




STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2010

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



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SPRINGER MUNICIPAL SCHOOLS
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SPRINGER MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Official Roster
June 30, 2010

BOARD OF EDUCATION

Danny Montoya	President
Joe Apodaca	Vice-President
Linda Baca	Secretary
Robert Tafoya	Member
Raughn Ramirez	Member

SCHOOL OFFICIALS

Zita Lopez	Superintendent
Nejla Munden	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the SPRINGER MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general funds and major special revenue funds of SPRINGER MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project fund, debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Aun Willoughby, CPA PC

November 9, 2010

FINANCIAL SECTION

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 Government Wide-Statement of Net Assets
 June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 959,173
Taxes Receivable	8,843
Due From Grantor	113,728
Inventory	1,310
Total Current Assets	<u>1,083,054</u>
Noncurrent Assets	
Capital Assets	10,785,851
Less: Accumulated Depreciation	<u>(4,869,974)</u>
Total Noncurrent Assets	<u>5,915,877</u>
Total Assets	<u>6,998,931</u>
LIABILITIES	
Current Liabilities	
Accrued Interest	4,331
Deferred Revenue	28,668
Compensated Absences	11,080
Current Portion of Long-Term Debt	165,000
Total Current Liabilities	<u>209,079</u>
Noncurrent Liabilities	
Bonds and Notes, Net	<u>1,446,126</u>
Total Noncurrent Liabilities	<u>1,446,126</u>
Total Liabilities	<u>1,655,205</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	4,304,751
Restricted for:	
Capital Projects	589,017
Debt Service	171,134
Unrestricted	278,824
Total Net Assets	<u>\$ 5,343,726</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Government Wide-Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 1,958,426	\$ 41,057	\$ 250,178	\$ 0	\$ (1,667,191)
Support Services-Students	361,735	0	83,142	0	(278,593)
Support Services-Instruction	9,734	0	2,996	0	(6,738)
General Administration	165,777	0	36,052	0	(129,725)
School Administration	199,359	0	46,843	0	(152,516)
Central Services	81,123	0	0	0	(81,123)
Operation of Plant	452,860	0	71,714	0	(381,146)
Student Transportation	190,145	0	190,796	0	651
Food Services Operations	169,192	11,205	112,731	0	(45,256)
Interest on Long-Term Obligations	51,374	0	0	0	(51,374)
Total Governmental Activities	<u>\$ 3,639,725</u>	<u>\$ 52,262</u>	<u>\$ 794,452</u>	<u>\$ 0</u>	<u>(2,793,011)</u>
General Revenues					
Taxes					
					10,174
					58,750
					230,672
					Federal and State aid not restricted to specific purpose
					General 2,542,878
					Capital 102,431
					Interest and investment earnings 2,092
					Miscellaneous 872
					<u>Subtotal, General Revenues 2,947,869</u>
					Change in Net Assets 154,858
					Net Assets - beginning <u>5,188,868</u>
					Net Assets - ending <u>\$ 5,343,726</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2010

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 53,923	\$ 51,308	\$ 5,147
Receivables			
Property Taxes	262	0	0
Due From Grantor	0	0	0
Interfund Balances	113,825	0	0
Inventory	0	0	0
Total Assets	<u>\$ 168,010</u>	<u>\$ 51,308</u>	<u>\$ 5,147</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in			
General Fund	168,010	51,308	5,147
Capital Projects	0	0	0
Total Fund Balances	<u>168,010</u>	<u>51,308</u>	<u>5,147</u>
Total Liabilities and Fund Balances	<u>\$ 168,010</u>	<u>\$ 51,308</u>	<u>\$ 5,147</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2010

	Special Revenue Fund		
	Title I 24101	IDEA B Entitlement 24106	IDEA B Recovery Act 24206
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	17,096	13,842	20,119
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 17,096</u>	<u>\$ 13,842</u>	<u>\$ 20,119</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 17,096	\$ 13,842	\$ 20,119
Deferred Revenue	0	0	0
Total Liabilities	<u>17,096</u>	<u>13,842</u>	<u>20,119</u>
Fund Balances			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in			
General Fund	0	0	0
Capital Projects	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 17,096</u>	<u>\$ 13,842</u>	<u>\$ 20,119</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2010

	Special Revenue Fund		Capital Projects
	USDA Child Nutrition Recovery Act 24218	State Fiscal Stabilization Program Fund 25250	Bond Building 31100
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 589,017
Receivables			
Property Taxes	0	0	0
Due From Grantor	21,483	27,221	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 21,483</u>	<u>\$ 27,221</u>	<u>\$ 589,017</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 21,483	\$ 27,221	\$ 0
Deferred Revenue	0	0	0
Total Liabilities	<u>21,483</u>	<u>27,221</u>	<u>0</u>
Fund Balances			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	589,017
Debt Service	0	0	0
Unreserved, Undesignated, reported in			
General Fund	0	0	0
Capital Projects	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>589,017</u>
Total Liabilities and Fund Balances	<u>\$ 21,483</u>	<u>\$ 27,221</u>	<u>\$ 589,017</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2010

	<u>Debt Service</u>		
	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
	<u>41000</u>	<u>Funds</u>	<u>Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 164,706	\$ 95,072	\$ 959,173
Receivables			
Property Taxes	6,428	2,153	8,843
Due From Grantor	0	13,967	113,728
Interfund Balances	0	0	113,825
Inventory	0	1,310	1,310
Total Assets	<u>\$ 171,134</u>	<u>\$ 112,502</u>	<u>\$ 1,196,879</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 14,064	\$ 113,825
Deferred Revenue	0	28,668	28,668
Total Liabilities	<u>0</u>	<u>42,732</u>	<u>142,493</u>
Fund Balances			
Reserved for			
Inventory	0	1,310	1,310
Special Revenue Funds	0	35,496	35,496
Capital Projects	0	0	589,017
Debt Service	171,134	8,188	179,322
Unreserved, Undesignated, reported in			
General Fund	0	0	224,465
Capital Projects	0	24,776	24,776
Total Fund Balances	<u>171,134</u>	<u>69,770</u>	<u>1,054,386</u>
Total Liabilities and Fund Balances	<u>\$ 171,134</u>	<u>\$ 112,502</u>	<u>\$ 1,196,879</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2010

Total Fund Balance - Governmental Funds \$ 1,054,386

Amounts reported for governmental activities in the Statement of Net Assets
 are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$ 10,785,851	
Accumulated depreciation is	<u>(4,869,974)</u>	5,915,877

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bonds payable	(1,730,000)	
Issue Costs	142,663	
Accumulated Amortization	(23,789)	
Accrued interest on bonds	(4,331)	
Compensated Absences	<u>(11,080)</u>	<u>(1,626,537)</u>

Total net assets - governmental activities	\$	<u><u>5,343,726</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Revenues			
Property Taxes	\$ 10,174	\$ 0	\$ 0
Investment Income	1,298	0	0
Fees	1,259	0	0
State & Local Grants	2,537,028	190,796	13,356
Federal Grants	5,850	0	0
Miscellaneous	563	0	309
Total Revenues	<u>2,556,172</u>	<u>190,796</u>	<u>13,665</u>
Expenditures			
Current			
Instruction	1,355,693	0	16,640
Support Services-Students	292,545	0	0
Support Services-Instruction	7,036	0	301
Support Services-General Administration	126,865	0	0
Support Services-School Administration	152,516	0	0
Central Services	80,582	0	0
Operation and Maintenance of Plant	383,475	0	0
Student Transportation	0	190,381	0
Food Services	47,565	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>2,446,277</u>	<u>190,381</u>	<u>16,941</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>109,895</u>	<u>415</u>	<u>(3,276)</u>
Other Sources			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	109,895	415	(3,276)
Fund Balances at Beginning of Year	<u>58,115</u>	<u>50,893</u>	<u>8,423</u>
Fund Balance End of Year	<u>\$ 168,010</u>	<u>\$ 51,308</u>	<u>\$ 5,147</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Title I 24101	IDEA B Entitlement 24106	IDEA B Recovery Act 24206
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	71,152	74,457	43,034
Miscellaneous	0	0	0
Total Revenues	<u>71,152</u>	<u>74,457</u>	<u>43,034</u>
Expenditures			
Current			
Instruction	68,503	20,215	22,625
Support Services-Students	0	19,201	20,409
Support Services-Instruction	2,397	0	0
Support Services-General Administration	252	0	0
Support Services-School Administration	0	35,041	0
Central Services	0	0	0
Operation and Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>71,152</u>	<u>74,457</u>	<u>43,034</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Sources			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		Capital Projects
	USDA Child Nutrition Recovery Act 24218	State Fiscal Stabilization Program Fund 25250	Bond Building 31100
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	794
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	36,379	189,686	0
Miscellaneous	0	0	0
Total Revenues	36,379	189,686	794
Expenditures			
Current			
Instruction	0	71,038	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	35,132	0
Support Services-School Administration	0	11,802	0
Central Services	0	0	0
Operation and Maintenance of Plant	0	71,714	0
Student Transportation	0	0	0
Food Services	11,994	0	0
Capital Outlay	24,385	0	469,818
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	46,709
Total Expenditures	36,379	189,686	516,527
Excess (Deficiency) of Revenues Over Expenditures	0	0	(515,733)
Other Sources			
Bond Proceeds	0	0	500,000
Total Other Sources (Uses)	0	0	500,000
Net Change in Fund Balance	0	0	(15,733)
Fund Balances at Beginning of Year	0	0	604,750
Fund Balance End of Year	\$ 0	\$ 0	\$ 589,017

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	<u>Debt Service</u>		
	<u>Debt Service 41000</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property Taxes	\$ 227,884	\$ 61,538	\$ 299,596
Investment Income	0	0	2,092
Fees	0	51,003	52,262
State & Local Grants	0	98,526	2,839,706
Federal Grants	0	179,497	600,055
Miscellaneous	0	0	872
Total Revenues	<u>227,884</u>	<u>390,564</u>	<u>3,794,583</u>
Expenditures			
Current			
Instruction	0	94,278	1,648,992
Support Services-Students	0	30,073	362,228
Support Services-Instruction	0	0	9,734
Support Services-General Administration	2,244	1,284	165,777
Support Services-School Administration	0	0	199,359
Central Services	0	0	80,582
Operation and Maintenance of Plant	0	0	455,189
Student Transportation	0	0	190,381
Food Services	0	109,633	169,192
Capital Outlay	0	98,451	592,654
Debt Service			
Principal	155,000	0	155,000
Interest	54,253	0	54,253
Bond Issue Costs	0	0	46,709
Total Expenditures	<u>211,497</u>	<u>333,719</u>	<u>4,130,050</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,387</u>	<u>56,845</u>	<u>(335,467)</u>
Other Sources			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>500,000</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>500,000</u>
Net Change in Fund Balance	16,387	56,845	164,533
Fund Balances at Beginning of Year	<u>154,747</u>	<u>12,925</u>	<u>889,853</u>
Fund Balance End of Year	<u>\$ 171,134</u>	<u>\$ 69,770</u>	<u>\$ 1,054,386</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2010

Net Change in Fund Balance-Governmental Funds \$ 164,533

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$ (309,434)	
Capital Outlays	<u>592,654</u>	283,220

Proceeds from bond issues are recognized as revenue in the Statement of Revenues, Expenditures and Changes in Fund Balances but are recognized as long term debt on the Statement of Net Assets. (500,000)

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds.

Bond Issue Costs	46,709	
Amortized Bond Issue Costs	<u>(16,870)</u>	29,839

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 155,000

In the Statement of Activities, interest is accrued on outstanding bonds,

Accrued Interest, June 30, 2009	24,080	
Accrued Interest, June 30, 2010	<u>(4,331)</u>	19,749

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2009	13,597	
Compensated Absences, June 30, 2010	<u>(11,080)</u>	<u>2,517</u>

Changes in Net Assets of Governmental Activities \$ 154,858

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 10,055	\$ 10,055	\$ 10,061	\$ 6
Investment Income	1,500	1,500	1,298	(202)
Fees	0	0	1,259	1,259
State Grants	2,454,167	2,537,401	2,537,028	(373)
Federal Reserve	4,275	4,275	5,850	1,575
Miscellaneous	0	0	563	563
Total Revenues	<u>2,469,997</u>	<u>2,553,231</u>	<u>2,556,059</u>	<u>2,828</u>
Expenditures				
Instruction				
Personnel Services	959,842	929,225	926,154	3,071
Employee Benefits	298,668	305,851	300,253	5,598
Professional & Tech Services	15,000	27,331	23,638	3,693
Other Purchased Services	79,231	95,310	91,098	4,212
Supplies	28,862	23,886	14,550	9,336
Total Instruction	<u>1,381,603</u>	<u>1,381,603</u>	<u>1,355,693</u>	<u>25,910</u>
Support Services-Students				
Personnel Services	233,449	220,541	219,675	866
Employee Benefits	71,293	71,293	63,058	8,235
Professional & Tech Services	7,800	8,800	6,162	2,638
Other Purchased Services	100	1,100	429	671
Supplies	3,400	3,400	3,221	179
Total Support Services-Students	<u>316,042</u>	<u>305,134</u>	<u>292,545</u>	<u>12,589</u>
Support Services-Instruction				
Personnel Services	13,000	12,847	4,132	8,715
Employee Benefits	7,013	7,013	2,251	4,762
Supplies	500	653	653	0
Total Support Services-Instruction	<u>20,513</u>	<u>20,513</u>	<u>7,036</u>	<u>13,477</u>
Support Services-General Administration				
Personnel Services	91,800	91,800	91,800	0
Employee Benefits	25,579	26,638	25,251	1,387
Professional & Tech Services	10,351	1,101	950	151
Other Purchased Services	9,500	9,975	8,430	1,545
Supplies	1,650	1,650	434	1,216
Total Support Services-General Administration	<u>138,880</u>	<u>131,164</u>	<u>126,865</u>	<u>4,299</u>

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 125,542	\$ 125,542	\$ 125,542	\$ 0
Employee Benefits	25,926	26,960	24,434	2,526
Professional & Tech Services	0	500	500	0
Other Purchased Services	1,500	1,842	1,752	90
Supplies	500	500	288	212
Total Support Services-School Administration	<u>153,468</u>	<u>155,344</u>	<u>152,516</u>	<u>2,828</u>
Central Services				
Personnel Services	45,388	55,388	55,043	345
Employee Benefits	18,370	21,110	19,233	1,877
Professional & Tech Services	4,907	5,090	5,090	0
Other Purchased Services	0	292	292	0
Supplies	1,300	924	924	0
Total Central Services	<u>69,965</u>	<u>82,804</u>	<u>80,582</u>	<u>2,222</u>
Operation & Maintenance of Plant				
Personnel Services	87,548	87,548	86,450	1,098
Employee Benefits	36,784	40,560	39,539	1,021
Professional & Tech Services	0	0	0	0
Purchased Property Services	186,500	174,952	148,040	26,912
Other Purchased Services	35,520	125,624	121,033	4,591
Supplies	3,487	9,028	669	8,359
Total Operation & Maintenance of Plant	<u>349,839</u>	<u>437,712</u>	<u>395,731</u>	<u>41,981</u>
Food Service Operations				
Personnel Services	5,029	5,029	5,029	0
Employee Benefits	4,792	4,880	4,781	99
Professional & Tech Services	300	80	80	0
Other Purchased Services	0	331	331	0
Supplies	47,900	47,701	37,344	10,357
Total Food Service Operations	<u>58,021</u>	<u>58,021</u>	<u>47,565</u>	<u>10,456</u>
Total Expenditures	<u>2,488,331</u>	<u>2,572,295</u>	<u>2,458,533</u>	<u>113,762</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,334)	(19,064)	97,526	116,590
Cash Balance Beginning of Year	<u>70,222</u>	<u>70,222</u>	<u>70,222</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 51,888</u>	<u>\$ 51,158</u>	<u>\$ 167,748</u>	<u>\$ 116,590</u>

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 97,526	
Net Change in Taxes Receivable			113	
Net Change in Accounts Payable			12,256	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>109,895</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 196,229	\$ 190,796	\$ 190,796	\$ 0
Total Revenues	<u>196,229</u>	<u>190,796</u>	<u>190,796</u>	<u>0</u>
Expenditures				
Student Transportation				
Personnel Services	65,508	61,519	61,519	0
Employee Benefits	39,771	49,636	49,636	0
Professional & Tech Services	0	4,130	4,129	1
Purchased Property Services	40,113	37,002	37,002	0
Other Purchased Services	15,559	21,713	21,713	0
Supplies	29,699	16,756	16,751	5
Total Student Transportation	<u>190,650</u>	<u>190,756</u>	<u>190,750</u>	<u>6</u>
Total Expenditures	<u>190,650</u>	<u>190,756</u>	<u>190,750</u>	<u>6</u>
Excess (Deficiency) of Revenues Over Expenditures	5,579	40	46	6
Cash Balance Beginning of Year	<u>51,262</u>	<u>51,262</u>	<u>51,262</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 56,841</u>	<u>\$ 51,302</u>	<u>\$ 51,308</u>	<u>\$ 6</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 46	
Net change in Accounts Payable			<u>369</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 415</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 8,376	\$ 11,713	\$ 13,356	\$ 1,643
Miscellaneous	0	0	309	309
Total Revenues	<u>8,376</u>	<u>11,713</u>	<u>13,665</u>	<u>1,952</u>
Expenditures				
Instruction				
Supplies	16,397	19,734	17,170	2,564
Total Instruction	<u>16,397</u>	<u>19,734</u>	<u>17,170</u>	<u>2,564</u>
Support Services-Instruction				
Supplies	931	931	301	630
Total Support Services-Instruction	<u>931</u>	<u>931</u>	<u>301</u>	<u>630</u>
Total Expenditures	<u>17,328</u>	<u>20,665</u>	<u>17,471</u>	<u>3,194</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,952)	(8,952)	(3,806)	5,146
Cash Balance Beginning of Year	<u>8,953</u>	<u>8,953</u>	<u>8,953</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 5,147</u>	<u>\$ 5,146</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,806)	
Net Change in Accounts Payable			530	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,276)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 142,011	\$ 149,152	\$ 106,854	\$ (42,298)
Total Revenues	<u>142,011</u>	<u>149,152</u>	<u>106,854</u>	<u>(42,298)</u>
Expenditures				
Instruction				
Personnel Services	44,589	44,970	40,442	4,528
Employee Benefits	18,186	19,834	18,246	1,588
Professional & Tech Services	500	880	880	0
Other Purchased Services	100	1,220	820	400
Supplies	18,268	24,508	6,998	17,510
Supply Assets	5,000	2,372	1,197	1,175
Total Instruction	<u>86,643</u>	<u>93,784</u>	<u>68,583</u>	<u>25,201</u>
Support Services- Instruction				
Personnel Services	2,000	2,000	2,000	0
Employee Benefits	397	397	397	0
Total Support Services-Instruction	<u>2,397</u>	<u>2,397</u>	<u>2,397</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	252	252	252	0
Total Support Services-General Administration	<u>252</u>	<u>252</u>	<u>252</u>	<u>0</u>
Total Expenditures	<u>89,292</u>	<u>96,433</u>	<u>71,232</u>	<u>25,201</u>
Excess (Deficiency) of Revenues Over Expenditures	52,719	52,719	35,622	(17,097)
Cash Balance Beginning of Year	<u>(52,718)</u>	<u>(52,718)</u>	<u>(52,718)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1</u>	\$ <u>1</u>	\$ <u>(17,096)</u>	\$ <u>(17,097)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 35,622	
Net change in Due from Grantor			(35,702)	
Net change in Accounts Payable			80	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 29,099	\$ 112,194	\$ 91,509	\$ (20,685)
Total Revenues	<u>29,099</u>	<u>112,194</u>	<u>91,509</u>	<u>(20,685)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	610	556	54
Purchased Services	0	358	357	1
Supplies	0	22,388	19,978	2,410
Supply Assets	0	1,464	1,120	344
Total Instruction	<u>0</u>	<u>24,820</u>	<u>22,011</u>	<u>2,809</u>
Support Services-Students				
Personnel Services	0	9,575	9,300	275
Employee Benefits	0	5,022	4,113	909
Professional & Tech Services	0	2,591	1,123	1,468
Other Purchased Services	0	4,081	4,056	25
Supplies	0	750	608	142
Total Support Services-Students	<u>0</u>	<u>22,019</u>	<u>19,200</u>	<u>2,819</u>
Support Services-General Administration				
Personnel Services	0	26,663	26,507	156
Employee Benefits	0	9,593	8,534	1,059
Total Support Services-General Administration	<u>0</u>	<u>36,256</u>	<u>35,041</u>	<u>1,215</u>
Total Expenditures	<u>0</u>	<u>83,095</u>	<u>76,252</u>	<u>6,843</u>
Excess (Deficiency) of Revenues Over Expenditures	29,099	29,099	15,257	(13,842)
Cash Balance Beginning of Year	<u>(29,099)</u>	<u>(29,099)</u>	<u>(29,099)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,842)</u>	<u>\$ (13,842)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 15,257	
Net change in Due from Grantor			(17,052)	
Net change in Accounts Payable			1,795	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 58,831	\$ 22,916	\$ (35,915)
Total Revenues	<u>0</u>	<u>58,831</u>	<u>22,916</u>	<u>(35,915)</u>
Expenditures				
Instruction				
Supplies	0	6,014	2,616	3,398
Supply Assets	0	24,847	20,009	4,838
Total Instruction	<u>0</u>	<u>30,861</u>	<u>22,625</u>	<u>8,236</u>
Support Services-Students				
Personnel Services	0	19,638	15,929	3,709
Employee Benefits	0	8,332	4,481	3,851
Total Support Services-Students	<u>0</u>	<u>27,970</u>	<u>20,410</u>	<u>7,560</u>
Total Expenditures	<u>0</u>	<u>58,831</u>	<u>43,035</u>	<u>15,796</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(20,119)	(20,119)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (20,119)</u>	<u>\$ (20,119)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (20,119)	
Net change in Due from Grantor			20,119	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-USDA CHILD NUTRITION RECOVERY ACT-24218
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 36,446	\$ 14,896	\$ (21,550)
Total Revenues	<u>0</u>	<u>36,446</u>	<u>14,896</u>	<u>(21,550)</u>
Expenditures				
Food Services				
Fixed Assets	0	22,396	24,385	(1,989)
Supply Assets	<u>0</u>	<u>14,050</u>	<u>11,994</u>	<u>2,056</u>
Total Food Services	<u>0</u>	<u>36,446</u>	<u>36,379</u>	<u>67</u>
Total Expenditures	<u>0</u>	<u>36,446</u>	<u>36,379</u>	<u>67</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(21,483)	(21,483)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,483)</u>	<u>\$ (21,483)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,483)	
Net change in Due from Grantor			<u>21,483</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE FISCAL STABILIZATION PROGRAM FUND-25250
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 149,524	\$ 210,750	\$ 162,465	\$ (48,285)
Total Revenues	<u>149,524</u>	<u>210,750</u>	<u>162,465</u>	<u>(48,285)</u>
Expenditures				
Instruction				
Other Purchased Services	50,000	50,000	50,000	0
Supplies	<u>22,398</u>	<u>42,101</u>	<u>21,038</u>	<u>21,063</u>
Total Instruction	<u>72,398</u>	<u>92,101</u>	<u>71,038</u>	<u>21,063</u>
Support Services-General Administration				
Professional & Tech Services	<u>13,428</u>	<u>35,133</u>	<u>35,132</u>	<u>1</u>
Total Support Services-General Administration	<u>13,428</u>	<u>35,133</u>	<u>35,132</u>	<u>1</u>
Support Services-School Administration				
Employee Benefits	<u>0</u>	<u>11,802</u>	<u>11,802</u>	<u>0</u>
Total Support Services-School Administration	<u>0</u>	<u>11,802</u>	<u>11,802</u>	<u>0</u>
Operation & Maintenance of Plant				
Employee Benefits	0	3,016	3,016	0
Purchased Property Services	0	5,000	5,000	0
Other Purchased Services	<u>63,698</u>	<u>63,698</u>	<u>63,698</u>	<u>0</u>
Total Operation & Maintenance of Plant	<u>63,698</u>	<u>71,714</u>	<u>71,714</u>	<u>0</u>
Total Expenditures	<u>149,524</u>	<u>210,750</u>	<u>189,686</u>	<u>21,064</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(27,221)	(27,221)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (27,221)</u>	<u>\$ (27,221)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (27,221)	
Net change in Due from Grantor			<u>27,221</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2010

	<u>Agency Funds</u>
Assets	
Cash in Banks	\$ 45,718
Investments	<u>134,023</u>
Total Assets	<u>\$ 179,741</u>
Liabilities	
Deposits Held for Others	\$ 179,741
Total Liabilities	<u>\$ 179,741</u>

The notes to the financial statements are an integral part of this statement.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the SPRINGER MUNICIPAL SCHOOLS (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. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund consist of three sub funds. The first is the Operational Fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The second is the Teacherage Fund of the District and accounts for rental properties that are rented to teachers and administrators that work at the school. The Transportation Fund includes a state grant to provide transportation for students in the District. The Instructional Materials Fund accounts for a state grant to provide text books for students in the District.

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

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This account is accounted for using the economic resources measurement focus and the accrual basis of accounting.

Major Funds

The District reports the following major governmental funds:

GENERAL FUND (11000)(13000)(14000)

The General Fund consist of three sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

TITLE I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA B Entitlement (24106). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

IDEA, Part B Recovery Act (24206). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

USDA Child Nutrition Recovery Act (24218). To account for a program funded by a Federal grant to assist the District in providing equipment for the food service program. The fund was created by the authority of federal grant provisions.

State Fiscal Stabilization Program Fund (25250). The objectives of this grant are to support and restore funding for elementary and secondary education, to avoid reductions in budgets for education and other essential services in exchange for a commitment to advance essential education reforms. The fund was created by grant provisions.

Bond Building (31100). The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Debt Service Fund (41000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others, and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.

6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

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.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future periods.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B: DEPOSITS AND INVESTMENTS

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Wells Fargo	Balance Per Bank 06/30/10	Reconciled Balance	Type
<u>Name of Account</u>			
Springer School	16,769	16,769	Savings
A C Elizabeth Arellano Scholarship	9,590	9,590	Savings
TOTAL Deposited	26,359	\$ 26,359	
Less: FDIC Coverage	(26,359)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

International Bank	Balance Per Bank 06/30/10	Reconciled Balance	Type
<u>Name of Account</u>			
General Operations	\$ 80,000	\$ 80,000	Checking
Springer Municipal Schools	1,058,088	898,532	Checking
Insurance Clearing Account	67,905	0	Checking
TOTAL Deposited	1,205,993	\$ 978,532	
Less: FDIC Coverage	(1,205,993)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	698,430		
Over (Under) requirement	\$ 698,430		

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2010

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at Independent Bank:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
Espanola, NM Public School	296628BV1	\$ 200,000	7/1/2012 *	WF California
FHLB Non CBL	3133XDTB7	108,860	12/1/2012	WF California
FFCB Non CBL	31331X2Q4	110,720	9/1/2013 *	WF California
FHLB Non CBL	3133XKT V7	278,850	6/1/2014 *	WF California
		<u>\$ 698,430</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 1,232,352
Collateralized:	
Collateral held by the pledging bank in	
District's name	0
Over insured or over collateralized	0
Total Deposits	<u>\$ 1,232,352</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2010 none of the District's bank balance of \$1,225,170 was exposed to custodial credit risk.

Investments

Account Name: Springer School District-Sim Brown Scholarship Fund

Type of Investment:	Balance
	<u>06/30/10</u>
Domestic Equity	
US Large Cap Equity	\$ 10,425
US S&P Index	15,319
US Small/Mid Cap Equity	29,543
Non-US Equity	
Non-US Developed Markets Equity	24,110
Non-US Emerging Markets Equity	30,384
Bonds	
US Core Bonds	24,242
	<u>\$ 134,023</u>

Broker: New Mexico State Investment Council

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2010

Calculation of the net increase in the fair value of investments during the year:

Fair value at June 30, 2010	\$	134,022
Add Investment earning		3,666
Fees Charges		(413)
Less Distribution		(3,000)
Less Fair Value June 30, 2009		(117,732)
Increase in fair value of investments	\$	<u>16,543</u>

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. However, our portfolio is posted on the State Treasurer's website www.stonm.org and available for review by participants at any time.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.stonm.org. As of June 30, 2010, the LGIP WAM is 50 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

NOTE C: INTERFUND BALANCES

Interfund Balances year ending June 30, 2010 were as follows:

Loans To:	Loans From General-Operational
Title I	\$ 17,096
IDEA B Entitlement	13,842
IDEA B Recovery Act	20,119
USDA Child Nutrition Recovery Act	21,483
State Fiscal Stabilization Program Fund	27,221
Other Governmental Funds	14,064
	<u>113,825</u>

Loans were made from the General fund to above funds to cover the cash balances while awaiting reimbursements from PED. All loans are expected to be repaid within one year.

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2010:

	General	Debt Service	Other Governmental Funds Total	Total
Property Taxes				
Receivable:				
Available	\$ 149	\$ 2,952	\$ 2,197	\$ 5,298
Unavailable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Property Taxes	<u>\$ 149</u>	<u>\$ 2,952</u>	<u>\$ 2,197</u>	<u>\$ 5,298</u>

NOTE E: DEFERRED REVENUES

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2010:

Federal	\$ <u>28,668</u>
State Revenues	<u>0</u>
TOTAL Deferred Revenues	<u>\$ 28,668</u>

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2010

NOTE F: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2010, is as follows:

	Balance 6/30/09	Additions	Adjustments	Balance 6/30/10
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 8,126	\$ 0	\$ 0	\$ 8,126
Total Capital Assets not being Depreciated	<u>8,126</u>	<u>0</u>	<u>0</u>	<u>8,126</u>
Capital Assets, being Depreciated				
Buildings & Improvements	9,163,279	272,353	0	9,435,632
Equipment, Vehicles, Information	<u>1,021,793</u>	<u>320,300</u>	<u>0</u>	<u>1,342,093</u>
Total Capital Assets, being Depreciated	<u>10,185,072</u>	<u>592,653</u>	<u>0</u>	<u>10,777,725</u>
Total Capital Assets	\$ <u>10,193,198</u>	\$ <u>592,653</u>	\$ <u>0</u>	\$ <u>10,785,851</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 4,071,873	\$ 221,486	\$ 0	\$ 4,293,359
Equipment, Vehicles, Information	<u>488,667</u>	<u>87,948</u>	<u>0</u>	<u>576,615</u>
Total Accumulated Depreciation	<u>4,560,540</u>	<u>309,434</u>	<u>0</u>	<u>4,869,974</u>
Capital Assets, net	\$ <u>5,632,658</u>	\$ <u>283,219</u>	\$ <u>0</u>	\$ <u>5,915,877</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 309,434
Total depreciation expenses	<u>\$ 309,434</u>

NOTE G: LONG TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,385,000	\$ 500,000	\$ 155,000	\$ 1,730,000	\$ 165,000
Total Bonds	<u>1,385,000</u>	<u>500,000</u>	<u>155,000</u>	<u>1,730,000</u>	<u>165,000</u>
Other Liabilities					
Compensated					
Absences	13,597	13,435	15,952	11,080	11,080
Total Other Liabilities	<u>13,597</u>	<u>13,435</u>	<u>15,952</u>	<u>11,080</u>	<u>11,080</u>
Long-Term Liabilities	\$ <u>1,398,597</u>	\$ <u>513,435</u>	\$ <u>170,952</u>	\$ <u>1,741,080</u>	\$ <u>176,080</u>

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2010

Payments on the general obligation bonds are made by the Debt Service Funds.

Above Balance of Long-Term Debts	\$ 1,730,000
Issue Costs	(142,663)
Accumulated Amortization	23,789
Statement of Net Assets	<u>\$ 1,611,126</u>
Long-Term Per Government Wide Financial Statements	\$ 1,446,126
Current Portion	165,000
Statement of Net Assets	<u>\$ 1,611,126</u>

General Obligation Bonds.

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.

Series	Date of Issue	Original Amount	Interest Rate	Balance
2000	04/15/00	225,000	5.20%	\$ 100,000
2001	09/01/01	215,000	4.3%-4.8%	95,000
2002	10/01/02	185,000	3%-4.75%	60,000
2008	05/15/08	500,000	3%-5%	475,000
2009	06/15/09	500,000	3.5%-4.25%	500,000
2010	03/15/10	500,000	3.00%	500,000
				<u>\$ 1,730,000</u>

The annual requirements to amortize all of the general obligation bonds as of June 30, 2010, including interest payments are as follows:

	Principal	Interest	Total
2011	\$ 165,000	\$ 66,111	\$ 231,111
2012	145,000	58,628	203,628
2013	145,000	53,519	198,519
2014	175,000	47,900	222,900
2015	125,000	42,050	167,050
2016-2020	975,000	99,275	1,074,275
	<u>\$ 1,730,000</u>	<u>\$ 367,483</u>	<u>\$ 2,097,483</u>

NOTE H: COMMITMENTS

The District will spend \$600,000 for major capital repairs in the next fiscal year.

NOTE I: PENSION PLAN

Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Effective July 1, 2009, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions for both employee and employer's portion to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$315,337, \$321,640 and \$304,967 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2011	1.666%	0.833%
2012	1.834%	0.917%
2013	2.000%	1.000%

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$29,956, \$32,330 and \$32,190 respectively, which equal the required contributions for each year.

NOTE K: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

The reconciliation of budgetary basis to GAAP basis statements are located at the bottom of each budget actual.

NOTE L: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

NOTE M. SURETY BOND

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

NOTE N: JOINT POWERS AGREEMENTS

A joint powers agreement was entered into with the High Plains Regional Education Cooperative No. 3 (REC). The purpose of the agreement is 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 United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC paid expenditures on behalf of the District of \$77,336. The revenues and expenditures have been included in this audit report as required by SAO 2.2.2.12 C (3) (d). The REC funds include IDEA, Part B Entitlement, IDEA, Part B Discretionary, IDEA Preschool.

The High Plains Regional Education Cooperative No. 3 issues a separate, publicly available financial report that includes financial statements and required supplementary information. A copy of that audit report can be obtained by writing to the High Plains Regional Education Cooperative No. 3, 144 South First Street, Raton, New Mexico, 87740.

NOTE O. NEGATIVE FUND BALANCE

At the fiscal year end fund 28140-Coordinated Approach to Children had a negative fund balance of \$(97).

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 0	\$ 795	\$ 794	\$ (1)
Bond Proceeds	0	500,000	500,000	0
Total Revenues	<u>0</u>	<u>500,795</u>	<u>500,794</u>	<u>(1)</u>
Expenditures				
Debt Service				
Bond Issue Cost	0	46,710	46,709	1
Total Debt Service	<u>0</u>	<u>46,710</u>	<u>46,709</u>	<u>1</u>
Capital Outlay				
Fixed Assets	0	0	362,742	(362,742)
Supply Assets	451,701	705,786	107,076	598,710
Total Capital Outlay	<u>451,701</u>	<u>705,786</u>	<u>469,818</u>	<u>235,968</u>
Total Expenditures	<u>451,701</u>	<u>752,496</u>	<u>516,527</u>	<u>235,969</u>
Excess (Deficiency) of Revenues Over Expenditures	(451,701)	(251,701)	(15,733)	235,968
Cash Balance Beginning of Year	<u>604,750</u>	<u>604,750</u>	<u>604,750</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 153,049</u>	<u>\$ 353,049</u>	<u>\$ 589,017</u>	<u>\$ 235,968</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,733)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (15,733)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 195,709	\$ 195,709	\$ 224,408	\$ 28,699
Total Revenues	<u>195,709</u>	<u>195,709</u>	<u>224,408</u>	<u>28,699</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	1,956	2,245	2,244	1
Total Support Services-General Administration	<u>1,956</u>	<u>2,245</u>	<u>2,244</u>	<u>1</u>
Debt Service				
Principal	130,000	155,000	155,000	0
Interest	43,815	73,253	73,253	0
Total Debt Service	<u>173,815</u>	<u>228,253</u>	<u>228,253</u>	<u>0</u>
Total Expenditures	<u>175,771</u>	<u>230,498</u>	<u>230,497</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	19,938	(34,789)	(6,089)	28,700
Cash Balance Beginning of Year	<u>170,795</u>	<u>170,795</u>	<u>170,795</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 190,733</u>	<u>\$ 136,006</u>	<u>\$ 164,706</u>	<u>\$ 28,700</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,089)	
Net change in Taxes Receivable			3,476	
Net change in Current Portion Interest			19,000	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 16,387</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

Preschool IDEA B (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

Fresh Fruit & Vegetable Program (24118). To account for a Federal grant to provide a variety of free fresh fruits and vegetables to children to help create a healthier school environment. Funding is authorized by the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act, signed in November 2005, Public Law 109-97.

Title V (24150). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Teacher/Principal Training (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Safe & Drug Free Schools (24157). To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act , Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

Title I Recovery Act (24201). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

IDEA Preschool Recovery Act (24209). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

NONMAJOR SPECIAL REVENUE FUNDS

Medicaid (25153). To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Child Care Block Grant CYFD (25157) Children Youth and Family funded, pays for childcare for those meeting low income criteria

Child & Adult Food Program (25171). To account for grant funds to provide meals and snacks to children enrolled in day care. This program is in accordance with the federal regulation 7 CFR part 226.6(h) and is monitored by the New Mexico Children, Youth and Families Department.

Rural Education Achievement Program (25233) To provide financial assistance to rural districts 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.

Technology for Education (27117). To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

Incentives for School Improvements (27138). To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

Beginning Teacher Mentoring (27154). To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades six through eight. The fund was created by state grant provisions.

Breakfast for Elementary Students (27155). To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

Legislative Appropriations (27165). To account for a legislative grant for the purpose of purchasing technology equipment. The fund was created by the authority of state grant.

Libraries GO Bonds (27170).To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

NONMAJOR SPECIAL REVENUE FUNDS

State Directed Activities (27200). To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state provisions.

Rural Revitalization (27503). To account for revenues and expenditures from a state grant for discovery, development, and the use of resources of the community as part of the educational facilities of the school. The fund was created by state grant provisions.

Library Books (27549). To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

Coordinated Approach to Children (28140) Funding for a research-based physical activity and nutrition diabetes prevention program. Includes components of nutrition, physical activity,, family involvement and school food service.

Silver Wellness Center (29125). To account for revenues and expenditures from local sources provided for the salaries, benefits, equipment and supplies for the childcare center. The fund was created by grant provisions.

NONMAJOR CAPITAL PROJECTS FUNDS

Public School Capital Outlay-State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

Senate Bill Nine-(31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

NONMAJOR DEBT SERVICE FUND

Education Technology (43000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 4,129	\$ 570	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	1,669
Inventory	1,310	0	0
Total Assets	<u>\$ 5,439</u>	<u>\$ 570</u>	<u>\$ 1,669</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 1,669
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,669</u>
Fund Balance			
Reserved for:			
Inventory	1,310	0	0
Special Revenue Funds	4,129	570	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	<u>5,439</u>	<u>570</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 5,439</u>	<u>\$ 570</u>	<u>\$ 1,669</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	Title V 24150	Teacher/ Principal Training 24154
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 5,721
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 5,721
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Deferred Revenue	0	0	5,721
Total Liabilities	0	0	5,721
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 5,721

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		
	Safe & Drug Free Schools 24157	Title I Recovery Act 24201	IDEA Preschool Recovery Act 24209
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	11,172	1,126
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 11,172</u>	<u>\$ 1,126</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 11,172	\$ 1,126
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>11,172</u>	<u>1,126</u>
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 11,172</u>	<u>\$ 1,126</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		
	Medicaid 25153	Child Care Block Grant CYFD 25157	Child & Adult Food Program 25171
ASSETS			
Cash and Cash Equivalents	\$ 10,738	\$ 19,398	\$ 3,549
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 10,738	\$ 19,398	\$ 3,549
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Deferred Revenue	0	19,398	3,549
Total Liabilities	0	19,398	3,549
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	10,738	0	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	10,738	0	0
Total Liabilities and Fund Balance	\$ 10,738	\$ 19,398	\$ 3,549

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		
	Rural Education Achievement Program 25233	Technology For Education 27117	Incentives For School Improvement 27138
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 2,125	\$ 1,580
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 2,125	\$ 1,580
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Deferred Revenue	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	2,125	1,580
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	0	2,125	1,580
Total Liabilities and Fund Balance	\$ 0	\$ 2,125	\$ 1,580

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		
	Beginning Teacher Mentoring 27154	Breakfast for Elementary Students 27155	Legislation Appropriation 27165
ASSETS			
Cash and Cash Equivalents	\$ 1,068	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 1,068	\$ 0	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Deferred Revenue	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	1,068	0	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	1,068	0	0
Total Liabilities and Fund Balance	\$ 1,068	\$ 0	\$ 0

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		
	Libraries GO Bonds 27170	Rural Revitalization 27503	GO Library Books 27549
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 599
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 599
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Deferred Revenue	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	599
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	0	0	599
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 599

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Fund		Capital Projects
	Coordinated Approach to Children 28140	Silver Wellness Center 29125	Public School Capital Outlay-State 31400
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 14,784	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 14,784</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 97	\$ 0	\$ 0
Deferred Revenue	0	0	0
Total Liabilities	<u>97</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	(97)	14,784	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
Capital Projects	0	0	0
Total Fund Balances	<u>(97)</u>	<u>14,784</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 14,784</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	<u>Capital Projects</u>	<u>Debt Service</u>	
	Senate Bill Nine 31700	Education Technology 43000	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 23,034	\$ 7,777	\$ 95,072
Receivables			
Taxes	1,742	411	2,153
Due From Grantor	0	0	13,967
Inventory	0	0	1,310
Total Assets	<u>\$ 24,776</u>	<u>\$ 8,188</u>	<u>\$ 112,502</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 14,064
Deferred Revenue	0	0	28,668
Total Liabilities	<u>0</u>	<u>0</u>	<u>42,732</u>
Fund Balance			
Reserved for:			
Inventory	0	0	1,310
Special Revenue Funds	0	0	35,496
Retirement of Long-Term Debt	0	8,188	8,188
Unreserved, Undesignated, reported in:			
Capital Projects	24,776	0	24,776
Total Fund Balances	<u>24,776</u>	<u>8,188</u>	<u>69,770</u>
Total Liabilities and Fund Balance	<u>\$ 24,776</u>	<u>\$ 8,188</u>	<u>\$ 112,502</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	11,205	39,798	0
State & Local Grants	0	0	0
Federal Grants	98,379	0	2,879
Total Revenues	<u>109,584</u>	<u>39,798</u>	<u>2,879</u>
Expenditures			
Current			
Instruction	0	37,734	2,879
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Services	107,275	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>107,275</u>	<u>37,734</u>	<u>2,879</u>
Excess (Deficiency) of Revenues Over Expenditures	2,309	2,064	0
Fund Balances at Beginning of Year	<u>3,130</u>	<u>(1,494)</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 5,439</u>	<u>\$ 570</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	Title V 24150	Teacher/ Principal Training 24154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	3,280	1,212	17,117
Total Revenues	<u>3,280</u>	<u>1,212</u>	<u>17,117</u>
Expenditures			
Current			
Instruction	3,280	1,212	17,117
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,280</u>	<u>1,212</u>	<u>17,117</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Safe & Drug		IDEA
	Free	Title I	Preschool
	Schools	Recovery Act	Recovery Act
	24157	24201	24209
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	2,664	48,090	1,126
Total Revenues	<u>2,664</u>	<u>48,090</u>	<u>1,126</u>
Expenditures			
Current			
Instruction	2,664	17,451	1,126
Support Services-Students	0	29,971	0
Support Services-General Administration	0	668	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,664</u>	<u>48,090</u>	<u>1,126</u>
Excess (Deficiency) of Revenues			
Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Medicaid	Child Care Block Grant CYFD	Child & Adult Food Program
	25153	25157	25171
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>10,738</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 10,738</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Rural Education Achievement Program 25233	Technology For Education 27117	Incentives For School Improvement 27138
	<u>25233</u>	<u>27117</u>	<u>27138</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	2,021	0
Federal Grants	4,750	0	0
Total Revenues	<u>4,750</u>	<u>2,021</u>	<u>0</u>
Expenditures			
Current			
Instruction	4,750	1,100	4,092
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>4,750</u>	<u>1,100</u>	<u>4,092</u>
Excess (Deficiency) of Revenues Over Expenditures	0	921	(4,092)
Fund Balances at Beginning of Year	<u>0</u>	<u>1,204</u>	<u>5,672</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 2,125</u>	<u>\$ 1,580</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Beginning Teacher Mentoring 27154	Breakfast for Elementary Students 27155	Legislation Appropriation 27165
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	1,068	2,358	0
Federal Grants	0	0	0
Total Revenues	<u>1,068</u>	<u>2,358</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Services	0	2,358	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>2,358</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,068	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,068</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		
	Libraries GO Bonds 27170	Rural Revitalization 27503	GO Library Books 27549
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	873	599
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>873</u>	<u>599</u>
Expenditures			
Current			
Instruction	0	873	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>873</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	599
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 599</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue Fund		Capital Projects
	Coordinated Approach to Children 28140	Silver Wellness Center 29125	Public School Capital Outlay-State 31400
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	13,561	22,212
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>13,561</u>	<u>22,212</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	102	0	0
Support Services-General Administration	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	22,212
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>102</u>	<u>0</u>	<u>22,212</u>
Excess (Deficiency) of Revenues Over Expenditures	(102)	13,561	0
Fund Balances at Beginning of Year	<u>5</u>	<u>1,223</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (97)</u>	<u>\$ 14,784</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	<u>Capital Projects</u>	<u>Debt Service</u>	
	Senate Bill Nine 31700	Education Technology 43000	<u>Total</u>
Revenues			
Property Taxes	\$ 58,750	\$ 2,788	\$ 61,538
Fees	0	0	51,003
State & Local Grants	55,834	0	98,526
Federal Grants	0	0	179,497
Total Revenues	<u>114,584</u>	<u>2,788</u>	<u>390,564</u>
Expenditures			
Current			
Instruction	0	0	94,278
Support Services-Students	0	0	30,073
Support Services-General Administration	580	36	1,284
Food Services	0	0	109,633
Capital Outlay	76,239	0	98,451
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>76,819</u>	<u>36</u>	<u>333,719</u>
Excess (Deficiency) of Revenues Over Expenditures	37,765	2,752	56,845
Fund Balances at Beginning of Year	<u>(12,989)</u>	<u>5,436</u>	<u>12,925</u>
Fund Balance End of Year	<u>\$ 24,776</u>	<u>\$ 8,188</u>	<u>\$ 69,770</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 12,750	\$ 12,750	\$ 11,205	\$ (1,545)
Federal Grants	90,000	90,000	98,767	8,767
Total Revenues	<u>102,750</u>	<u>102,750</u>	<u>109,972</u>	<u>7,222</u>
Expenditures				
Food Service				
Personnel Services	37,724	38,441	38,370	71
Employee Benefits	24,803	24,940	24,573	367
Other Purchased Services	0	142	142	0
Supplies	40,223	39,227	37,839	1,388
Total Food Service	<u>102,750</u>	<u>102,750</u>	<u>100,924</u>	<u>1,826</u>
Total Expenditures	<u>102,750</u>	<u>102,750</u>	<u>100,924</u>	<u>1,826</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	9,048	9,048
Cash Balance Beginning of Year	<u>(4,919)</u>	<u>(4,919)</u>	<u>(4,919)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (4,919)</u>	<u>\$ (4,919)</u>	<u>\$ 4,129</u>	<u>\$ 9,048</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,048	
Net change in Due from Grantor			(6,755)	
Net change in Inventory			16	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,309</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 25,000	\$ 39,767	\$ 39,798	\$ 31
Total Revenues	<u>25,000</u>	<u>39,767</u>	<u>39,798</u>	<u>31</u>
Expenditures				
Instruction				
Professional & Tech Services	0	470	440	30
Other Purchased Services	12,500	20,312	19,915	397
Supplies	12,500	18,895	18,925	(30)
Total Instruction	<u>25,000</u>	<u>39,677</u>	<u>39,280</u>	<u>397</u>
Total Expenditures	<u>25,000</u>	<u>39,677</u>	<u>39,280</u>	<u>397</u>
Excess (Deficiency) of Revenues Over Expenditures	0	90	518	428
Cash Balance Beginning of Year	<u>52</u>	<u>52</u>	<u>52</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 52</u>	<u>\$ 142</u>	<u>\$ 570</u>	<u>\$ 428</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 518	
Net change in Accounts Payable			<u>1,546</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,064</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND- IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 3,513	\$ 8,801	\$ 807	\$ (7,994)
Total Revenues	<u>3,513</u>	<u>8,801</u>	<u>807</u>	<u>(7,994)</u>
Expenditures				
Instruction				
Other Purchased Services	3,916	9,204	2,879	6,325
Total Instruction	<u>3,916</u>	<u>9,204</u>	<u>2,879</u>	<u>6,325</u>
Total Expenditures	<u>3,916</u>	<u>9,204</u>	<u>2,879</u>	<u>6,325</u>
Excess (Deficiency) of Revenues Over Expenditures	(403)	(403)	(2,072)	(1,669)
Cash Balance Beginning of Year	<u>403</u>	<u>403</u>	<u>403</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,669)</u>	<u>\$ (1,669)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,072)	
Net change in Due from Grantor			1,669	
Net change in Deferred Revenue			<u>403</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FRESH FRUIT & VEGETABLES-24118
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 3,600	\$ 3,280	\$ (320)
Total Revenues	<u>0</u>	<u>3,600</u>	<u>3,280</u>	<u>(320)</u>
Expenditures				
Instruction				
Supplies	0	3,600	3,280	320
Total Instruction	<u>0</u>	<u>3,600</u>	<u>3,280</u>	<u>320</u>
Total Expenditures	<u>0</u>	<u>3,600</u>	<u>3,280</u>	<u>320</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 395	\$ 2,002	\$ 1,607	\$ (395)
Total Revenues	<u>395</u>	<u>2,002</u>	<u>1,607</u>	<u>(395)</u>
Expenditures				
Instruction				
Other Purchased Services	0	0	1,212	(1,212)
Supplies	<u>0</u>	<u>1,607</u>	<u>0</u>	<u>1,607</u>
Total Instruction	<u>0</u>	<u>1,607</u>	<u>1,212</u>	<u>395</u>
Total Expenditures	<u>0</u>	<u>1,607</u>	<u>1,212</u>	<u>395</u>
Excess (Deficiency) of Revenues Over Expenditures	395	395	395	0
Cash Balance Beginning of Year	<u>(395)</u>	<u>(395)</u>	<u>(395)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 395	
Net Change in Due from Grantor			<u>(395)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 39,006	\$ 35,804	\$ 41,524	\$ 5,720
Total Revenues	<u>39,006</u>	<u>35,804</u>	<u>41,524</u>	<u>5,720</u>
Expenditures				
Instruction				
Personnel Services	5,000	630	630	0
Employee Benefits	998	132	132	0
Professional & Tech Services	12,056	17,855	17,854	1
Other Purchased Services	6,000	1,885	1,885	0
Supplies	0	350	350	0
Total Instruction	<u>24,054</u>	<u>20,852</u>	<u>20,851</u>	<u>1</u>
Total Expenditures	<u>24,054</u>	<u>20,852</u>	<u>20,851</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	14,952	14,952	20,673	5,721
Cash Balance Beginning of Year	<u>(14,952)</u>	<u>(14,952)</u>	<u>(14,952)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>5,721</u>	\$ <u>5,721</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 20,673	
Net change in Due from Grantor			(18,686)	
Net change in Accounts Payable			3,734	
Net change in Deferred Revenue			(5,721)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 1,212	\$ 2,768	\$ 2,664	\$ (104)
Total Revenues	<u>1,212</u>	<u>2,768</u>	<u>2,664</u>	<u>(104)</u>
Expenditures				
Instruction				
Supplies	<u>1,212</u>	<u>2,768</u>	<u>2,664</u>	<u>104</u>
Total Instruction	<u>1,212</u>	<u>2,768</u>	<u>2,664</u>	<u>104</u>
Total Expenditures	<u>1,212</u>	<u>2,768</u>	<u>2,664</u>	<u>104</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE I RECOVERY ACT-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 24,277	\$ 48,301	\$ 36,918	\$ (11,383)
Total Revenues	<u>24,277</u>	<u>48,301</u>	<u>36,918</u>	<u>(11,383)</u>
Expenditures				
Instruction				
Personnel Services	4,735	4,970	4,969	1
Employee Benefits	943	1,012	1,010	2
Supply Assets	17,931	11,472	11,472	0
Total Instruction	<u>23,609</u>	<u>17,454</u>	<u>17,451</u>	<u>3</u>
Support Services-Students				
Personnel Services	0	19,033	19,032	1
Employee Benefits	0	11,146	10,939	207
Total Support Services-Students	<u>0</u>	<u>30,179</u>	<u>29,971</u>	<u>208</u>
Support Services-General Administration				
Professional & Tech Services	668	668	668	0
Total Support Services-General Administration	<u>668</u>	<u>668</u>	<u>668</u>	<u>0</u>
Total Expenditures	<u>(24,277)</u>	<u>(48,301)</u>	<u>(48,090)</u>	<u>(211)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(11,172)	(11,594)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,172)</u>	<u>\$ (11,594)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (11,172)	
Net change in Due from Grantor			<u>11,172</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA PRESCHOOL RECOVERY ACT-24209
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 1,126	\$ 0	\$ (1,126)
Total Revenues	<u>0</u>	<u>1,126</u>	<u>0</u>	<u>(1,126)</u>
Expenditures				
Instruction				
Supplies	0	1,126	1,126	0
Total Instruction	<u>0</u>	<u>1,126</u>	<u>1,126</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,126</u>	<u>1,126</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,126)	(1,126)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,126)</u>	<u>\$ (1,126)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,126)	
Net change in Due from Grantor			<u>1,126</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>10,738</u>	<u>10,738</u>	<u>10,738</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,738</u>	<u>\$ 10,738</u>	<u>\$ 10,738</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-CHILD CARE BLOCK GRANT CYFD-25157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 16,404	\$ 16,404
Total Revenues	<u>0</u>	<u>0</u>	<u>16,404</u>	<u>16,404</u>
Expenditures				
Support Services-Students				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	16,404	16,404
Cash Balance Beginning of Year	<u>2,994</u>	<u>2,994</u>	<u>2,994</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,994</u>	<u>\$ 2,994</u>	<u>\$ 19,398</u>	<u>\$ 16,404</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 16,404	
Net change in Deferred Revenue			<u>(16,404)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-CHILD & ADULT FOOD PROGRAM-25171
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 440	\$ 440
Total Revenues	<u>0</u>	<u>0</u>	<u>440</u>	<u>440</u>
Expenditures				
Support Services-Students				
Supplies	0	0	0	0
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	440	440
Cash Balance Beginning of Year	<u>3,109</u>	<u>3,109</u>	<u>3,109</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,109</u>	<u>\$ 3,109</u>	<u>\$ 3,549</u>	<u>\$ 440</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 440	
Net Change in Deferred Revenue			<u>(440)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 4,750	\$ 4,750	\$ 0
Total Revenues	<u>0</u>	<u>4,750</u>	<u>4,750</u>	<u>0</u>
Expenditures				
Instruction				
Supply Assets	0	4,750	4,750	0
Total Instruction	<u>0</u>	<u>4,750</u>	<u>4,750</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,750</u>	<u>4,750</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,957	\$ 2,021	\$ 64
Total Revenues	<u>0</u>	<u>1,957</u>	<u>2,021</u>	<u>64</u>
Expenditures				
Instruction				
Supply Assets	0	6,078	4,017	2,061
Total Instruction	<u>0</u>	<u>6,078</u>	<u>4,017</u>	<u>2,061</u>
Total Expenditures	<u>0</u>	<u>6,078</u>	<u>4,017</u>	<u>2,061</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(4,121)	(1,996)	2,125
Cash Balance Beginning of Year	<u>4,121</u>	<u>4,121</u>	<u>4,121</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,121</u>	<u>\$ 0</u>	<u>\$ 2,125</u>	<u>\$ 2,125</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,996)	
Net change in Accounts Payables			<u>2,917</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 921</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	1,500	919	581
Supplies	0	4,172	3,173	999
Total Instruction	<u>0</u>	<u>5,672</u>	<u>4,092</u>	<u>1,580</u>
Total Expenditures	<u>0</u>	<u>5,672</u>	<u>4,092</u>	<u>1,580</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(5,672)	(4,092)	1,580
Cash Balance Beginning of Year	<u>5,672</u>	<u>5,672</u>	<u>5,672</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,672</u>	<u>\$ 0</u>	<u>\$ 1,580</u>	<u>\$ 1,580</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (4,092)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (4,092)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 1,068	\$ 1,068
Total Revenues	<u>0</u>	<u>0</u>	<u>1,068</u>	<u>1,068</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,068	1,068
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,068</u>	<u>\$ 1,068</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 1,068</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,068</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY STUDENTS-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 2,358	\$ 2,358	\$ 0
Total Revenues	<u>0</u>	<u>2,358</u>	<u>2,358</u>	<u>0</u>
Expenditures				
Food Service				
Supplies	0	2,358	2,358	0
Total Food Service	<u>0</u>	<u>2,358</u>	<u>2,358</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>2,358</u>	<u>2,358</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LAWS OF NEW MEXICO-27165
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 11,332	\$ 11,332	\$ 11,332	\$ 0
Total Revenues	<u>11,332</u>	<u>11,332</u>	<u>11,332</u>	<u>0</u>
Expenditures				
Instruction				
Supply Assets	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	11,332	11,332	11,332	0
Cash Balance Beginning of Year	<u>(11,332)</u>	<u>(11,332)</u>	<u>(11,332)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,332	
Net change in Due from Grantor			<u>(11,332)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARIES GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 12,314	\$ 12,314	\$ 12,314	\$ 0
Total Revenues	<u>12,314</u>	<u>12,314</u>	<u>12,314</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	12,314	12,314	12,314	0
Cash Balance Beginning of Year	<u>(12,314)</u>	<u>(12,314)</u>	<u>(12,314)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,314	
Net change in Due from Grantor			<u>(12,314)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-RURAL REVITALIZATION-27503
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 10,000	\$ 11,000	\$ 10,873	\$ (127)
Total Revenues	<u>10,000</u>	<u>11,000</u>	<u>10,873</u>	<u>(127)</u>
Expenditures				
Instruction				
Supply Assets	0	1,000	873	127
Total Instruction	<u>0</u>	<u>1,000</u>	<u>873</u>	<u>127</u>
Total Expenditures	<u>0</u>	<u>1,000</u>	<u>873</u>	<u>127</u>
Excess (Deficiency) of Revenues Over Expenditures	10,000	10,000	10,000	0
Cash Balance Beginning of Year	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,000	
Net change in Due from Grantor			<u>(10,000)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-GO LIBRARY BOOKS-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 599	\$ 599
Total Revenues	<u>0</u>	<u>0</u>	<u>599</u>	<u>599</u>
Expenditures				
Instruction				
Supply Assets	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	599	599
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 599</u>	<u>\$ 599</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 599</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 599</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-COORDINATED APPROACH TO CHILDREN-28140
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 245	\$ 0	\$ (245)
Total Revenues	<u>0</u>	<u>245</u>	<u>0</u>	<u>(245)</u>
Expenditures				
Support Services-Students				
Supplies	0	250	102	148
Total Support Services-Students	<u>0</u>	<u>250</u>	<u>102</u>	<u>148</u>
Total Expenditures	<u>0</u>	<u>250</u>	<u>102</u>	<u>148</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(5)	(102)	(97)
Cash Balance Beginning of Year	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5</u>	<u>\$ 0</u>	<u>\$ (97)</u>	<u>\$ (97)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (102)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (102)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-SILVER WELLNESS CENTER-29125
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 13,561	\$ 13,561
Total Revenues	<u>0</u>	<u>0</u>	<u>13,561</u>	<u>13,561</u>
Expenditures				
Support Services-Students				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	13,561	13,561
Cash Balance Beginning of Year	<u>1,223</u>	<u>1,223</u>	<u>1,223</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,223</u>	<u>\$ 1,223</u>	<u>\$ 14,784</u>	<u>\$ 13,561</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 13,561</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 13,561</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 CAPITAL PROJECTS FUND-PUBLIC SCHOOL CAPITAL OUTLAY-STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 22,212	\$ 22,212	\$ 0
Total Revenues	<u>0</u>	<u>22,212</u>	<u>22,212</u>	<u>0</u>
Expenditures				
Capital Outlay				
Land Improvements	0	22,212	22,212	0
Total Capital Outlay	<u>0</u>	<u>22,212</u>	<u>22,212</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>22,212</u>	<u>22,212</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 58,884	\$ 58,884	\$ 58,031	\$ (853)
State Grant	0	55,833	55,833	0
Total Revenues	<u>58,884</u>	<u>114,717</u>	<u>113,864</u>	<u>(853)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	589	813	580	233
Total Support Services-General Administration	<u>589</u>	<u>813</u>	<u>580</u>	<u>233</u>
Capital Outlay				
Purchased Property Services	40,000	57,591	47,824	9,767
Supplies	15,000	22,409	19,955	2,454
Supply Assets	3,295	10,295	10,264	31
Total Capital Outlay	<u>58,295</u>	<u>90,295</u>	<u>78,043</u>	<u>12,252</u>
Total Expenditures	<u>(58,884)</u>	<u>(91,108)</u>	<u>(78,623)</u>	<u>(12,485)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	23,609	35,241	(13,338)
Cash Balance Beginning of Year	<u>(12,207)</u>	<u>(12,207)</u>	<u>(12,207)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(12,207)</u>	\$ <u>11,402</u>	\$ <u>23,034</u>	\$ <u>(13,338)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 35,241	
Net change in Taxes Receivable			719	
Net change in Accounts Payable			1,805	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 37,765</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOL DISTRICT
DEBT SERVICE-EDUCATION TECHNOLOGY-43000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 0	\$ 3,525	\$ 3,550	\$ 25
Total Revenues	<u>0</u>	<u>3,525</u>	<u>3,550</u>	<u>25</u>
Expenditures				
Support Services-General Administration				
Purchased Services	0	36	35	1
Total Support Services-General Administration	<u>0</u>	<u>36</u>	<u>35</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>36</u>	<u>35</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	0	3,489	3,515	26
Cash Balance Beginning of Year	<u>4,262</u>	<u>4,262</u>	<u>4,262</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,262</u>	<u>\$ 7,751</u>	<u>\$ 7,777</u>	<u>\$ 26</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,515	
Net change in Taxes Receivable			<u>(763)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,752</u>	

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2010

	Balance 06/30/09	Additions	Deletions	Balance 06/30/10
Sim Brown Scholarship	\$ 1,026	\$ 3,100	\$ 3,500	\$ 626
SECCC Scholarship	1,014	0	0	1,014
Teen Center Concessions	2,540	820	3,360	0
Teen Center Games	521	0	521	0
HS Library	732	0	0	732
Investment-Sim Brown School	117,732	19,704	3,413	134,023
Class 2012	174	50	0	224
Elementary Library	2,771	2,432	1,900	3,303
Elem Activity	0	1,101	399	702
Silk Screening	(2,514)	10,318	7,248	556
Class of 2009	37	0	37	0
Class of 2010	1,525	3,143	4,668	0
Class of 2011	44	3,038	2,487	595
Class of 2013	50	25	0	75
High School Activity	379	1,435	1,604	210
Yearbook	347	490	837	0
ES Dellinger Scholarship	0	192	103	89
HS Honor Society	116	0	116	0
BPA	12	0	12	0
Cheerleaders	169	4,503	4,535	137
TSA	803	0	803	0
Athletic Fund Raiser	0	3,993	3,795	198
Springer Book	1,530	0	530	1,000
High School Mesa	391	200	217	374
JR High School Mesa	410	571	583	398
Arellano Scholarship-CD	16,651	118	0	16,769
Dellinger Scholarship-CD	9,587	0	0	9,587
AR Program	8,502	11,558	10,931	9,129
Payroll Clearing Account	68,146	0	68,146	0
	<u>\$ 232,695</u>	<u>\$ 66,791</u>	<u>\$ 119,745</u>	<u>\$ 179,741</u>
LIABILITIES				
Deposits Held for Others	\$ 232,695	\$ 66,791	\$ 119,745	\$ 179,741
Total Liabilities	<u>\$ 232,695</u>	<u>\$ 66,791</u>	<u>\$ 119,745</u>	<u>\$ 179,741</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2010

		Beginning Cash Balance 6/30/09	Revenue	Expenditures	Ending Cash Balance 6/30/10
Operational	11000	\$ 70,222	\$ 2,556,059	\$ 2,458,533	\$ 167,748
Transportation	13000	51,262	190,796	190,750	51,308
Instructional Materials	14000	8,953	13,665	17,471	5,147
Food Services	21000	(4,919)	109,972	100,924	4,129
Athletics	22000	52	39,798	39,280	570
Federal Flowthrough	24000	(96,761)	322,974	306,999	(80,786)
Federal Direct	25000	16,841	184,060	194,437	6,464
State Flowthrough	27000	(23,853)	40,566	11,340	5,373
State Direct	28000	5	0	102	(97)
Local/State	29000	1,223	13,560	0	14,783
Bond Building	31100	604,750	500,794	516,527	589,017
Special Capital Outlay State	31400	0	22,212	22,212	0
Senate Bill Nine	31700	(12,207)	113,865	78,624	23,034
Debt Service	41000	170,795	224,408	230,497	164,706
Debt Service-Ed Tech	43000	4,262	3,550	35	7,777
Agency Funds		232,695	66,791	119,745	179,741
Total		<u>\$ 1,023,320</u>	<u>\$ 4,403,070</u>	<u>\$ 4,287,476</u>	<u>\$ 1,138,914</u>

The notes to the financial statements are an integral part of this statement.

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2010

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department			
Child Nutrition Cluster			
USDA National School Lunch Program	10.555	21000	\$ 56,152
USDA School Breakfast Program	10.553	21000	35,860
USDA Child Nutrition Recovery Act	10.551	24218	36,379
Total Child Nutrition Cluster			<u>128,391</u>
Fresh Fruit & Vegetables	10.582	24118	3,280
Pass-through State Department of Human Services			
USDA Commodities Program	10.550	21000 (1)	6,367
Direct Program			
Forest Reserve	10.670	21000	5,850
Total U. S. Department of Agriculture			<u>\$ 143,888</u>
<u>U. S. Department of Education</u>			
Special Education Cluster			
Pass-through High Plains Regional Education Cooperative No. 3			
IDEA B	84.027	24106	\$ 74,457
IDEA Preschool	84.173	24109	2,879
Pass-through State Public Education Department			
IDEA B Recovery Act	84.391	24206	43,034
IDEA Preschool Recovery Act	84.392	24209	1,126
Total Special Education Cluster			<u>121,496</u>
Title I	84.010	24101	71,152
Title I Recovery Act	84.389	24201	48,090
Title II	84.367	24154	17,117
Title IV	84.186A	24157	2,664
Title V	84.332	24150	1,212
State Fiscal Stabilization Fund	84.394	25250	189,686
Direct Program:			
Rural Education Achievement Program	84.358A	25233	4,750
Total U. S. Department of Education			<u>\$ 456,167</u>
Total Federal Assistance			<u>\$ 600,055</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO

SPRINGER MUNICIPAL SCHOOLS

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2010

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the SPRINGER MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of SPRINGER MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as 10-1, 10-2, 10-3, 10-4, 10-5 and 10-6.

Compliance and Other Matters

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

The District's responses to the findings identified in our audit as described in the accompanying schedule of findings and questioned cost. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby, CPA PC

November 9, 2010

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the SPRINGER MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

Compliance

We have audited SPRINGER MUNICIPAL SCHOOLS (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

De'Aun Willoughby CPA PC

November 9, 2010

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- * Significant deficiencies __yes X no
- * Significant deficiency(ies) identified that are not considered to be material weaknesses? __yes X none reported
- Noncompliance material to financial statements noted? __yes X no

Federal Awards

Internal control over major programs:

- * Significant deficiencies __yes X no
- * Significant deficiency(ies) identified that are not considered to be material weaknesses? __yes X none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 __yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
10.555	USDA National School Lunch Program
10.553	USDA School Breakfast Program
10.551	USDA Child Nutrition Recovery Act
84.394	State Fiscal Stabilization Program Fund
	SPECIAL EDUCATION CLUSTER
84.027	IDEA B
84.391	IDEA B Recovery Act
84.173	IDEA Preschool
84.392	IDEA Preschool Recovery Act

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low risk auditee __yes X no

Prior Year Audit Findings

There were no previous year audit findings.

Current Year Audit Findings

10-1 Employee Files

Condition

In a test of 20 employee files, we noted 8 instances of incomplete I-9's and 2 instances of no background checks.

Criteria

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School district shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, direct deposit authorizations, pay or position change notices and ERA plan application. The Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a I-9 within 3 days of hire.

Effect

The District is not in compliance with the Immigration Reform and Control Act or with New Mexico State Statutes. The District could be at risk of substantial fines for failure to maintain I-9's.

Cause

The District was unaware that the employees had incomplete files.

Recommendation

We recommend the District obtain all required information and retain the necessary documents in the personnel files. The District should make periodic checks to ensure all required information is being maintained.

Response

We have reviewed all personnel files and have included the missing items.

10-2 Reporting of NMPSIA

Condition

During our 100 percent sample of 45 employees paying into NMPSIA we determined 8 of those employees' percentages were wrong. This caused the District to over pay their portion of NMPSIA for the fiscal year by \$1,768.

Criteria

New Mexico Public Districts Insurance Authority-Employee Benefits Rules and Regulations Program guide July 2010.

Effect

Because the proper procedures are not being followed the District could have additional expenditures.

Cause

The tier system implemented by NMPSIA has caused the problems with the percentages. Employees were given a stipend after the initial payroll amount was entered in the Visions software. The entry was not updated for the stipends. The disability issues was caused by a incorrect setup

Recommendation

We suggest the business manager contract another district to learn procedures and implement excel worksheets to review calculations before each payroll.

Response

We have corrected the issue and will review payroll reports before submission.

10-3 Reporting of RHCA

Condition

During the payroll sampling we noticed that of the 12 months, wages of \$14,664.52 were under reported to RHCA. Employee percentage totaled \$95.32 and Employer percentage totaled \$190.64 for a total of \$285.96.

Criteria

The Office of the State Auditor has added NMRHCA to their 2010 State Auditor Rule under State Compliance, Section 2.2.2.10 (G) (19). The rule states: "Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978). Auditors should test to ensure 100% of payroll is reported to NMRHCA. RHCA employer and employee contributions are set forth in Section 10-7C-15 NMSA 1978. As of June 30, 2010 the contribution rates will increase. See applicable statute for more information.

Effect

Because the employees were not substitutes, or less than .25 FTE RHCCA contributions should have been made by both employee and employer. As a result the District has misreported its wages to the NMRHCA and is out of compliance with the state statute. The District also could have additional expenditures due to mistake.

Cause

There was a conversion of software to Enterprise Visions. During the conversion, the payroll setup was not correct.

Recommendation

We recommend that the district properly report wages to the NMRHCA Board and implement procedures to ensure wages are properly reported and contributions are paid accurately and timely.

Response

We have corrected the issue and will review payroll reports before submission.

10-4 50/50 Fundraiser

Condition

The athletic fund had a fund raiser using the method of selling tickets. The winner receives half of the cash raised.

Criteria

15.1.18 NMAC requires a license to promote gaming.

Effect

This 50/50 fund raiser is a form of gambling. It is often used in activity fund raising but not for budgeted special revenue funds. This act is illegal and could result in legal actions against the District and the participants.

Cause

The District was trying to raise funds to replace athletic uniforms. Because activity accounts use this method of fund raising, it was assumed it would be okay to use for athletics.

Recommendation

The District should never participate in a form of gambling.

Response

The fund raising in the Athletic Fund has been stopped.

10-5 Cash Appropriations in Excess of Available Cash Balances

Condition

The District maintained a deficit budget in excess of available cash balance in the Food Service Fund (21000) of \$(4,919) and Senate Bill Nine (31700) of \$(12,207).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Recommendation

Budget for future years should be reviewed to insure all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process end of the year cash balance estimates.

Response

After June 30 cash balances are reconciled, the budgeted cash will be reviewed and compared to the reconciled balances. If there is not enough cash to balance the budget, budget amendments will be made.

10-06 Late Audit Report

Condition

The audit report was submitted to the State Auditor before the required deadline of November 15, 2010.

Criteria

School audits are to be submitted to the State Auditor by November 15 as required by NMAC 2.2.2.9A (1) (d).

Cause

The auditor had mistakes in the audit resulting in a rejection fax.

Effect

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit report could have an effect on state and federal funding.

Recommendation

The audit should be filed timely.

Response

We will ask the auditor to submit our audit earlier so required changes to not make our audit late.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on November 9, 2010 with Zita Lopez-Superintendent, Joe Apocaca-Vice President, Nejila Munden-Business Manager and De'Aun Willoughby, CPA.