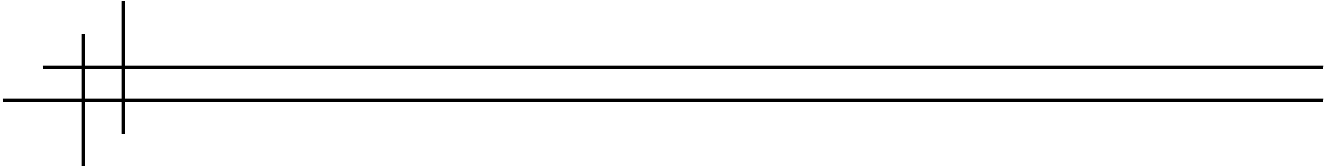




STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2015

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



STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
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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, 2015

BOARD OF EDUCATION

Raughn Ramirez	President
Robert Tafoya	Vice-President
Ronnie Gurule	Secretary
Monica Burton	Member
Joe Apodaca	Member

SCHOOL OFFICIALS

Eddie King	Interim-Superintendent
Rebecca Rigoni	Business Manager

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Springer Municipal Schools

Mr. Keller and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Springer Municipal Schools (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for debt service and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, 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 accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for debt service and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2015, 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 in considering the District's internal control over financial reporting and compliance.

 CPA PC

Clovis, New Mexico
September 16, 2015

FINANCIAL SECTION

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 Government Wide-Statement of Net Position
 June 30, 2015

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 454,621
Taxes Receivable	2,776
Due From Grantor	101,300
Inventory	1,758
Total Current Assets	<u>560,455</u>
Noncurrent Assets	
Capital Assets	11,901,712
Less: Accumulated Depreciation	<u>(6,728,101)</u>
Total Noncurrent Assets	<u>5,173,611</u>
Total Assets	<u>5,734,066</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	<u>215,577</u>
Total Deferred Outflows of Resources	<u>215,577</u>
Liabilities	
Current Liabilities	
Accounts Payable	16,896
Accrued Interest	4,431
Compensated Absences	13,458
Current Portion of Long-Term Debt	<u>370,000</u>
Total Current Liabilities	<u>404,785</u>
Noncurrent Liabilities	
Bonds	745,000
Pension Liability	<u>3,037,722</u>
Total Noncurrent Liabilities	<u>3,782,722</u>
Total Liabilities	<u>4,187,507</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	<u>611,219</u>
Total Deferred Inflows of Resources	<u>611,219</u>
Net Position	
Net Investment in Capital Assets	4,058,611
Restricted for:	
Capital Projects	152,535
Debt Service	44,513
Unrestricted	<u>(3,104,742)</u>
Total Net Position	<u>\$ 1,150,917</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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 2,163,048	\$ 22,069	\$ 189,778	\$ 0
Support Services				
Students	250,374	31,992	23,185	0
Instruction	52,020	0	12,232	0
General Administration	170,990	0	2,392	0
School Administration	197,155	0	39,524	0
Central Services	88,410	0	0	0
Operation of Plant	465,005	0	0	14,985
Student Transportation	140,120	0	185,407	0
Other	3,459	0	0	0
Food Services Operations	146,815	11,227	110,153	0
Interest Expense	40,533	0	0	0
Total Governmental Activities	\$ 3,717,929	\$ 65,288	\$ 562,671	\$ 14,985
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				12,165
Property Taxes, Levied for Capital Projects				64,081
Property Taxes, Levied for Debt Service				266,791
Federal and State aid not restricted to specific purpose				
General				2,469,244
Capital				0
Interest and investment earnings				37
Miscellaneous				24,442
Subtotal, General Revenues				<u>2,836,760</u>
Change in Net Position				<u>(238,225)</u>
Net Position -Beginning				4,928,374
Restatement				<u>(3,539,232)</u>
Restated Beginning Net Position				<u>1,389,142</u>
Net Position - Ending				<u>\$ 1,150,917</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, 2015

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Assets			
Cash and Cash Equivalents	\$ 73,710	\$ 41,183	\$ 8,774
Receivables			
Property Taxes	448	0	0
Due From Grantor	0	0	0
Interfund Balances	101,420	0	0
Inventory	0	0	0
Total Assets	\$ 175,578	\$ 41,183	\$ 8,774
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 16,061	\$ 70	\$ 0
Interfund Balances	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	16,061	70	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	159,517	41,113	8,774
Total Fund Balances	159,517	41,113	8,774
Total Liabilities and Fund Balances	\$ 175,578	\$ 41,183	\$ 8,774

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, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
	<u>Solar Pilot 29134</u>	<u>41000</u>	
Assets			
Cash and Cash Equivalents	\$ 143,438	\$ 163,624	\$ 23,892
Receivables			
Property Taxes	0	1,353	975
Due From Grantor	0	0	101,300
Interfund Balances	0	0	0
Inventory	0	0	1,758
Total Assets	<u>\$ 143,438</u>	<u>\$ 164,977</u>	<u>\$ 127,925</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 765
Interfund Balances	0	0	101,420
Current Portion Due			
Principal	0	125,000	0
Interest	0	3,125	0
Total Liabilities	<u>0</u>	<u>128,125</u>	<u>102,185</u>
Fund Balances			
Nonspendable-Inventory	0	0	1,758
Restricted for:			
Special Revenue Funds	0	0	7,224
Capital Projects	143,438	0	9,097
Debt Service	0	36,852	7,661
Unassigned	0	0	0
Total Fund Balances	<u>143,438</u>	<u>36,852</u>	<u>25,740</u>
Total Liabilities and Fund Balances	<u>\$ 143,438</u>	<u>\$ 164,977</u>	<u>\$ 127,925</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, 2015

	Total Governmental Funds
Assets	
Cash and Cash Equivalents	\$ 454,621
Receivables	
Property Taxes	2,776
Due From Grantor	101,300
Interfund Balances	101,420
Inventory	1,758
Total Assets	\$ 661,875
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	\$ 16,896
Interfund Balances	101,420
Current Portion Due	
Principal	125,000
Interest	3,125
Total Liabilities	246,441
Fund Balances	
Nonspendable-Inventory	1,758
Restricted for:	
Special Revenue Funds	7,224
Capital Projects	152,535
Debt Service	44,513
Unassigned	209,404
Total Fund Balances	415,434
Total Liabilities and Fund Balances	\$ 661,875

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, 2015

Total Fund Balance - Governmental Funds \$ 415,434

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

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

Capital Assets	\$ 11,901,712	
Accumulated Depreciation	<u>(6,728,101)</u>	5,173,611

Deferred Outflows and Inflows Related to Pensions are the results of differences in expected and actual actuary experience and the difference in actuary projected and actual earnings. Also changes in proportion and differences between contributions and proportionate share of contributions.

Deferred Outflows Related to Pensions	215,577	
Deferred Inflows Related to Pensions	<u>(611,219)</u>	(395,642)

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 :

Accrued interest on bonds	(4,431)	
Current Portion Due	3,125	
Compensated Absences	(13,458)	
Bonds payable	(1,115,000)	
Current Portion Due	125,000	
Pension Liability	<u>(3,037,722)</u>	<u>(4,042,486)</u>

Total Net Position - Governmental Activities \$ 1,150,917

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, 2015

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Revenues			
Property Taxes	\$ 12,165	\$ 0	\$ 0
Investment Income	37	0	0
Fees	2,677	0	0
State & Local Grants	2,353,780	185,407	12,522
Federal Grants	3,270	0	0
Miscellaneous	24,442	0	0
Total Revenues	2,396,371	185,407	12,522
Expenditures			
Current			
Instruction	1,381,251	0	7,295
Support Services			
Students	230,026	0	0
Instruction	750	0	0
General Administration	171,873	0	0
School Administration	167,949	0	0
Central Services	94,974	0	0
Operation and Maintenance of Plant	373,765	0	0
Student Transportation	0	143,506	0
Other	3,459	0	0
Food Services	18,437	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	2,442,484	143,506	7,295
Excess (Deficiency) of Revenues Over Expenditures	(46,113)	41,901	5,227
Fund Balances at Beginning of Year	205,630	(788)	3,547
Fund Balance End of Year	\$ 159,517	\$ 41,113	\$ 8,774

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, 2015

	Special Revenue		Debt Service	Other Governmental Funds
	Solar Pilot 29134		41000	
Revenues				
Property Taxes	\$ 0	\$	191,263	\$ 139,609
Investment Income	0		0	0
Fees	0		0	62,611
State & Local Grants	112,194		0	104,443
Federal Grants	0		0	275,284
Miscellaneous	0		0	0
Total Revenues	<u>112,194</u>		<u>191,263</u>	<u>581,947</u>
Expenditures				
Current				
Instruction	13,000		0	196,379
Support Services				
Students	36,433		0	12,232
Instruction	0		0	51,270
General Administration	0		2,019	3,850
School Administration	0		0	39,524
Central Services	0		0	0
Operation and Maintenance of Plant	6,982		0	90,689
Student Transportation	0		0	0
Other	0		0	0
Food Services	0		0	128,535
Capital Outlay	298,386		0	0
Debt Service				
Principal	0		150,000	70,000
Interest	0		40,596	3,185
Total Expenditures	<u>354,801</u>		<u>192,615</u>	<u>595,664</u>
Excess (Deficiency) of Revenues Over Expenditures				
	(242,607)		(1,352)	(13,717)
Fund Balances at Beginning of Year				
	<u>386,045</u>		<u>38,204</u>	<u>39,457</u>
Fund Balance End of Year				
	<u>\$ 143,438</u>	\$	<u>36,852</u>	\$ <u>25,740</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, 2015

	Total Governmental Funds
Revenues	
Property Taxes	\$ 343,037
Investment Income	37
Fees	65,288
State & Local Grants	2,768,346
Federal Grants	278,554
Miscellaneous	24,442
Total Revenues	<u>3,479,704</u>
Expenditures	
Current	
Instruction	1,597,925
Support Services	
Students	278,691
Instruction	52,020
General Administration	177,742
School Administration	207,473
Central Services	94,974
Operation and Maintenance of Plant	471,436
Student Transportation	143,506
Other	3,459
Food Services	146,972
Capital Outlay	298,386
Debt Service	
Principal	220,000
Interest	43,781
Total Expenditures	<u>3,736,365</u>
Excess (Deficiency) of Revenues Over Expenditures	(256,661)
Fund Balances at Beginning of Year	<u>672,095</u>
Fund Balance End of Year	<u>\$ 415,434</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, 2015

Excess (Deficiency) of Revenues Over Expenditures \$ (256,661)

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 Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	\$ (612,869)	
Capital Outlays	<u>298,386</u>	(314,483)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 220,000

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest, June 30, 2014	9,454	
Current Amount Due, June 30, 2014	(4,900)	
Accrued Interest, June 30, 2015	(4,431)	
Current Amount Due, June 30, 2015	<u>3,125</u>	3,248

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, 2014	17,262	
Compensated Absences, June 30, 2015	<u>(13,458)</u>	3,804

Pension contributions are reported as expenses in the government funds but are deferred outflows in the Statement of Net Position. Pension expense is reported in the Statement of Activities but not in the governmental funds.

Pension Contributions	215,577	
Pension Expense	<u>(109,710)</u>	<u>105,867</u>

Changes in Net Position of Governmental Activities \$ (238,225)

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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 11,225	\$ 11,225	\$ 12,195	\$ 970
Investment Income	0	0	37	37
Fees	0	0	2,677	2,677
State & Local Grants	2,353,374	2,354,288	2,353,780	(508)
Federal Grants	0	354	3,270	2,916
Miscellaneous	22,733	23,733	24,442	709
Total Revenues	<u>2,387,332</u>	<u>2,389,600</u>	<u>2,396,401</u>	<u>6,801</u>
Expenditures				
Instruction				
Personnel Services	893,424	894,924	839,493	55,431
Employee Benefits	321,271	322,925	296,935	25,990
Professional & Tech Services	21,000	21,000	20,488	512
Other Purchased Services	127,550	172,518	160,491	12,027
Supplies	59,524	71,393	63,844	7,549
Total Instruction	<u>1,422,769</u>	<u>1,482,760</u>	<u>1,381,251</u>	<u>101,509</u>
Support Services				
Students				
Personnel Services	272,659	264,198	170,340	93,858
Employee Benefits	63,862	63,862	56,815	7,047
Professional & Tech Services	800	0	0	0
Other Purchased Services	800	500	245	255
Supplies	2,500	2,500	2,627	(127)
Total Students	<u>340,621</u>	<u>331,060</u>	<u>230,028</u>	<u>101,032</u>
Instruction				
Supplies	750	750	750	0
Total Instruction	<u>750</u>	<u>750</u>	<u>750</u>	<u>0</u>
General Administration				
Personnel Services	92,700	103,333	103,331	2
Employee Benefits	33,056	23,324	24,334	(1,010)
Professional & Tech Services	40,863	39,506	33,847	5,659
Other Purchased Services	8,750	13,095	8,288	4,807
Supplies	500	500	399	101
Total General Administration	<u>\$ 175,869</u>	<u>\$ 179,758</u>	<u>\$ 170,200</u>	<u>\$ 9,558</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
School Administration				
Personnel Services	\$ 129,265	\$ 130,001	\$ 130,000	\$ 1
Employee Benefits	38,940	38,978	37,594	1,384
Professional & Tech Services	600	56	56	0
Other Purchased Services	700	309	299	10
Total School Administration	<u>169,505</u>	<u>169,344</u>	<u>167,949</u>	<u>1,395</u>
Central Services				
Personnel Services	60,611	58,860	56,350	2,510
Employee Benefits	15,096	25,105	16,873	8,232
Professional & Tech Services	8,600	9,525	9,249	276
Other Purchased Services	500	11,107	10,699	408
Supplies	750	2,235	1,802	433
Total Central Services	<u>85,557</u>	<u>106,832</u>	<u>94,974</u>	<u>11,858</u>
Operation of Plant				
Personnel Services	85,647	85,647	84,299	1,348
Employee Benefits	46,583	40,710	30,861	9,849
Professional & Tech Services	600	654	638	16
Purchased Property Services	158,679	168,017	163,638	4,379
Other Purchased Services	115,311	107,861	101,762	6,099
Supplies	100	1,014	909	105
Total Operation of Plant	<u>406,920</u>	<u>403,903</u>	<u>382,108</u>	<u>21,795</u>
Other				
Other Purchased Services	7,199	7,199	3,459	3,740
Total Other	<u>7,199</u>	<u>7,199</u>	<u>3,459</u>	<u>3,740</u>
Total Support Services	<u>1,186,421</u>	<u>1,198,846</u>	<u>1,049,467</u>	<u>149,379</u>
Food Service Operations				
Other Purchased Services	30,000	17,500	7,599	9,901
Supplies	750	3,250	2,967	283
Total Food Service Operations	<u>30,750</u>	<u>20,750</u>	<u>10,566</u>	<u>10,184</u>
Total Expenditures	<u>\$ 2,639,940</u>	<u>\$ 2,702,356</u>	<u>\$ 2,441,283</u>	<u>\$ 261,073</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (252,608)	\$ (312,756)	\$ (44,882)	\$ 267,874
Cash Balance Beginning of Year	<u>220,012</u>	<u>220,012</u>	<u>220,012</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>(32,596)</u></u>	\$ <u><u>(92,744)</u></u>	\$ <u><u>175,130</u></u>	\$ <u><u>267,874</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (44,882)	
Net Change in Taxes Receivable			(30)	
Net Change in Accounts Payable			<u>(1,201)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>(46,113)</u></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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 166,658	\$ 185,307	\$ 185,407	\$ 100
Total Revenues	<u>166,658</u>	<u>185,307</u>	<u>185,407</u>	<u>100</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	44,085	52,385	51,823	562
Employee Benefits	33,665	33,665	33,851	(186)
Professional & Tech Services	4,500	5,500	5,353	147
Purchased Property Services	28,000	28,000	8,809	19,191
Other Purchased Services	8,613	8,614	8,284	330
Supplies	38,000	57,143	35,428	21,715
Supply Assets	10,095	0	0	0
Total Student Transportation	<u>166,958</u>	<u>185,307</u>	<u>143,547</u>	<u>41,760</u>
Total Support Services	<u>166,958</u>	<u>185,307</u>	<u>143,547</u>	<u>41,760</u>
Total Expenditures	<u>166,958</u>	<u>185,307</u>	<u>143,547</u>	<u>41,760</u>
Excess (Deficiency) of Revenues Over Expenditures	(300)	0	41,860	41,860
Cash Balance Beginning of Year	<u>(677)</u>	<u>(677)</u>	<u>(677)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (977)</u>	<u>\$ (677)</u>	<u>\$ 41,183</u>	<u>\$ 41,860</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 41,860	
Net Change in Accounts Payable			41	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 41,901</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 12,522	\$ 12,522	\$ 0
Total Revenues	<u>0</u>	<u>12,522</u>	<u>12,522</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	12,522	7,295	5,227
Total Instruction	<u>0</u>	<u>12,522</u>	<u>7,295</u>	<u>5,227</u>
Total Expenditures	<u>0</u>	<u>12,522</u>	<u>7,295</u>	<u>5,227</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	5,227	5,227
Cash Balance Beginning of Year	<u>3,547</u>	<u>3,547</u>	<u>3,547</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,547</u>	<u>\$ 3,547</u>	<u>\$ 8,774</u>	<u>\$ 5,227</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 5,227</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,227</u>	

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

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-SOLAR PILOT-29134
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 112,194	\$ 112,194	\$ 112,194	\$ 0
Total Revenues	<u>112,194</u>	<u>112,194</u>	<u>112,194</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	<u>0</u>	<u>0</u>	<u>13,000</u>	<u>(13,000)</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>13,000</u>	<u>(13,000)</u>
Support Services				
Students				
Personnel Services	<u>0</u>	<u>50,000</u>	<u>36,434</u>	<u>13,566</u>
Total Students	<u>0</u>	<u>50,000</u>	<u>36,434</u>	<u>13,566</u>
Total Support Services	<u>0</u>	<u>50,000</u>	<u>36,434</u>	<u>13,566</u>
Capital Outlay				
Supply Assets	<u>0</u>	<u>0</u>	<u>6,982</u>	<u>(6,982)</u>
Fixed Assets	<u>0</u>	<u>885</u>	<u>298,385</u>	<u>(297,500)</u>
Total Capital Outlay	<u>0</u>	<u>885</u>	<u>305,367</u>	<u>(304,482)</u>
Total Expenditures	<u>0</u>	<u>50,885</u>	<u>354,801</u>	<u>(303,916)</u>
Excess (Deficiency) of Revenues Over Expenditures	112,194	61,309	(242,607)	(303,916)
Cash Balance Beginning of Year	<u>386,045</u>	<u>386,045</u>	<u>386,045</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 498,239</u>	<u>\$ 447,354</u>	<u>\$ 143,438</u>	<u>\$ (303,916)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (242,607)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (242,607)	

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, 2015

	<u>Agency Funds</u>
Assets	
Cash in Banks	\$ 50,019
Investments	186,048
Total Assets	<u>\$ 236,067</u>
Liabilities	
Deposits Held for Others	\$ 236,067
Total Liabilities	<u>\$ 236,067</u>

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

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. 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.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

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.

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

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

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.

Special Revenue Funds

Solar Pilot (29134). To account for revenue received to fund a solar pilot project. The fund was created by grant provisions.

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 Position 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 Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources 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).

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

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.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

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.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

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 Position 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

STATE OF NEW MEXICO
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Notes to the Financial Statements
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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 Position

For the government-wide statement of net position, net position is reported as restricted when constraints are placed 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 positions are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Committed fund balance is a classification for governmental fund balance reporting that includes amounts that can only be used for specific purposes pursuant to constraints imposed by law.

Assigned fund balance is a classification for governmental fund balance reporting that includes amounts that the governmental entity intends to use for specific purposes.

Restricted fund balance includes amounts that have constraints placed on their use that are (a) externally imposed by grantors, laws or regulation of other governments or (b) imposed by enabling legislation.

Unassigned fund balance is the residual classification used for reporting spendable fund balance in the General Fund that represents amounts that have not been committed or assigned or restricted.

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.

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Compensated Absences

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.

Deferred Inflows of Resources

Deferred Inflows of Resources on the Statement of Net Position consist of unearned revenues. The District reports unearned revenues on its Statement of Net Position and Fund Balance Sheet. Unearned 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 unearned revenue is removed from the combined balance sheet and the revenue is recognized. Unavailable 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

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.

A. 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	Reconciled	Type
<u>Name of Account</u>	<u>Per Bank</u>	<u>Balance</u>	
	<u>06/30/15</u>	<u>Balance</u>	
A C Elizabeth Arellano Scholarship	15,278	15,278	Savings
TOTAL Deposited	15,278	\$ 15,278	
Less: FDIC Coverage	(15,278)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

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International Bank	Balance Per Bank 06/30/15	Reconciled Balance	Type
<u>Name of Account</u>			
General Operations	\$ 617,207	\$ 489,362	Interest-Checking
Insurance Clearing Account	58,042	0	Interest-Checking
TOTAL Deposited	<u>675,249</u>	<u>\$ 489,362</u>	
50% collateral requirement	366,646		
Total collateral needed	183,323		
Less: FDIC Coverage	<u>(250,000)</u>		
	(66,677)		
Pledged securities	345,262		
Over (Under) requirement	<u>\$ 411,939</u>		

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>
FNMA	3136G12K4	\$ 345,262	12/20/2018	WF Dallas, TX
		<u>\$ 345,262</u>		

Custodial Credit Risk-Deposits	Bank Balance
<u>Depository Account</u>	
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	345,262
Uninsured and uncollateralized	79,987
Total Deposits	<u>\$ 675,249</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, 2015 \$79,987 of the District's bank balance of \$675,249 was exposed to custodial credit risk.

Investments

Account Name: Springer School District-Sim Brown Scholarship Fund

Type of Investment:	Balance 06/30/15
Domestic Equity	
US Large Cap Equity	\$ 42,589
US Small/Mid Cap Equity	41,268
Non-US Equity	
Non-US Developed Markets Equity	40,474
Non-US Emerging Markets Equity	35,431
Bonds	
US Core Bonds	26,286
	<u>\$ 186,048</u>

Broker: New Mexico State Investment Council

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

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Fair value at June 30, 2014	\$ 195,079
Add Investment earning	3,140
Fees Charges	416
Less Distribution	7,500
Increase in fair value of investments	<u>(20,087)</u>
Fair value at June 30, 2015	<u>\$ 186,048</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 investment portfolio is posted on the State Treasurer's Office website, www.nmsto.gov, 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.nmsto.org. As of June 30, 2015, the LGIP WAM(R) is 54.6 days and WAM(F) is 77.7 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.

B. Receivables

Following is a schedule of property taxes receivable as of June 30, 2015:

	General	Debt Service	Other Governmental Funds	Total
Property Taxes				
Receivable:				
Available	\$ 448	\$ 1,353	\$ 975	\$ 2,776
Unavailable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Property				
Taxes	<u>\$ 448</u>	<u>\$ 1,353</u>	<u>\$ 975</u>	<u>\$ 2,776</u>

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C. Interfund Receivables, Payables and Transfers

Interfund Balances year ending June 30, 2015 were as follows:

Loans from:		Loans to:	
Operational	\$ 101,420	Other Funds	\$ 101,420
	<u>\$ 101,420</u>		<u>\$ 101,420</u>

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

D. Capital Assets

Capital Assets Balances and Activity for the Year Ended June 30, 2015, is as follows:

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
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	9,993,297	298,386	0	10,291,683
Equipment, Vehicles, Information	<u>1,601,903</u>	<u>0</u>	<u>0</u>	<u>1,601,903</u>
Total Capital Assets, being Depreciated	<u>11,595,200</u>	<u>298,386</u>	<u>0</u>	<u>11,893,586</u>
Total Capital Assets	<u>11,603,326</u>	<u>298,386</u>	<u>0</u>	<u>11,901,712</u>
Less Accumulated Depreciation				
Buildings & Improvements	5,125,430	446,006	0	5,571,436
Equipment, Vehicles, Information	<u>989,802</u>	<u>166,863</u>	<u>0</u>	<u>1,156,665</u>
Total Accumulated Depreciation	<u>6,115,232</u>	<u>612,869</u>	<u>0</u>	<u>6,728,101</u>
Capital Assets, net	\$ <u>5,488,094</u>	\$ <u>(314,483)</u>	\$ <u>0</u>	\$ <u>5,173,611</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 612,869
Total depreciation expenses	<u>\$ 612,869</u>

E. Long-Term Liabilities and Other Liabilities

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

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,310,000	\$ 0	\$ 195,000	\$ 1,115,000	\$ 370,000
Total Bonds	<u>1,310,000</u>	<u>0</u>	<u>195,000</u>	<u>1,115,000</u>	<u>370,000</u>
Other Liabilities					
Compensated Absences	17,262	11,197	15,001	13,458	13,458
Total Other Liabilities	\$ <u>17,262</u>	\$ <u>11,197</u>	\$ <u>15,001</u>	\$ <u>13,458</u>	\$ <u>13,458</u>

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

Above Balance of Long-Term Debts	\$ 1,115,000
Statement of Net Position	<u>\$ 1,115,000</u>
Long-Term Per Government Wide Financial Statements	\$ 745,000
Current Portion	370,000
Statement of Net Position	<u>\$ 1,115,000</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
2008	05/15/08	500,000	3%-5%	125,000
2009	06/15/09	500,000	3.5%-4.25%	350,000
2010	03/15/10	500,000	3.00%	500,000
2012	05/15/12	350,000	1.48%	140,000
				<u>\$ 1,115,000</u>

The annual requirements to amortize all of the general obligation bonds as of June 30, 2015, including interest payments are as follows:

	Principal	Interest	Total
2016	\$ 370,000	\$ 38,390	\$ 408,390
2017	245,000	27,315	272,315
2018	175,000	19,188	194,188
2019	175,000	12,188	187,188
2020	150,000	5,625	155,625
	<u>\$ 1,115,000</u>	<u>\$ 102,706</u>	<u>\$ 1,217,706</u>

F. Commitments

The District has no construction commitments on June 30, 2015.

G. Retirement Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

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Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

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

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$215,577 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$3,037,722 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District proportion was .05946 percent, which was a decrease of .00622 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$109,710. At the June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ (45,254)
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	(276,161)
Changes in proportion and differences between the District's contributions and proportionate share of contributions	0	(289,804)
District's contributions subsequent to the measurement date	215,577	0
Total	<u>\$ 215,577</u>	<u>\$ (611,219)</u>

\$519,026 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (185,375)
2017	(185,375)
2018	(171,414)
2019	(69,055)
Total	<u>\$ (611,219)</u>

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

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

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30- year return assumptions are summarized in the following table:

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Asset Class	2014	2013
	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Cash	1.50%	75.00%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	75.00%
Global Bonds (Hedged)	1.38%	93.00%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the Districts' net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

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	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Districts' proportionate share of the net pension liability	\$ 4,133,173	\$ 3,037,722	\$ 2,122,860

Pension plan fiduciary net position. Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

Payables to the pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASB Statement 68, paragraphs 122 and 124.

H. Retiree Health Care

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

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

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

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

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SPRINGER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$30,998, \$29,269, and \$32,080 respectively, which equal the required contributions for each year.

I. 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.

J. Risk Management

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

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

K. 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 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.

L. Subsequent Events

Subsequent events were evaluated through October 26, 2015 which is the date the financial statements were available to be issued.

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Notes to the Financial Statements
June 30, 2015

M. Budget Violations

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

The following funds had budget violations as of June 30, 2015.

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>Major Funds</u>				
Debt Service-41000	\$ 1,670	\$ 1,670	\$ 2,019	\$ (349)
Total Support Services				
Solar Pilot-29134				
Instruction-Purchased Services	0	0	13,000	(13,000)
Capital Outlay-Supply Assets	0	0	6,982	(6,982)
Capital Outlay-Fixed Assets	0	885	298,386	(297,501)
<u>Non-Major Funds</u>				
REAP-25233				
Total Instruction	6,499	6,499	7,693	(1,194)
Child Care Block Grant CYFD-25157				
Total Support Services	0	10,733	11,142	(409)
Medicaid-25153				
Total Support Services	76,514	24,334	28,086	(3,752)
Senate Bill Nine-31700				
Total Support Services	626	626	675	(49)
Ed Tech Debt Service-43000				
Total Support Services	740	740	784	(44)

N. Restatement

Net Position was restated \$(3,539,231) for pension liability balance at the end of the prior year.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 167,050	\$ 167,050	\$ 201,886	\$ 34,836
Total Revenues	<u>167,050</u>	<u>167,050</u>	<u>201,886</u>	<u>34,836</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	1,670	1,670	2,019	(349)
Total General Administration	<u>1,670</u>	<u>1,670</u>	<u>2,019</u>	<u>(349)</u>
Total Support Services	<u>1,670</u>	<u>1,670</u>	<u>2,019</u>	<u>(349)</u>
Debt Service				
Principal	253,507	253,507	125,000	128,507
Interest	4,300	4,300	42,050	(37,750)
Fees	0	0	321	(321)
Total Debt Service	<u>257,807</u>	<u>257,807</u>	<u>167,371</u>	<u>90,436</u>
Total Expenditures	<u>259,477</u>	<u>259,477</u>	<u>169,390</u>	<u>90,087</u>
Excess (Deficiency) of Revenues Over Expenditures	(92,427)	(92,427)	32,496	124,923
Cash Balance Beginning of Year	<u>131,128</u>	<u>131,128</u>	<u>131,128</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 38,701</u>	<u>\$ 38,701</u>	<u>\$ 163,624</u>	<u>\$ 124,923</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 32,496	
Net Change in Taxes Receivable			(10,623)	
Net Change in Current Portion			(23,225)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,352)</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).

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 Part B (24106) (24120). 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 Preschool (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.

IDEA Early Intervention (24112). To account for a program funded by a Federal grant to assist the District in providing education to qualifying preschool age children. 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.

Improving Teacher Quality (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).

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. The fund was created by the authority of the grant agreement.

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). Part B of Title VI of the reauthorized ESEA contains Rural Education Achievement Program (REAP) initiatives that are designed to help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants and that often receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

LANL Foundation (26113). To account for an educational grant for purchases of computers and related hardware for two schools. Fund was created by LANL grant provisions.

Intel Grant (26116). To account for revenues and expenditures received from Intel for the purpose of purchasing instructional materials. The fund was created by the authority of the grant agreement.

Golden Apple (26163). To account for revenues and expenditure received from a private grant to provide for travel expenses for students to attend the National Museum. The fund was created by grant authority.

Dual Credit Instructional Materials (27103). To provide funding to the District to purchase college books for students attending college classes and obtaining dual credits. The fund was created by grant provisions.

2010 GO Library Books (27106). 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.

2012 GO Library Books (27107). 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.

NM Reads to Lead (27114). To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

Breakfast for Elementary Students (27155). To account for funds received to provide breakfast for all elementary students. The fund was created by grant provisions.

STEM Teacher Initiative (27181). To account for a state grant used to equipment a science classroom. The fund was created by the authority of state grant provisions.

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
June 30, 2015

NM Grown Fruits & Vegetables (27183). To account for a state grant to purchase only NM grown fruit and vegetables to be used in the Food Service program. The fund was created by grant provisions.

Lowe's Toolbox Education Grant (29102). To account for a local grant to purchase equipment for the vocational agriculture program. The fund was created by grant provisions.

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

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 Funds

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, 2015

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
Assets			
Cash and Cash Equivalents	\$ 0	\$ 175	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	9,670	0	21,659
Inventory	1,758	0	0
Total Assets	\$ 11,428	\$ 175	\$ 21,659
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 75	\$ 0
Interfund Balances	9,790	0	21,659
Total Liabilities	9,790	75	21,659
Fund Balance			
Nonspendable-Inventory	1,758	0	0
Restricted for:			
Special Revenue Funds	(120)	100	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	1,638	100	0
Total Liabilities and Fund Balances	\$ 11,428	\$ 175	\$ 21,659

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, 2015

	Special Revenue Fund		
	IDEA B Entitlement 24106	IDEA Preschool 24109	IDEA Early Intervention 24112
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	22,644	1,059	5,367
Inventory	0	0	0
Total Assets	\$ 22,644	\$ 1,059	\$ 5,367
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	22,644	1,059	5,367
Total Liabilities	22,644	1,059	5,367
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	\$ 22,644	\$ 1,059	\$ 5,367

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, 2015

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	IDEA B Risk Pool 24120	Improving Teacher Quality 24154
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	1,133
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 1,133
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	1,133
Total Liabilities	0	0	1,133
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	\$ 0	\$ 0	\$ 1,133

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, 2015

	Special Revenue Fund		
	Medicaid 25153	Child Care Block Grant CYFD 25157	Child & Adult Food Program 25171
Assets			
Cash and Cash Equivalents	\$ 5,441	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 5,441	\$ 0	\$ 0
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	5,441	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	5,441	0	0
Total Liabilities and Fund Balances	\$ 5,441	\$ 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, 2015

	Special Revenue Fund		
	Rural Education REAP 25233	LANL Foundation 26113	Intel Grant 26116
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	1,194	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,194</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	1,194	0	0
Total Liabilities	<u>1,194</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 1,194</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 Balance Sheet
June 30, 2015

	Special Revenue Fund		
	Golden Apple 26163	Dual Credit Instructional Materials 27103	2010 GO Library Books 27106
Assets			
Cash and Cash Equivalents	\$ 1,391	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	165	0
Inventory	0	0	0
Total Assets	<u>\$ 1,391</u>	<u>\$ 165</u>	<u>\$ 0</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	165	0
Total Liabilities	<u>0</u>	<u>165</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	1,391	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>1,391</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 1,391</u>	<u>\$ 165</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, 2015

	Special Revenue Fund		
	2012 GO Instructional Materials 27107	NM Reads to Lead 27114	Breakfast for Elementary Students 27155
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	12,232	25,782	395
Inventory	0	0	0
Total Assets	<u>\$ 12,232</u>	<u>\$ 25,782</u>	<u>\$ 395</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	12,232	25,782	395
Total Liabilities	<u>12,232</u>	<u>25,782</u>	<u>395</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 12,232</u>	<u>\$ 25,782</u>	<u>\$ 395</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, 2015

	<u>Special Revenue Fund</u>		
	STEM Teacher Initiative <u>27181</u>	NM Grown Fruits & Veggies <u>27183</u>	Lowes' Toolbox <u>29102</u>
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 412
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 412</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0		412
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>412</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 412</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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
	Silver Wellness Center 29125	Senate Bill Nine 31700	Education Technology 43000
Assets			
Cash and Cash Equivalents	\$ 0	\$ 9,339	\$ 7,134
Receivables			
Taxes	0	448	527
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 9,787</u>	<u>\$ 7,661</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 690	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>690</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	9,097	0
Debt Service	0	0	7,661
Total Fund Balances	<u>0</u>	<u>9,097</u>	<u>7,661</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 9,787</u>	<u>\$ 7,661</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, 2015

	<u>Total</u>
Assets	
Cash and Cash Equivalents	\$ 23,892
Receivables	
Taxes	975
Due From Grantor	101,300
Inventory	<u>1,758</u>
Total Assets	<u>\$ 127,925</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	\$ 765
Interfund Balances	<u>101,420</u>
Total Liabilities	<u>102,185</u>
Fund Balance	
Nonspendable-Inventory	1,758
Restricted for:	
Special Revenue Funds	7,224
Capital Projects	9,097
Debt Service	<u>7,661</u>
Total Fund Balances	<u>25,740</u>
Total Liabilities and Fund Balances	<u>\$ 127,925</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, 2015

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	11,227	19,392	0
State & Local Grants	0	0	0
Federal Grants	98,996	0	79,172
Total Revenues	<u>110,223</u>	<u>19,392</u>	<u>79,172</u>
Expenditures			
Current			
Instruction	0	19,292	76,780
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	2,392
School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services	117,378	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>117,378</u>	<u>19,292</u>	<u>79,172</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,155)	100	0
Fund Balances at Beginning of Year	<u>8,793</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,638</u>	<u>\$ 100</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, 2015

	Special Revenue Fund		
	IDEA B Entitlement 24106	IDEA Preschool 24109	IDEA Early Intervention 24112
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	56,347	3,542	5,367
Total Revenues	<u>56,347</u>	<u>3,542</u>	<u>5,367</u>
Expenditures			
Current			
Instruction	5,489	3,542	5,367
Support Services			
Students	11,334	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	39,524	0	0
Operation & Maintenance of Plant	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>56,347</u>	<u>3,542</u>	<u>5,367</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, 2015

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	IDEA B Risk Pool 24120	Improving Teacher Quality 24154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	4,740	0	4,771
Total Revenues	<u>4,740</u>	<u>0</u>	<u>4,771</u>
Expenditures			
Current			
Instruction	0	0	4,062
Support Services			
Students	0	0	709
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services	4,740	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>4,740</u>	<u>0</u>	<u>4,771</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, 2015

	Special Revenue Fund		
	Medicaid	Child Care Block Grant CYFD	Child & Adult Food Program
	25153	25157	25171
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	31,992	0	0
State & Local Grants	0	0	0
Federal Grants	0	11,142	3,514
Total Revenues	<u>31,992</u>	<u>11,142</u>	<u>3,514</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services			
Students	28,085	11,142	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services	0	0	3,514
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>28,085</u>	<u>11,142</u>	<u>3,514</u>
Excess (Deficiency) of Revenues Over Expenditures	3,907	0	0
Fund Balances at Beginning of Year	<u>1,534</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 5,441</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, 2015

	Special Revenue Fund		
	Rural Education REAP 25233	LANL Foundation 26113	Intel Grant 26116
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	7,693	0	0
Total Revenues	<u>7,693</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	7,693	72	359
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation & Maintenance of Plant	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>7,693</u>	<u>72</u>	<u>359</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(72)	(359)
Fund Balances at Beginning of Year	<u>0</u>	<u>72</u>	<u>359</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, 2015

	Special Revenue Fund		
	Golden Apple 26163	Dual Credit Instructional Materials 27103	2010 GO Library Books 27106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	982	1,103	0
Federal Grants	0	0	0
Total Revenues	<u>982</u>	<u>1,103</u>	<u>0</u>
Expenditures			
Current			
Instruction	738	1,103	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation & Maintenance of Plant	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>738</u>	<u>1,103</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	244	0	0
Fund Balances at Beginning of Year	<u>1,147</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,391</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, 2015

	Special Revenue Fund		
	2012 GO Instructional Materials <u>27107</u>	NM Reads to Lead <u>27114</u>	Breakfast for Elementary Students <u>27155</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	12,232	49,997	2,075
Federal Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>12,232</u>	<u>49,997</u>	<u>2,075</u>
Expenditures			
Current			
Instruction	0	49,997	0
Support Services			
Students	0	0	0
Instruction	12,232	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services	0	0	2,075
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>12,232</u>	<u>49,997</u>	<u>2,075</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, 2015

	<u>Special Revenue Fund</u>		
	STEM Teacher Initiative 27181	NM Grown Fruits & Veggies 27183	Lowes' Toolbox 29102
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	12,150	828	2,000
Federal Grants	0	0	0
Total Revenues	<u>12,150</u>	<u>828</u>	<u>2,000</u>
Expenditures			
Current			
Instruction	12,150	0	1,588
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services	0	828	
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>12,150</u>	<u>828</u>	<u>1,588</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	412
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>\$ 412</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, 2015

	Special Revenue	Capital Projects	Debt Service
	Silver Wellness Center 29125	Senate Bill Nine 31700	Education Technology 43000
Revenues			
Property Taxes	\$ 0	\$ 64,081	\$ 75,528
Fees	0	0	0
State & Local Grants	8,091	14,985	0
Federal Grants	0	0	0
Total Revenues	<u>8,091</u>	<u>79,066</u>	<u>75,528</u>
Expenditures			
Current			
Instruction	8,147	0	0
Support Services			
Students		0	0
Instruction	0	0	0
General Administration	0	675	783
School Administration	0	0	0
Operation & Maintenance of Plant	0	90,689	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	70,000
Interest	0	0	3,185
Total Expenditures	<u>8,147</u>	<u>91,364</u>	<u>73,968</u>
Excess (Deficiency) of Revenues Over Expenditures	(56)	(12,298)	1,560
Fund Balances at Beginning of Year	<u>56</u>	<u>21,395</u>	<u>6,101</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 9,097</u>	<u>\$ 7,661</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, 2015

	<u>Total</u>
Revenues	
Property Taxes	\$ 139,609
Fees	62,611
State & Local Grants	104,443
Federal Grants	<u>275,284</u>
Total Revenues	<u>581,947</u>
Expenditures	
Current	
Instruction	196,379
Support Services	
Students	51,270
Instruction	12,232
General Administration	3,850
School Administration	39,524
Operation & Maintenance of Plant	90,689
Food Services	128,535
Capital Outlay	0
Debt Service	
Principal	70,000
Interest	3,185
Total Expenditures	<u>595,664</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,717)
Fund Balances at Beginning of Year	<u>39,457</u>
Fund Balance End of Year	<u>\$ 25,740</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 13,150	\$ 13,150	\$ 10,334	\$ (2,816)
Federal Grants	97,000	97,000	80,034	(16,966)
Miscellaneous	0	0	892	892
Total Revenues	<u>110,150</u>	<u>110,150</u>	<u>91,260</u>	<u>(18,890)</u>
Expenditures				
Food Service				
Personnel Services	2,400	2,400	2,400	0
Employee Benefits	566	566	548	18
Other Purchased Services	107,184	114,183	104,989	9,194
Supplies	0	0	112	(112)
Total Food Service	<u>110,150</u>	<u>117,149</u>	<u>108,049</u>	<u>9,100</u>
Total Expenditures	<u>110,150</u>	<u>117,149</u>	<u>108,049</u>	<u>9,100</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(6,999)	(16,789)	(9,790)
Cash Balance Beginning of Year	<u>6,999</u>	<u>6,999</u>	<u>6,999</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,999</u>	<u>\$ 0</u>	<u>\$ (9,790)</u>	<u>\$ (9,790)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,789)	
Net change in Due from Grantor			9,670	
Net Change in Inventory			(36)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,155)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 27,000	\$ 27,000	\$ 19,392	\$ (7,608)
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>19,392</u>	<u>(7,608)</u>
Expenditures				
Instruction				
Other Purchased Services	22,500	18,882	18,858	24
Supplies	<u>4,500</u>	<u>360</u>	<u>359</u>	<u>1</u>
Total Instruction	<u>27,000</u>	<u>19,242</u>	<u>19,217</u>	<u>25</u>
Total Expenditures	<u>27,000</u>	<u>19,242</u>	<u>19,217</u>	<u>25</u>
Excess (Deficiency) of Revenues Over Expenditures	0	7,758	175	(7,583)
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>\$ 7,758</u>	<u>\$ 175</u>	<u>\$ (7,583)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 175	
Net change in Accounts Payable			<u>(75)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 100</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 87,042	\$ 98,002	\$ 75,315	\$ (22,687)
Total Revenues	<u>87,042</u>	<u>98,002</u>	<u>75,315</u>	<u>(22,687)</u>
Expenditures				
Instruction				
Personnel Services	45,741	45,741	45,740	1
Employee Benefits	21,106	22,606	23,627	(1,021)
Supplies	0	9,460	7,412	2,048
Total Instruction	<u>66,847</u>	<u>77,807</u>	<u>76,779</u>	<u>1,028</u>
Support Services				
General Administration				
Professional & Tech Services	2,392	2,392	2,392	0
Total General Administration	<u>2,392</u>	<u>2,392</u>	<u>2,392</u>	<u>0</u>
Total Support Services	<u>2,392</u>	<u>2,392</u>	<u>2,392</u>	<u>0</u>
Total Expenditures	<u>69,239</u>	<u>80,199</u>	<u>79,171</u>	<u>1,028</u>
Excess (Deficiency) of Revenues Over Expenditures	17,803	17,803	(3,856)	(21,659)
Cash Balance Beginning of Year	<u>(17,803)</u>	<u>(17,803)</u>	<u>(17,803)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,659)</u>	<u>\$ (21,659)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,856)	
Net change in Due from Grantor			<u>3,856</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 B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 71,259	\$ 73,999	\$ 49,781	\$ (24,218)
Total Revenues	<u>71,259</u>	<u>73,999</u>	<u>49,781</u>	<u>(24,218)</u>
Expenditures				
Instruction				
Professional & Tech Services	500	50	0	50
Other Purchased Services	4,150	1,000	997	3
Supplies	3,678	4,834	4,492	342
Total Instruction	<u>8,328</u>	<u>5,884</u>	<u>5,489</u>	<u>395</u>
Support Services				
Students				
Personnel Services	6,172	6,172	6,172	0
Employee Benefits	1,526	1,526	1,524	2
Professional & Tech Services	0	217	217	0
Supplies	500	3,550	3,421	129
Total Students	<u>8,198</u>	<u>11,465</u>	<u>11,334</u>	<u>131</u>
School Administration				
Personnel Services	27,585	27,901	27,900	1
Employee Benefits	9,871	9,871	9,772	99
Professional & Tech Services	600	122	122	0
Other Purchased Services	600	153	152	1
Supplies	0	2,526	1,579	947
Total School Administration	<u>38,656</u>	<u>40,573</u>	<u>39,525</u>	<u>1,048</u>
Total Support Services	<u>46,854</u>	<u>52,038</u>	<u>50,859</u>	<u>1,179</u>
Total Expenditures	<u>55,182</u>	<u>57,922</u>	<u>56,348</u>	<u>1,574</u>
Excess (Deficiency) of Revenues Over Expenditures	16,077	16,077	(6,567)	(22,644)
Cash Balance Beginning of Year	<u>(16,077)</u>	<u>(16,077)</u>	<u>(16,077)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(22,644)</u>	\$ <u>(22,644)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,567)	
Net change in Due from Grantor			<u>6,567</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-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 7,863	\$ 8,048	\$ 6,989	\$ (1,059)
Total Revenues	<u>7,863</u>	<u>8,048</u>	<u>6,989</u>	<u>(1,059)</u>
Expenditures				
Instruction				
Supplies	<u>3,357</u>	<u>3,542</u>	<u>3,542</u>	<u>0</u>
Total Instruction	<u>3,357</u>	<u>3,542</u>	<u>3,542</u>	<u>0</u>
Total Expenditures	<u>3,357</u>	<u>3,542</u>	<u>3,542</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	4,506	4,506	3,447	(1,059)
Cash Balance Beginning of Year	<u>(4,506)</u>	<u>(4,506)</u>	<u>(4,506)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,059)</u>	<u>\$ (1,059)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,447	
Net change in Due from Grantor			<u>(3,447)</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 B EARLY INTERVENTION-24112
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 9,754	\$ 0	\$ (9,754)
Total Revenues	<u>0</u>	<u>9,754</u>	<u>0</u>	<u>(9,754)</u>
Expenditures				
Instruction				
Personnel Services	0	3,000	3,000	0
Employee Benefits	0	0	706	(706)
Professional & Tech Services	0	2,800	1,526	1,274
Supplies	0	3,954	135	3,819
Total Instruction	<u>0</u>	<u>9,754</u>	<u>5,367</u>	<u>4,387</u>
Total Expenditures	<u>0</u>	<u>9,754</u>	<u>5,367</u>	<u>4,387</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(5,367)	(5,367)
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>\$ (5,367)</u>	<u>\$ (5,367)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,367)	
Net change in Due from Grantor			<u>5,367</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 4,630	\$ 4,630	\$ 4,430	\$ (200)
Total Revenues	<u>4,630</u>	<u>4,630</u>	<u>4,430</u>	<u>(200)</u>
Expenditures				
Food Service Operations				
Supplies	4,940	4,940	4,740	200
Total Food Service Operations	<u>4,940</u>	<u>4,940</u>	<u>4,740</u>	<u>200</u>
Total Expenditures	<u>4,940</u>	<u>4,940</u>	<u>4,740</u>	<u>200</u>
Excess (Deficiency) of Revenues Over Expenditures	(310)	(310)	(310)	0
Cash Balance Beginning of Year	<u>310</u>	<u>310</u>	<u>310</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			\$ (310)	
Net Change in Deferred Revenue			<u>310</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 B RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 404	\$ 404	\$ 404	\$ 0
Total Revenues	<u>404</u>	<u>404</u>	<u>404</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	404	404	404	0
Cash Balance Beginning of Year	<u>(404)</u>	<u>(404)</u>	<u>(404)</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			\$ 404	
Net Change in Due from Grantor			<u>(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-IMPROVING TEACHER QUALITY-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 10,841	\$ 31,209	\$ 5,162	\$ (26,047)
Total Revenues	<u>10,841</u>	<u>31,209</u>	<u>5,162</u>	<u>(26,047)</u>
Expenditures				
Instruction				
Professional & Tech Services	5,973	14,341	1,408	12,933
Other Purchased Services	2,500	2,500	2,282	218
Supplies	<u>0</u>	<u>0</u>	<u>372</u>	<u>(372)</u>
Total Instruction	<u>8,473</u>	<u>16,841</u>	<u>4,062</u>	<u>12,779</u>
Support Services				
Students				
Professional & Tech Services	<u>0</u>	<u>4,500</u>	<u>710</u>	<u>3,790</u>
Total -Students	<u>0</u>	<u>4,500</u>	<u>710</u>	<u>3,790</u>
General Administration				
Professional & Tech Services	<u>345</u>	<u>345</u>	<u>0</u>	<u>345</u>
Total General Administration	<u>345</u>	<u>345</u>	<u>0</u>	<u>345</u>
School Administration				
Professional & Tech Services	250	5,250	0	5,250
Other Purchased Services	250	2,750	0	2,750
Total School Administration	<u>500</u>	<u>8,000</u>	<u>0</u>	<u>8,000</u>
Total Support Services	<u>845</u>	<u>12,845</u>	<u>710</u>	<u>12,135</u>
Total Expenditures	<u>9,318</u>	<u>29,686</u>	<u>4,772</u>	<u>24,914</u>
Excess (Deficiency) of Revenues Over Expenditures	1,523	1,523	390	(1,133)
Cash Balance Beginning of Year	<u>(1,523)</u>	<u>(1,523)</u>	<u>(1,523)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,133)</u>	<u>\$ (1,133)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 390	
Net change in Due from Grantor			<u>(390)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 74,980	\$ 22,800	\$ 31,992	\$ 0
Total Revenues	<u>74,980</u>	<u>22,800</u>	<u>31,992</u>	<u>0</u>
Expenditures				
Support Services				
Students				
Personnel Services	13,918	13,918	13,918	0
Employee Benefits	7,953	7,953	8,367	(414)
Supplies	54,643	2,463	5,800	(3,337)
Total Students	<u>76,514</u>	<u>24,334</u>	<u>28,085</u>	<u>(3,751)</u>
Total Support Services	<u>76,514</u>	<u>24,334</u>	<u>28,085</u>	<u>(3,751)</u>
Total Expenditures	<u>76,514</u>	<u>24,334</u>	<u>28,085</u>	<u>(3,751)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,534)	(1,534)	3,907	5,441
Cash Balance Beginning of Year	<u>1,534</u>	<u>1,534</u>	<u>1,534</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,441</u>	<u>\$ 5,441</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 3,907</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,907</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 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 9,493	\$ 9,901	\$ 408
Total Revenues	<u>0</u>	<u>9,493</u>	<u>9,901</u>	<u>408</u>
Expenditures				
Support Services				
Students				
Personnel Services	0	10,733	11,141	(408)
Total Students	<u>0</u>	<u>10,733</u>	<u>11,141</u>	<u>(408)</u>
Total Support Services	<u>0</u>	<u>10,733</u>	<u>11,141</u>	<u>(408)</u>
Total Expenditures	<u>0</u>	<u>10,733</u>	<u>11,141</u>	<u>(408)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,240)	(1,240)	0
Cash Balance Beginning of Year	<u>1,240</u>	<u>1,240</u>	<u>1,240</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,240</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			\$ (1,240)	
Net Change in Deferred Revenue			<u>1,240</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 1,500	\$ 153	\$ (1,347)
Total Revenues	<u>0</u>	<u>1,500</u>	<u>153</u>	<u>(1,347)</u>
Expenditures				
Food Service Operations				
Supplies	0	4,861	3,514	1,347
Total Food Service Operations	<u>0</u>	<u>4,861</u>	<u>3,514</u>	<u>1,347</u>
Total Expenditures	<u>0</u>	<u>4,861</u>	<u>3,514</u>	<u>1,347</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(3,361)	(3,361)	0
Cash Balance Beginning of Year	<u>3,361</u>	<u>3,361</u>	<u>3,361</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,361</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			\$ (3,361)	
Net Change in Deferred Revenue			<u>3,361</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 (REAP)-25233

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 6,499	\$ 6,499	\$ 6,499	\$ 0
Total Revenues	<u>6,499</u>	<u>6,499</u>	<u>6,499</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	6,499	6,499	7,693	(1,194)
Total Instruction	<u>6,499</u>	<u>6,499</u>	<u>7,693</u>	<u>(1,194)</u>
Total Expenditures	<u>6,499</u>	<u>6,499</u>	<u>7,693</u>	<u>(1,194)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,194)	(1,194)
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>\$ (1,194)</u>	<u>\$ (1,194)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,194)	
Net change in Due from Grantor			<u>1,194</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-LANL FOUNDATION-26113
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal 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	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to Operational	0	0	(72)	(3,715)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(72)</u>	<u>(3,715)</u>
Net Change in Cash Balance	0	0	(72)	(3,715)
Cash Balance Beginning of Year	<u>72</u>	<u>72</u>	<u>72</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 72</u>	<u>\$ 72</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (72)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (72)</u>	

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

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INTEL GRANT-26116
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal 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			0
Supplies	<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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to Operational	0	0	(359)	(3,715)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(359)</u>	<u>(3,715)</u>
Net Change in Cash Balance	0	0	(359)	(3,715)
Cash Balance Beginning of Year	<u>359</u>	<u>359</u>	<u>359</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 359</u>	<u>\$ 359</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (359)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (359)</u>	

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

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-GOLDEN APPLE-26163
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 982	\$ 982	\$ 0
Total Revenues	<u>0</u>	<u>982</u>	<u>982</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	2,129	738	1,391
Total Instruction	<u>0</u>	<u>2,129</u>	<u>738</u>	<u>1,391</u>
Total Expenditures	<u>0</u>	<u>2,129</u>	<u>738</u>	<u>1,391</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,147)	244	1,391
Cash Balance Beginning of Year	<u>1,147</u>	<u>1,147</u>	<u>1,147</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,147</u>	<u>\$ 0</u>	<u>\$ 1,391</u>	<u>\$ 1,391</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 244</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 244</u>	

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

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-DUAL CREDIT INSTRUCTIONAL MATERIALS-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,108	\$ 1,274	\$ 1,108	\$ (166)
Total Revenues	<u>1,108</u>	<u>1,274</u>	<u>1,108</u>	<u>(166)</u>
Expenditures				
Instruction				
Supplies	938	1,104	1,103	1
Total Instruction	<u>938</u>	<u>1,104</u>	<u>1,103</u>	<u>1</u>
Total Expenditures	<u>938</u>	<u>1,104</u>	<u>1,103</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	170	170	5	(165)
Cash Balance Beginning of Year	<u>(170)</u>	<u>(170)</u>	<u>(170)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (165)</u>	<u>\$ (165)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5	
Net Change in Due from Grantor			<u>(5)</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-2010 GO LIBRARY BOOKS-27106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 6,099	\$ 6,099	\$ 6,099	\$ 0
Total Revenues	<u>6,099</u>	<u>6,099</u>	<u>6,099</u>	<u>0</u>
Expenditures				
Support Services				
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 Support Services	<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	6,099	6,099	6,099	0
Cash Balance Beginning of Year	<u>(6,099)</u>	<u>(6,099)</u>	<u>(6,099)</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			\$ 6,099	
Net Change in Due from Grantor			<u>(6,099)</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-2012 GO LIBRARY BOOKS-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 12,232	\$ 12,232	\$ 0	\$ (12,232)
Total Revenues	<u>12,232</u>	<u>12,232</u>	<u>0</u>	<u>(12,232)</u>
Expenditures				
Support Services				
Instruction				
Supplies	<u>12,232</u>	<u>12,232</u>	<u>12,232</u>	<u>0</u>
Total Instruction	<u>12,232</u>	<u>12,232</u>	<u>12,232</u>	<u>0</u>
Total Support Services	<u>12,232</u>	<u>12,232</u>	<u>12,232</u>	<u>0</u>
Total Expenditures	<u>12,232</u>	<u>12,232</u>	<u>12,232</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(12,232)	(12,232)
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>\$ (12,232)</u>	<u>\$ (12,232)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (12,232)	
Net Change in Due from Grantor			<u>12,232</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-NM READS TO LEAD-27114
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 100,090	\$ 100,090	\$ 74,305	\$ (25,785)
Total Revenues	<u>100,090</u>	<u>100,090</u>	<u>74,305</u>	<u>(25,785)</u>
Expenditures				
Instruction				
Personnel Services	35,605	29,605	29,605	0
Employee Benefits	11,963	8,436	8,432	4
Supplies	<u>2,432</u>	<u>11,959</u>	<u>11,960</u>	<u>(1)</u>
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>49,997</u>	<u>3</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>49,997</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	50,090	50,090	24,308	(25,782)
Cash Balance Beginning of Year	<u>(50,090)</u>	<u>(50,090)</u>	<u>(50,090)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (25,782)</u>	<u>\$ (25,782)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 24,308	
Net Change in Due from Grantor			<u>(24,308)</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-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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 6,253	\$ 6,253	\$ 2,154	\$ (4,099)
Total Revenues	<u>6,253</u>	<u>6,253</u>	<u>2,154</u>	<u>(4,099)</u>
Expenditures				
Food Service Operations				
Supplies	5,779	5,779	2,075	3,704
Total Food Service Operations	<u>5,779</u>	<u>5,779</u>	<u>2,075</u>	<u>3,704</u>
Total Expenditures	<u>5,779</u>	<u>5,779</u>	<u>2,075</u>	<u>3,704</u>
Excess (Deficiency) of Revenues Over Expenditures	474	474	79	(395)
Cash Balance Beginning of Year	<u>(474)</u>	<u>(474)</u>	<u>(474)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (395)</u>	<u>\$ (395)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 79	
Net Change in Due from Grantor			<u>(79)</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-STEM TEACHER INITIATIVE-27181
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 20,789	\$ 20,789	\$ 17,150	\$ (3,639)
Total Revenues	<u>20,789</u>	<u>20,789</u>	<u>17,150</u>	<u>(3,639)</u>
Expenditures				
Instructions				
Personnel Services	10,000	10,000	10,000	0
Employee Benefits	2,150	2,150	2,150	0
Total Instructions	<u>12,150</u>	<u>12,150</u>	<u>12,150</u>	<u>0</u>
Total Expenditures	<u>12,150</u>	<u>12,150</u>	<u>12,150</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	8,639	8,639	5,000	(3,639)
Cash Balance Beginning of Year	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,639</u>	<u>\$ 3,639</u>	<u>\$ 0</u>	<u>\$ (3,639)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,000	
Net Change in Due from Grantor			<u>(5,000)</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-NM GROWN FRUITS & VEGTABLES-27183
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 3,000	\$ 3,000	\$ 1,416	\$ (1,584)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,416</u>	<u>(1,584)</u>
Expenditures				
Food Service Operations				
Supplies	3,000	3,000	828	2,172
Total Food Service Operations	<u>3,000</u>	<u>3,000</u>	<u>828</u>	<u>2,172</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>828</u>	<u>2,172</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	588	588
Cash Balance Beginning of Year	<u>(588)</u>	<u>(588)</u>	<u>(588)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (588)</u></u>	<u><u>\$ (588)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 588</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 588	
Net Change in Due from Grantor			<u>(588)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<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
SPECIAL REVENUE FUND-LOWE'S TOOLBOX EDUCATION GRANT-29102
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 2,000	\$ 2,000	\$ 2,000	\$ 0
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Expenditures				
Food Service Operations				
Supplies	2,000	2,000	1,588	412
Total Food Service Operations	<u>2,000</u>	<u>2,000</u>	<u>1,588</u>	<u>412</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,588</u>	<u>412</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	412	412
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>\$ 412</u>	<u>\$ 412</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 412	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 412</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 20,789	\$ 16,163	\$ 8,091	\$ (8,072)
Total Revenues	<u>20,789</u>	<u>16,163</u>	<u>8,091</u>	<u>(8,072)</u>
Expenditures				
Support Services				
Students				
Personnel Services	0	8,147	8,147	0
Total Students	<u>0</u>	<u>8,147</u>	<u>8,147</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>8,147</u>	<u>8,147</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>8,147</u>	<u>8,147</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	20,789	8,016	(56)	(8,072)
Cash Balance Beginning of Year	<u>56</u>	<u>56</u>	<u>56</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 20,845</u>	<u>\$ 8,072</u>	<u>\$ 0</u>	<u>\$ (8,072)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (56)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (56)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 62,546	\$ 62,546	\$ 67,495	\$ 4,949
State Grant	18,457	41,271	25,447	(15,824)
Total Revenues	<u>81,003</u>	<u>103,817</u>	<u>92,942</u>	<u>(10,875)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	626	626	675	(49)
Total General Administration	<u>626</u>	<u>626</u>	<u>675</u>	<u>(49)</u>
Total Support Services	<u>626</u>	<u>626</u>	<u>675</u>	<u>(49)</u>
Capital Outlay				
Purchased Property Services	45,000	65,000	72,427	(7,427)
Supplies	35,377	44,377	17,572	26,805
Fixed Assets	0	885	0	885
Total Capital Outlay	<u>80,377</u>	<u>110,262</u>	<u>89,999</u>	<u>20,263</u>
Total Expenditures	<u>81,003</u>	<u>110,888</u>	<u>90,674</u>	<u>20,214</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(7,071)	2,268	9,339
Cash Balance Beginning of Year	<u>7,071</u>	<u>7,071</u>	<u>7,071</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,071</u>	<u>\$ 0</u>	<u>\$ 9,339</u>	<u>\$ 9,339</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,268	
Net Change in Taxes Receivable			(3,414)	
Net Change in Due from Grantor			(10,462)	
Net Change in Accounts Payable			(690)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (12,298)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 73,185	\$ 73,185	\$ 78,337	\$ 5,152
Total Revenues	<u>73,185</u>	<u>73,185</u>	<u>78,337</u>	<u>5,152</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	740	740	784	(44)
Total General Administration	<u>740</u>	<u>740</u>	<u>784</u>	<u>(44)</u>
Total Support Services	<u>740</u>	<u>740</u>	<u>784</u>	<u>(44)</u>
Debt Service				
Principal	70,000	70,000	70,000	0
Interest	3,625	3,625	3,185	440
Total Debt Service	<u>73,625</u>	<u>73,625</u>	<u>73,185</u>	<u>440</u>
Total Expenditures	<u>74,365</u>	<u>74,365</u>	<u>73,969</u>	<u>396</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,180)	(1,180)	4,368	5,548
Cash Balance Beginning of Year	<u>2,766</u>	<u>2,766</u>	<u>2,766</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,586</u>	<u>\$ 1,586</u>	<u>\$ 7,134</u>	<u>\$ 5,548</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,368	
Net Change in Taxes Receivable			<u>(2,808)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,560</u>	

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

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
Schedules of Required Supplementary Information for Pension Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.05324%
District's proportionate share of the net pension liability	\$ 3,037,722
District's covered-employee payroll	\$ 1,467,580
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.31%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

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

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 215,577
Contributions in relation to the contractually required contribution	\$ 215,577
Contribution deficiency (excess)	\$ 0
Districts covered-employee payroll	\$ 1,467,580
Contributions as a percentage of covered-employee payroll	14.69%

* These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information

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

STATE OF NEW MEXICO

SPRINGER MUNICIPAL SCHOOLS

Notes to Required Supplementary Information

For the Year Ended June 30, 2015

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

Changes of assumptions.

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.75% to 4.25%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Minor changes to demographic assumptions
- d. Population growth per year from 0.75% to 0.50%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%

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

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, 2015

	Balance 06/30/14	Additions	Deductions	Balance 06/30/15
Sim Brown Scholarship	\$ 2,663	\$ 8,700	\$ 8,500	\$ 2,863
SECCC Scholarship	1,014	0	0	1,014
AC Arellano Scholarship	250	500	250	500
HS Library	732	0	700	32
Education Association Scholarship	0	3,127	0	3,127
Investment-Sim Brown Scholarship	195,079	3,140	12,171	186,048
Class of 2019	2,500	147	450	2,197
Elementary Library	4,136	2,097	2,549	3,685
Elementary Activity	0	309	273	36
Silk Screening	9,126	9,036	12,560	5,601
Class of 2022	0	50	0	50
Class of 2015	35	7,810	7,143	702
Class of 2016	398	3,571	3,747	222
Class of 2017	215	0	0	215
High School Activity	0	983	361	622
Yearbook	0	1,224	1,248	(24)
HS Honor Society	0	1,100	1,081	19
Shop	5,057	7,276	8,982	3,351
Cheerleaders	66	0	0	66
Parent Advisory Committee	1,301	0	614	687
Athletic Fund Raiser	3,245	9,476	8,371	4,350
Springer Book	122	0	0	122
High School Mesa	327	866	1,232	(39)
JR High School Mesa	660	0	0	660
Arellano Scholarship-CD	15,270	8	0	15,279
AR Program	4,716	10,902	10,935	4,682
	<u>\$ 246,914</u>	<u>\$ 70,321</u>	<u>\$ 81,167</u>	<u>\$ 236,067</u>
LIABILITIES				
Deposits Held for Others	\$ 246,914	\$ 70,321	\$ 81,167	\$ 236,067
Total Liabilities	<u>\$ 246,914</u>	<u>\$ 70,321</u>	<u>\$ 81,167</u>	<u>\$ 236,067</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, 2015

		Beginning Cash Balance 6/30/14	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance 6/30/15
Operational	11000	\$ 220,011	\$ 2,396,402	\$ 2,441,283	0	\$ 175,129
Transportation	13000	(677)	185,407	143,547	0	41,183
Instructional Materials	14000	3,548	12,522	7,295	0	8,775
Food Services	21000	6,999	91,260	108,049	0	(9,790)
Athletics	22000	1	19,392	19,217	0	176
Federal Flowthrough	24000	(40,003)	142,392	153,940	(310)	(51,861)
Federal Direct	25000	6,136	49,786	47,997	(3,677)	4,247
Local Grants	26000	1,578	982	738	(431)	1,391
State Flowthrough	27000	(62,420)	102,232	78,385	0	(38,573)
Local/State	29000	386,100	122,341	364,537	(56)	143,849
Senate Bill Nine	31700	7,071	92,943	90,674	0	9,339
Debt Service	41000	131,128	201,885	169,390	0	163,623
Debt Service-Ed Tech	43000	2,765	78,337	73,968	0	7,134
Agency Funds		246,913	70,321	81,167	0	236,067
Total		\$ <u>909,150</u>	\$ <u>3,566,200</u>	\$ <u>3,780,187</u>	\$ <u>(4,474)</u>	\$ <u>690,688</u>

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

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
VENDOR SCHEDULE
For the Year Ended June 30, 2015

Bid or Quote Number: 14-713-1
Contract Amount: \$293,875.26
Contracting Vendor: Facility Build, Inc,
5904 Florence Ave, NE,
Albuquerque, NM 87113
Preference: No
Scope of the work: High School Locker Room Renovation

Other Vendors responding to the bid or quote:

Broken Arrow Electric
4330 Broadway SE
Albuquerque, NM 87105

Donner Plumbing
107 Candalaria Rd NW
Albuquerque, NM

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 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*

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Springer Municipal Schools

Mr. Keller and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of Springer Municipal Schools (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated September 16, 2015.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. 2014-001, 2014-002, 2014-006, 2015-001, 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008


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 it's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses; 2014-001, 2014-002, 2014-006, 2015-001, 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008

The District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Responses. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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

 CPA PC

Clovis, New Mexico

September 16, 2015

STATE OF NEW MEXICO
SPRINGER MUNICIPAL SCHOOLS
 Schedule of Findings and Responses
 For the Year Ended June 30, 2015

Prior Year Audit Findings	<u>Status</u>
2014-001 Budget Violations	Repeated & Modified
2014-002 Cash Appropriations in Excess of Available Cash Balances	Repeated & Modified
2014-003 Reporting of ERB Wages	Resolved
2014-004 New Hire Reporting	Resolved
2014-005 Lack of Pledged Securities	Resolved
2014-006 Timesheets	Repeated & Modified

Current Year Audit Findings

2014-001 Budget Violations-Compliance and Internal Control-Significant Deficiency Condition

The District has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

	<u>Budget</u>		<u>Actual</u>	<u>Over Budget</u>
	<u>Original</u>	<u>Final</u>		
Major Funds				
Debt Service-41000				
Total Support Services	\$ 1,670	\$ 1,670	\$ 2,019	\$ (349)
Solar Pilot-29134				
Instruction-Purchased Services	0	0	13,000	(13,000)
Capital Outlay-Supply Assets	0	0	6,982	(6,982)
Capital Outlay-Fixed Assets	885	885	298,386	(297,501)

Non-Major Funds

REAP-25233				
Total Instruction	6,499	6,499	7,693	(1,194)
Child Care Block Grant CYFD-25157				
Total Support Services	0	10,733	11,142	(409)
Medicaid-25153				
Total Support Services	76,514	24,334	28,086	(3,752)
Senate Bill Nine-31700				
Total Support Services	626	626	675	(49)
Ed Tech Debt Service-43000				
Total Support Services	740	740	784	(44)

Management has not made progress in resolving this finding.

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For school district's, the expenditure function is the legal level of control.

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the fund mentioned in the condition, which would alleviate over-expenditure within the function prior to the year end.

Effect

As a result, the District is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Recommendation

The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

We will monitor the budget more closely and amend it as necessary. The business manager is confident this finding will be resolved by the end of this fiscal year.

2014-002 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-Significant Deficiency

Condition

The District maintained a deficit budget in excess of available cash balance in the General-Operational Fund (11000) of \$(92,744), General-Transportation Fund (13000) of \$(677), NM Grown Fruits & Vegetables (27183) of \$(588).

Management has not made progress in resolving this finding.

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 re-budgeted 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.

Cause

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

Effect

The District will be required to supplement this budget deficit in these fund with cash reserves from other funds. This supplement may lead to financial difficulties and deplete the budget in other funds.

Recommendation

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

Response

BARS will be issued to adjust beginning cash to actual and reduce expenditures as necessary. The business manager is confident this finding will be resolved before the end of this fiscal year.

2014-006 Timesheets-Compliance and Internal Control-Significant Deficiency

Condition

We noted 4 of the 6 non-exempt employees tested did not have timesheets on file.

Management has not made progress in resolving this finding.

Criteria

Recordkeeping Requirements under the Fair Labor Standards Act (FLSA). Every covered employer must keep certain records for each non-exempt worker. The Act requires no particular form for the records, but does require that the records include certain identifying information about the employee and data about the hours worked and the wages earned. The law requires this information to be accurate.

Cause

Management did not realize non-exempt employees had to keep a time sheet proving hours worked.

Effect

If the Department of Labor (DOL) finds that the District has willfully violated the FLSA, the DOL the Secretary of Labor may file suit for back wages and double damages. The DOL can also prosecute violations criminally with fines of up to \$10,000. Civil money penalties of up to \$1,100 per violation are also possible for willful and repeated violations.

Recommendation

All non-exempt should utilize a formal time keeping system to prove actual time worked.

Response

We will implement a formal time keeping system for all non-exempt employees. The superintendent is confident this finding will be resolved before the end of this fiscal year.

2015-001 Stale Checks'-Compliance and Internal Control-Significant Deficiency

Condition

The District has not voided and resolved uncleared checks that are over a year old. The District maintained two stale dated checks totaling \$184.21.

Criteria

In accordance with 6.20.2.14 whenever any check is uncleared for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

Cause

The stale dated checks were just an oversight.

Effect

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Recommendation

A review of all checks issued over one year should occur at year end. All uncleared checks should be researched and resolved before year end process is complete.

Response

We will resolve stale dated checks as they become more than a year old.

2015-002 Certification of Inventory-Compliance and Internal Control-Significant Deficiency

Condition

The District did not certify the inventory for the fiscal year ended June 30, 2015.

Criteria

Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors. In addition according to NMAC 2.20.1.16 (E) the results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency.

Effect

Items that cost less than \$5,000 could be misappropriated intentionally or not intentionally. Without taking inventory and certifying it is not known if all inventory has been accounted for. Replacing items cost the District funds that could be spent on educating the students.

Cause

Management was not aware they had to obtain certification of the annual asset inventory.

Recommendation

We recommend a physical inventory be taken annually and certified as to its correctness. The certification should be made available to the auditors.

Response

We do conduct an annual inventory but have not certified it. We will certify the inventory in the future.

2015-003 941/State Unemployment - Compliance and Internal Control-Significant Deficiency

Condition

During our audit process we noted the following:

2 of the 4 quarterly 941 report's were not submitted timely.

1 of the 4 quarterly State Unemployment reports was not submitted timely.

Criteria

irs.gov/Businesses/Small-Businesses-&-Self-Employed/Employment-Tax-Due-Dates states that for 941s are due by the end of the following month. New Mexico Department of Labor, Employment Security Division. State Unemployment (SUTA Form 903A) is due by the last day of the month following end of the quarter.

Cause

The business manager is new to the job and did not know to file the reports or when they were due.

Effect

Penalties and interest are assessed causing money to be spent on them rather than educating the students.

Recommendation

None. The problem has been resolved.

Response

None. The problem has been resolved.

2015-004 Background Checks-Compliance and Internal Control-Significant Deficiency

Condition

Out of 15 background checks sampled we noted the following:

A return to work (RTW) did not have a new background check competed.

The District had 3 copies of the Licensure Information from the PED. However the back ground check PED runs is only valid for Districts to use if it is less than 24 months after the initial licenses was issued.

Criteria

NM State Statute 22-10A-5. Background checks-Public Personnel. D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check if the department has copies of the applicant's federal bureau of investigation records on file.

Cause

Because of the small district, management personally knows the applicants that did not have background checks.

Effect

As a safety measure, people with serious criminal records may not be fit to have responsibility for the safety and well being of children.

Recommendation

All personnel files should be reviewed and missing background checks should be completed as soon as possible.

Response

We have started the review of the files and are obtaining background checks as required.

2015-005 Personnel-Compliance and Internal Control-Significant Deficiency

Condition

Out of 14 employees sampled we noted the following:

Two employees were misclassified as Health Assistants instead of Special Education Assistants.

They were paid from Medicaid 25153 totaling \$26,675.86

A bus driver personnel file had a CPR verification that was expired 9/13/13, and did not have current CDL.

The Principal became interim Superintendent 7/23/14 and the contract was signed by the board president. However the interim superintendent was also the principal and signed his own principal contract dated 8/4/14.

The nurse's contract was signed 12/1/14, but the contract states 24 installments calculating an overpayment of \$4,831.32

Assistant Business Manager/Transportation Director did not have a signed contract or stipend for her coaching position calculating a \$2,050.00 over payment.

Criteria

6.20.2.18 Payroll: The local board shall establish written payroll 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 districts 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, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause

Personnel are new to their positions and have been operating in survival mode resulting in errors.

Effect

An employment contract is a legally binding contract. If there are errors, the results could be over or underpayments, misunderstanding and litigation.

Recommendation

We recommend additional training and supervision in the preparation of employment contracts and maintenance of personnel files.

Response

We will prepare the contract correctly and review personnel files for expired licenses.

2015-006 Wages-Compliance and Internal Control-Significant Deficiency

Condition

Out of 3 non-exempt employees sampled we noted the following:

Two of the employees payroll sampled shows that they were both under paid for the April 15th 2015 pay period totaling \$89.11.

Criteria

Under the FLSA, "overtime" means "time actually worked beyond a prescribed threshold." The normal FLSA "work period" is the "work week" - 7 consecutive days - and the normal FLSA overtime threshold is 40 hours per work week.

Cause

Personnel are new to their positions and have been operating in survival mode resulting in errors.

Effect

Errors in the calculation of pay causes over or under payment of wages

Recommendation

We recommend additional training in governmental payroll.

Response

We will attend additional training.

2015-007 Overdrawn Activity Accounts-Compliance and Internal Control-Significant Condition

Two activity accounts ended the year overdrawn.

Criteria

Section 6-10-2. NMSA 1978 Public money; cash books; daily balance; public record. No activity fund account shall ever be permitted to incur a deficit. Financial records of student activity funds must be in accordance with generally accepted accounting principles and an adequate internal control structure established and maintained, as well as audit trails, in the same manner as the school district's regular funds.

Cause

Management was not aware the activity accounts could not be negative at any time during the year.

Effect

Allowing activity accounts to over spend creates a situation where operational funds may have to supplement the activity account using resources that could be used to educate the students.

Recommendation

The balance of the activity account should be determined before the funds are spent.

Response

We will review the balances before a purchase order is approved.

2015-008 Expenditures-Compliance and Internal Control-Significant Deficiency

Condition

During our sampling we noted the following:

Fund 24154 had three expenditures that the State disallowed totaling \$1,187.19

There was no evidence of quotes for items like supplies.

One expenditure of \$1,588.22 was coded to 29102-0000-56000. However there is not a function in this code.

Criteria

6.20.2.17 Purchasing: An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

Cause

Personnel are new to their positions and have been operating in survival mode resulting in errors.

Effect

The results of these actions cost the District money that could be used educating the students.

Recommendation

We recommend the purchasing process be carefully completed and reviewed.

Response

We will obtain quotes and be more careful in our coding of expenditures.

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 September 16, 2015 with Eddie King-Superintendent, Ronnie Gurule-Board Secretary, Joe Apodaca-Board Member, Rebecca Rigoni-Business Manager, and De'Aun Willoughby, CPA.