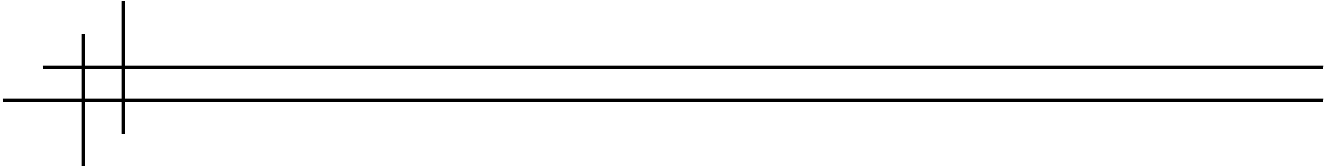




State of New Mexico  
**Springer Municipal Schools**

**Annual Financial Report**  
June 30, 2016

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



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State of New Mexico  
**Springer Municipal Schools**  
Official Roster  
June 30, 2016

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**Board of Education**

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

**School Officials**

Eddie King	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, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's 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, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position, thereof and the respective budgetary 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, 2016, 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.

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedules 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 schedules 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 schedules required by 2.2.2 NMAC are 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 October 11, 2016, 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.

*De'Ann Willoughby, CPA PC*

Clovis, New Mexico  
October 11, 2016



## **Financial Section**

State of New Mexico  
**Springer Municipal Schools**  
Government Wide-Statement of Net Position  
June 30, 2016

	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	\$ 314,087
Taxes Receivable	42,927
Due From Grantor	78,658
Inventory	1,973
Total Current Assets	<u>437,645</u>
Noncurrent Assets	
Capital Assets	11,925,400
Less: Accumulated Depreciation	<u>(7,240,113)</u>
Total Noncurrent Assets	<u>4,685,287</u>
Total Assets	<u>5,122,932</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	
Changes of Assumptions	121,508
Changes in Proportion	59,862
Contributions Subsequent to Measurement Date	<u>212,033</u>
Total Deferred Outflows of Resources	<u>393,403</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	18,652
Accrued Interest	5,130
Compensated Absences	12,741
Current Portion of Long-Term Debt	<u>245,000</u>
Total Current Liabilities	<u>281,523</u>
Noncurrent Liabilities	
Bonds	500,000
Pension Liability	<u>3,532,701</u>
Total Noncurrent Liabilities	<u>4,032,701</u>
Total Liabilities	<u>4,314,224</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	
Actuarial Experience	65,494
Investment Experience	15,902
Changes in Proportion	<u>189,178</u>
Total Deferred Inflows of Resources	<u>270,574</u>
<b>Net Position</b>	
Net Investment in Capital Assets	3,940,287
Restricted for:	
Capital Projects	38,266
Debt Service	33,041
Unrestricted	<u>(3,080,057)</u>
Total Net Position	<u>\$ 931,537</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, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Instruction	\$ 1,883,942	\$ 45,653	\$ 247,036	\$ 0 (1,591,253)
<b>Support Services</b>				
Students	448,147	21,433	88,223	0 (338,491)
Instruction	73,605	0	10,877	0 (62,728)
General Administration	165,897	0	5,497	0 (160,400)
School Administration	196,500	0	12,533	0 (183,967)
Central Services	86,366	0	5,308	0 (81,058)
Operation of Plant	407,829	0	26,793	0 (381,036)
Student Transportation	164,710	0	118,912	0 (45,798)
Other	780	0	0	0 (780)
Food Services Operations	131,827	9,875	78,909	0 (43,043)
Interest Expense	39,250	0	0	0 (39,250)
<b>Total Governmental Activities</b>	<b>\$ 3,598,853</b>	<b>\$ 76,961</b>	<b>\$ 594,088</b>	<b>\$ 0 (2,927,804)</b>
<b>General Revenues</b>				
<b>Taxes</b>				
Property Taxes, Levied for General Purposes				13,723
Property Taxes, Levied for Capital Projects				84,867
Property Taxes, Levied for Debt Service				298,507
Federal and State aid not restricted to specific purpose				
General				2,251,746
Capital				26,285
Miscellaneous				33,296
Subtotal, General Revenues				<u>2,708,424</u>
Change in Net Position				(219,380)
Net Position -Beginning				<u>1,150,917</u>
Net Position - Ending				<u>\$ 931,537</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, 2016

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>Assets</b>			
Cash and Cash Equivalents	\$ 39,715	\$ 2,539	\$ 14,373
Receivables			
Property Taxes	1,385	0	0
Due From Grantor	0	0	0
Interfund Balances	78,658	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 119,758</b>	<b>\$ 2,539</b>	<b>\$ 14,373</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 8,350	\$ 857	\$ 0
Interfund Balances	0	0	0
<b>Total Liabilities</b>	<b>8,350</b>	<b>857</b>	<b>0</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	1,331	0	0
<b>Total Deferred Inflows of Resources</b>	<b>1,331</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	110,077	1,682	14,373
<b>Total Fund Balances</b>	<b>110,077</b>	<b>1,682</b>	<b>14,373</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 119,758</b>	<b>\$ 2,539</b>	<b>\$ 14,373</b>

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, 2016

	Special Revenue		
	Title I 24101	Improving Teacher Quality 24154	NM Reads to Lead 27114
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	26,396	11,697	13,568
Interfund Balances	0	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 26,396</b>	<b>\$ 11,697</b>	<b>\$ 13,568</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	26,396	11,697	13,568
<b>Total Liabilities</b>	<b>26,396</b>	<b>11,697</b>	<b>13,568</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 26,396</b>	<b>\$ 11,697</b>	<b>\$ 13,568</b>

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, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
	<u>Solar Pilot 29134</u>	<u>41000</u>	
<b>Assets</b>			
Cash and Cash Equivalents	\$ 178,202	\$ 25,370	\$ 53,888
Receivables			
Property Taxes	0	27,966	13,576
Due From Grantor	0	0	26,997
Interfund Balances	0	0	0
Inventory	0	0	1,973
Total Assets	<u>\$ 178,202</u>	<u>\$ 53,336</u>	<u>\$ 96,434</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 9,445
Interfund Balances	<u>0</u>	<u>0</u>	<u>26,997</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>36,442</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	<u>0</u>	<u>26,837</u>	<u>15,903</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>26,837</u>	<u>15,903</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	1,973
Restricted for:			
Special Revenue Funds	178,202	0	6,092
Capital Projects	0	0	38,266
Debt Service	0	26,499	6,542
Unassigned	<u>0</u>	<u>0</u>	<u>(8,784)</u>
Total Fund Balances	<u>178,202</u>	<u>26,499</u>	<u>44,089</u>
 Total Liabilities, Deferred Inflows and Fund Balances	 <u>\$ 178,202</u>	 <u>\$ 53,336</u>	 <u>\$ 96,434</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, 2016

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	Total Governmental Funds
<b>Assets</b>	
Cash and Cash Equivalents	\$ 314,087
Receivables	
Property Taxes	42,927
Due From Grantor	78,658
Interfund Balances	78,658
Inventory	1,973
<b>Total Assets</b>	<b>\$ 516,303</b>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 18,652
Interfund Balances	78,658
<b>Total Liabilities</b>	<b>97,310</b>
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue	44,071
<b>Total Deferred Inflows of Resources</b>	<b>44,071</b>
<b>Fund Balances</b>	
Nonspendable-Inventory	1,973
Restricted for:	
Special Revenue Funds	184,294
Capital Projects	38,266
Debt Service	33,041
Unassigned	117,348
<b>Total Fund Balances</b>	<b>374,922</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 516,303</b>

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, 2016

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Total Fund Balance - Governmental Funds \$ 374,922

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

Property taxes receivable will be collected after the period  
 of availability, but are not available soon enough to pay for  
 the current period's expenditures, and therefore are  
 deferred in the funds. 44,071

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

Capital Assets	\$ 11,925,400	
Accumulated Depreciation	<u>(7,240,113)</u>	4,685,287

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	393,403	
Deferred Inflows Related to Pensions	<u>(270,574)</u>	122,829

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	(5,130)	
Compensated Absences	(12,741)	
Bonds payable	(745,000)	
Pension Liability	<u>(3,532,701)</u>	<u>(4,295,572)</u>

Total Net Position - Governmental Activities \$ 931,537

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, 2016

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
<b>Revenues</b>			
Property Taxes	\$ 12,392	\$ 0	\$ 0
Fees	5,472	0	0
State & Local Grants	2,248,905	118,912	11,105
Federal Grants	2,841	0	0
Miscellaneous	25,887	7,109	0
<b>Total Revenues</b>	<u>2,295,497</u>	<u>126,021</u>	<u>11,105</u>
<b>Expenditures</b>			
Current			
Instruction	1,141,939	0	5,506
Support Services			
Students	381,455	0	0
Instruction	74	0	0
General Administration	158,371	0	0
School Administration	186,275	0	0
Central Services	81,123	0	0
Operation and Maintenance of Plant	360,297	0	0
Student Transportation	0	165,451	0
Other	780	0	0
Food Services	34,623	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<u>2,344,937</u>	<u>165,451</u>	<u>5,506</u>
Excess (Deficiency) of Revenues Over Expenditures	(49,440)	(39,430)	5,599
Fund Balances at Beginning of Year	<u>159,517</u>	<u>41,112</u>	<u>8,774</u>
Fund Balance End of Year	<u>\$ 110,077</u>	<u>\$ 1,682</u>	<u>\$ 14,373</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, 2016

	Special Revenue		
	Title I 24101	Improving Teacher Quality 24154	NM Reads to Lead 27114
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	50,000
Federal Grants	82,826	12,334	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>82,826</b>	<b>12,334</b>	<b>50,000</b>
<b>Expenditures</b>			
Current			
Instruction	72,829	8,598	50,000
Support Services			
Students	0	2,096	0
Instruction	1,602	0	0
General Administration	3,087	213	0
School Administration	0	1,427	0
Central Services	5,308	0	0
Operation and Maintenance of Plant		0	0
Student Transportation	0	0	0
Other	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>82,826</b>	<b>12,334</b>	<b>50,000</b>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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, 2016

	Special Revenue		
	Solar Pilot 29134	Debt Service 41000	Other Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 199,830	\$ 140,804
Fees	0	0	71,489
State & Local Grants	113,588	0	64,755
Federal Grants	0	0	166,853
Miscellaneous	0	0	300
<b>Total Revenues</b>	<b>113,588</b>	<b>199,830</b>	<b>444,201</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	13,127	0	75,092
<b>Support Services</b>			
Students	38,904	0	29,249
Instruction	0	0	71,929
General Administration	0	1,997	3,606
School Administration	0	0	11,106
Central Services	0	0	0
Operation and Maintenance of Plant	0	0	50,391
Student Transportation	0	0	0
Other	0	0	0
Food Services	0	0	97,240
Capital Outlay	26,793	0	15,000
<b>Debt Service</b>			
Principal	0	175,000	70,000
Interest	0	33,186	2,240
<b>Total Expenditures</b>	<b>78,824</b>	<b>210,183</b>	<b>425,853</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>34,764</b>	<b>(10,353)</b>	<b>18,348</b>
<b>Fund Balances at Beginning of Year</b>	<b>143,438</b>	<b>36,852</b>	<b>25,741</b>
<b>Fund Balance End of Year</b>	<b>\$ 178,202</b>	<b>\$ 26,499</b>	<b>\$ 44,089</b>

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, 2016

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	Total Governmental Funds
Revenues	
Property Taxes	\$ 353,026
Fees	76,961
State & Local Grants	2,607,265
Federal Grants	264,854
Miscellaneous	33,296
Total Revenues	<u>3,335,402</u>
Expenditures	
Current	
Instruction	1,367,091
Support Services	
Students	451,704
Instruction	73,605
General Administration	167,274
School Administration	198,808
Central Services	86,431
Operation and Maintenance of Plant	410,688
Student Transportation	165,451
Other	780
Food Services	131,863
Capital Outlay	41,793
Debt Service	
Principal	245,000
Interest	35,426
Total Expenditures	<u>3,375,914</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,512)
Fund Balances at Beginning of Year	<u>415,434</u>
Fund Balance End of Year	<u><u>\$ 374,922</u></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, 2016

Excess (Deficiency) of Revenues Over Expenditures \$ (40,512)

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

Some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

Property Taxes Receivable, June 30, 2015	\$ 0	
Property Taxes Receivable, June 30, 2016	44,071	44,071

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	(530,117)	
Capital Outlays	41,793	(488,324)

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

245,000

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, 2015	4,431	
Current Amount Due, June 30, 2015	(3,125)	
Accrued Interest, June 30, 2016	(5,130)	(3,824)

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, 2015	13,458	
Compensated Absences, June 30, 2016	(12,741)	717

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	212,033	
Pension Expense	(188,541)	23,492

Changes in Net Position of Governmental Activities \$ (219,380)

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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 12,081	\$ 12,801	\$ 12,786	\$ (15)
State & Local Grants	2,247,764	2,249,048	2,248,905	(143)
Federal Grants	0	2,841	2,841	0
Miscellaneous	29,136	26,818	31,359	4,541
Total Revenues	<u>2,288,981</u>	<u>2,291,508</u>	<u>2,295,891</u>	<u>4,383</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	791,532	807,252	797,782	9,470
Employee Benefits	320,905	293,769	274,955	18,814
Professional & Tech Services	17,500	22,794	15,645	7,149
Other Purchased Services	21,533	13,433	19,808	(6,375)
Supplies	40,920	52,200	33,683	18,517
Total Instruction	<u>1,192,390</u>	<u>1,189,448</u>	<u>1,141,873</u>	<u>47,575</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	183,218	185,668	183,432	2,236
Employee Benefits	66,692	64,692	61,953	2,739
Professional & Tech Services	89,804	130,066	134,477	(4,411)
Other Purchased Services	200	100	26	74
Supplies	2,100	3,300	1,567	1,733
Total Students	<u>342,014</u>	<u>383,826</u>	<u>381,455</u>	<u>2,371</u>
<b>Instruction</b>				
Supplies	700	700	74	626
Total Instruction	<u>700</u>	<u>700</u>	<u>74</u>	<u>626</u>
<b>General Administration</b>				
Personnel Services	92,250	92,250	92,250	0
Employee Benefits	27,429	22,983	22,931	52
Professional & Tech Services	35,102	39,615	37,424	2,191
Other Purchased Services	6,295	14,595	7,284	7,311
Supplies	500	1,035	0	1,035
Total General Administration	<u>\$ 161,576</u>	<u>\$ 170,478</u>	<u>\$ 159,889</u>	<u>\$ 10,589</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
School Administration				
Personnel Services	\$ 145,629	\$ 145,629	\$ 145,629	\$ 0
Employee Benefits	43,062	39,979	39,556	423
Professional & Tech Services	0	720	1,090	(370)
Other Purchased Services	400	300	0	300
Total School Administration	<u>189,091</u>	<u>186,628</u>	<u>186,275</u>	<u>353</u>
Central Services				
Personnel Services	57,927	55,727	52,260	3,467
Employee Benefits	25,100	22,956	19,824	3,132
Professional & Tech Services	1,174	13,851	9,021	4,830
Other Purchased Services	1,000	2,000	0	2,000
Supplies	1,750	750	18	732
Total Central Services	<u>86,951</u>	<u>95,284</u>	<u>81,123</u>	<u>14,161</u>
Operation of Plant				
Personnel Services	84,010	94,660	93,672	988
Employee Benefits	31,695	28,512	28,100	412
Professional & Tech Services	350	503	502	1
Purchased Property Services	158,679	163,097	136,608	26,489
Other Purchased Services	108,786	98,786	94,333	4,453
Supplies	250	250	0	250
Supply Assets	0	0	5,270	(5,270)
Total Operation of Plant	<u>383,770</u>	<u>385,808</u>	<u>358,485</u>	<u>27,323</u>
Other				
Other Purchased Services	<u>9,822</u>	<u>9,822</u>	<u>780</u>	<u>9,042</u>
Total Other	<u>9,822</u>	<u>9,822</u>	<u>780</u>	<u>9,042</u>
Total Support Services	<u>1,173,924</u>	<u>1,232,546</u>	<u>1,168,081</u>	<u>64,465</u>
Food Service Operations				
Other Purchased Services	7,600	36,693	41,171	(4,478)
Supplies	<u>750</u>	<u>3,250</u>	<u>1,523</u>	<u>1,727</u>
Total Food Service Operations	<u>8,350</u>	<u>39,943</u>	<u>42,694</u>	<u>(2,751)</u>
Total Expenditures	<u>\$ 2,374,664</u>	<u>\$ 2,461,937</u>	<u>\$ 2,352,648</u>	<u>\$ 109,289</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (85,683)	\$ (170,429)	\$ (56,757)	\$ 113,672
Cash Balance Beginning of Year	175,130	175,130	175,130	0
Cash Balance End of Year	<u>\$ 89,447</u>	<u>\$ 4,701</u>	<u>\$ 118,373</u>	<u>\$ 113,672</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (56,757)	
Net Change in Taxes Receivable			937	
Net Change in Accounts Payable			7,711	
Net Change in Deferred Taxes			(1,331)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (49,440)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 163,508	\$ 117,182	\$ 118,912	\$ 1,730
Miscellaneous	0	7,109	7,109	0
Total Revenues	<u>163,508</u>	<u>124,291</u>	<u>126,021</u>	<u>1,730</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Student Transportation</b>				
Personnel Services	55,839	49,862	49,660	202
Employee Benefits	32,218	30,765	31,220	(455)
Professional & Tech Services	1,000	3,140	2,731	409
Purchased Property Services	22,000	12,000	11,356	644
Other Purchased Services	7,830	12,610	12,609	1
Supplies	33,329	32,602	32,302	300
Fixed Assets	11,292	3,920	0	3,920
Supply Assets	0	0	4,196	(4,196)
Returned to PED	0	20,591	20,591	0
Total Student Transportation	<u>163,508</u>	<u>165,490</u>	<u>164,665</u>	<u>825</u>
Total Support Services	<u>163,508</u>	<u>165,490</u>	<u>164,665</u>	<u>825</u>
Total Expenditures	<u>163,508</u>	<u>165,490</u>	<u>164,665</u>	<u>825</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(41,199)	(38,644)	2,555
Cash Balance Beginning of Year	<u>41,183</u>	<u>41,183</u>	<u>41,183</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 41,183</u>	<u>\$ (16)</u>	<u>\$ 2,539</u>	<u>\$ 2,555</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (38,644)	
Net Change in Accounts Payable			(786)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (39,430)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 9,686	\$ 11,106	\$ 11,105	\$ (1)
Total Revenues	<u>9,686</u>	<u>11,106</u>	<u>11,105</u>	<u>(1)</u>
Expenditures				
Instruction				
Supplies	<u>9,686</u>	<u>15,606</u>	<u>5,506</u>	<u>10,100</u>
Total Instruction	<u>9,686</u>	<u>15,606</u>	<u>5,506</u>	<u>10,100</u>
Total Expenditures	<u>9,686</u>	<u>15,606</u>	<u>5,506</u>	<u>10,100</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(4,500)	5,599	10,099
Cash Balance Beginning of Year	<u>8,774</u>	<u>8,774</u>	<u>8,774</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,774</u>	<u>\$ 4,274</u>	<u>\$ 14,373</u>	<u>\$ 10,099</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 5,599</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,599</u>	

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

State of New Mexico  
**Springer Municipal Schools**  
Special Revenue Fund-Title I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 91,401	\$ 108,334	\$ 78,089	\$ (30,245)
Total Revenues	<u>91,401</u>	<u>108,334</u>	<u>78,089</u>	<u>(30,245)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	48,375	48,375	48,375	0
Employee Benefits	18,280	19,953	19,773	180
Supplies	0	8,318	4,681	3,637
Total Instruction	<u>66,655</u>	<u>76,646</u>	<u>72,829</u>	<u>3,817</u>
<b>Support Services</b>				
<b>Instruction</b>				
Supplies	0	1,733	1,602	131
Total Instruction	<u>0</u>	<u>1,733</u>	<u>1,602</u>	<u>131</u>
<b>General Administration</b>				
Professional & Tech Services	3,087	3,087	3,087	0
Total General Administration	<u>3,087</u>	<u>3,087</u>	<u>3,087</u>	<u>0</u>
<b>Central Services</b>				
Personnel Services	0	1,916	1,915	1
Employee Benefits	0	793	884	(91)
Supplies	0	2,500	2,509	(9)
Total Central Services	<u>0</u>	<u>5,209</u>	<u>5,308</u>	<u>(99)</u>
Total Support Services	<u>3,087</u>	<u>10,029</u>	<u>9,997</u>	<u>32</u>
Total Expenditures	<u>69,742</u>	<u>86,675</u>	<u>82,826</u>	<u>3,849</u>
Excess (Deficiency) of Revenues Over Expenditures	21,659	21,659	(4,737)	(26,396)
Cash Balance Beginning of Year	<u>(21,659)</u>	<u>(21,659)</u>	<u>(21,659)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(26,396)</u>	\$ <u>(26,396)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,737)	
Net change in Due from Grantor			<u>4,737</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 10,469	\$ 24,816	\$ 1,771	\$ (23,045)
Total Revenues	<u>10,469</u>	<u>24,816</u>	<u>1,771</u>	<u>(23,045)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	1,389	7,065	7,073	(8)
Other Purchased Services	700	9,371	1,525	7,846
Supplies	0	0	0	0
Total Instruction	<u>2,089</u>	<u>16,436</u>	<u>8,598</u>	<u>7,838</u>
<b>Support Services</b>				
<b>Students</b>				
Professional & Tech Services	1,000	1,000	429	571
Other Purchased Services	250	1,667	1,667	0
Total Students	<u>1,250</u>	<u>2,667</u>	<u>2,096</u>	<u>571</u>
<b>General Administration</b>				
Professional & Tech Services	2,247	2,247	213	2,034
Other Purchased Services	1,000	905	0	905
Total General Administration	<u>3,247</u>	<u>3,152</u>	<u>213</u>	<u>2,939</u>
<b>School Administration</b>				
Professional & Tech Services	2,500	302	302	0
Other Purchased Services	250	1,126	1,126	0
Total School Administration	<u>2,750</u>	<u>1,428</u>	<u>1,428</u>	<u>0</u>
Total Support Services	<u>7,247</u>	<u>7,247</u>	<u>3,737</u>	<u>3,510</u>
Total Expenditures	<u>9,336</u>	<u>23,683</u>	<u>12,335</u>	<u>11,348</u>
Excess (Deficiency) of Revenues Over Expenditures	1,133	1,133	(10,564)	(11,697)
Cash Balance Beginning of Year	<u>(1,133)</u>	<u>(1,133)</u>	<u>(1,133)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(11,697)</u>	\$ <u>(11,697)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,564)	
Net change in Due from Grantor			<u>10,564</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 75,782	\$ 75,782	\$ 62,214	\$ (13,568)
Total Revenues	<u>75,782</u>	<u>75,782</u>	<u>62,214</u>	<u>(13,568)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	14,474	20,000	19,654	346
Employee Benefits	7,856	14,277	14,155	122
Professional & Tech Services	13,835	8,923	8,924	(1)
Supplies	13,835	6,800	7,267	(467)
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	25,782	25,782	12,214	(13,568)
Cash Balance Beginning of Year	<u>(25,782)</u>	<u>(25,782)</u>	<u>(25,782)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,568)</u>	<u>\$ (13,568)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,214	
Net Change in Due from Grantor			<u>(12,214)</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-Solar Pilot-29134  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Local Grant	\$ 112,194	\$ 115,194	\$ 113,588	\$ (1,606)
Total Revenues	<u>112,194</u>	<u>115,194</u>	<u>113,588</u>	<u>(1,606)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	10,000	(10,000)
Employee Benefits	0	0	2,355	(2,355)
Other Purchased Services	5,000	5,000	0	5,000
Supplies	<u>5,000</u>	<u>5,000</u>	<u>772</u>	<u>4,228</u>
Total Instruction	<u>10,000</u>	<u>10,000</u>	<u>13,127</u>	<u>(3,127)</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	0	11,760	32,542	(20,782)
Employee Benefits	<u>42,632</u>	<u>42,632</u>	<u>6,363</u>	<u>36,269</u>
Total Students	<u>42,632</u>	<u>54,392</u>	<u>38,905</u>	<u>15,487</u>
Total Support Services	<u>42,632</u>	<u>54,392</u>	<u>38,905</u>	<u>15,487</u>
<b>Capital Outlay</b>				
Purchased Property Services	191,239	191,239	26,792	164,447
Fixed Assets	<u>0</u>	<u>885</u>	<u>0</u>	<u>885</u>
Total Capital Outlay	<u>191,239</u>	<u>192,124</u>	<u>26,792</u>	<u>165,332</u>
Total Expenditures	<u>243,871</u>	<u>256,516</u>	<u>78,824</u>	<u>177,692</u>
Excess (Deficiency) of Revenues Over Expenditures	(131,677)	(141,322)	34,764	176,086
Cash Balance Beginning of Year	<u>143,438</u>	<u>143,438</u>	<u>143,438</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,761</u>	<u>\$ 2,116</u>	<u>\$ 178,202</u>	<u>\$ 176,086</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>34,764</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>34,764</u>	

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

State of New Mexico  
**Springer Municipal Schools**  
Statement of Fiduciary Assets and Liabilities-Agency Funds  
June 30, 2016

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	<u>Agency Funds</u>
Assets	
Cash in Banks	\$ 50,356
Investments	170,118
Total Assets	<u>\$ 220,474</u>
Liabilities	
Deposits Held for Others	\$ 220,474
Total Liabilities	<u>\$ 220,474</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.



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**

**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.

**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).

**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.

**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).

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

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

#### Cash and Cash Equivalents

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

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

Investments

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

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

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

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net 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

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

Nonspendable Fund Balance is a category that is not converted into cash such as inventory.

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 and require a formal action of the government's highest level of decision-making authority.

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.

#### 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.

		Balance		
		Per Bank	Reconciled	
		06/30/16	Balance	Type
<b>Wells Fargo</b>				
	<u>Name of Account</u>			
A C Elizabeth Arellano Scholarship		\$ 14,286	\$ 14,286	Savings
TOTAL Deposited		14,286	14,286	
Less: FDIC Coverage		(14,286)		
Uninsured Amount		0		
50% collateral requirement		0		
Pledged securities		0		
Over (Under) requirement		\$ 0		
		Balance		
		Per Bank	Reconciled	
		06/30/16	Balance	Type
<b>International Bank</b>				
	<u>Name of Account</u>			
General Operations		\$ 403,480	\$ 343,708	Interest-Checking
Insurance Clearing Account		55,674	6,449	Interest-Checking
Total Deposited		459,154	350,157	
Less: FDIC Coverage		(250,000)		
Uninsured Amount		209,154		
50% collateral requirement		104,577		
Pledged securities		350,416		
Over (Under) requirement		\$ 245,839		

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



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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	\$ 350,416	12/20/2018	BBW, Colorado
		<u>\$ 350,416</u>		

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	209,154
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 459,154</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, 2016 none of the District's bank balance of \$459,154 was exposed to custodial credit risk.

**Investments**

Account Name: Springer School District-Sim Brown Scholarship Fund

Type of Investment:	Balance 06/30/16
Domestic Equity	
US Large Cap Equity	\$ 36,187
US Small/Mid Cap Equity	38,246
Non-US Equity	
Non-US Developed Markets Equity	36,783
Non-US Emerging Markets Equity	31,289
Bonds	
US Core Bonds	27,613
	<u>\$ 170,118</u>

Broker: New Mexico State Investment Council

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

Fair value at June 30, 2015	\$ 186,048
Add Investment earning	3,706
Fees Charges	392
Less Distribution	7,500
Increase in fair value of investments	<u>(11,744)</u>
Fair value at June 30, 2016	<u>\$ 170,118</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:

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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](http://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](http://www.nmsto.org). As of June 30, 2016, the LGIP WAM(R) is 44 days and WAM(F) is 77 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, 2016:

	General	Debt Service	Other Governmental Funds	Total
Property Taxes Receivable:				
Available	\$ 1,385	\$ 27,966	\$ 13,576	\$ 42,927
Unavailable	0	0	0	0
Total Property Taxes	<u>\$ 1,385</u>	<u>\$ 27,966</u>	<u>\$ 13,576</u>	<u>\$ 42,927</u>

**C. Interfund Receivables, Payables and Transfers**

Interfund Balances year ending June 30, 2016 were as follows:

Loans from:		Loans to:	
Operational	\$ 78,658	Other Funds	\$ 78,658
	<u>\$ 78,658</u>		<u>\$ 78,658</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, 2016, is as follows:

Governmental Activities	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
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>

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Capital Assets, being Depreciated				
Buildings & Improvements	10,291,683	0	0	10,291,683
Equipment, Vehicles, Information	<u>1,601,903</u>	<u>41,792</u>	<u>(18,105)</u>	<u>1,625,590</u>
Total Capital Assets, being Depreciated	<u>11,893,586</u>	<u>41,792</u>	<u>(18,105)</u>	<u>11,917,273</u>
Total Capital Assets	<u>11,901,712</u>	<u>41,792</u>	<u>(18,105)</u>	<u>11,925,399</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	5,571,436	412,819	0	5,984,255
Equipment, Vehicles, Information	<u>1,156,665</u>	<u>117,298</u>	<u>(18,105)</u>	<u>1,255,858</u>
Total Accumulated Depreciation	<u>6,728,101</u>	<u>530,117</u>	<u>(18,105)</u>	<u>7,240,113</u>
Capital Assets, net	<u>\$ 5,173,611</u>	<u>\$ (488,325)</u>	<u>\$ 0</u>	<u>\$ 4,685,286</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 530,117
Total depreciation expenses	<u>\$ 530,117</u>

**E. Long-Term Liabilities and Other Liabilities**

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

	Balance 6/30/15	Additions	Reductions	Balance 6/30/16	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,115,000	\$ 0	\$ 370,000	\$ 745,000	\$ 245,000
Total Bonds	<u>1,115,000</u>	<u>0</u>	<u>370,000</u>	<u>745,000</u>	<u>245,000</u>
Other Liabilities					
Compensated					
Absences	<u>13,458</u>	<u>15,794</u>	<u>16,511</u>	<u>12,741</u>	<u>12,741</u>
Total Other Liabilities	<u>\$ 13,458</u>	<u>\$ 15,794</u>	<u>\$ 16,511</u>	<u>\$ 12,741</u>	<u>\$ 12,741</u>

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

Above Balance of Long-Term Debts	\$ 745,000
Statement of Net Position	<u>\$ 745,000</u>
Long-Term Per Government Wide Financial Statements	\$ 500,000
Current Portion	245,000
Statement of Net Position	<u>\$ 745,000</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%	0
2009	06/15/09	500,000	3.5%-4.25%	225,000
2010	03/15/10	500,000	3.00%	450,000
2012	05/15/12	350,000	1.48%	70,000
				\$ 745,000

The annual requirements to amortize all of the general obligation bonds as of June 30, 2016, including interest payments are as follows:

	Principal	Interest	Total
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
	\$ 745,000	\$ 64,316	\$ 809,316

**F. Commitments**

The District has no construction commitments on June 30, 2016.

**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](http://www.nmerb.org).

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

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

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

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

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

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.

State of New Mexico  
**Springer Municipal Schools**  
Notes to the Financial Statements  
June 30, 2016

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 fiscal year ended June 30, 2016 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 \$212,033 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$3,532,701 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District proportion was .05454 percent, which was an increase of .00492 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$188,541. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 65,494
Changes of assumptions	121,508	0
Net difference between projected and actual earnings on pension plan investments	0	15,902
Changes in proportion and differences between the District's contributions and proportionate share of contributions	59,862	189,178
District's contributions subsequent to the measurement date	212,033	0
Total	<u>\$ 393,403</u>	<u>\$ 270,574</u>

\$212,033 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (88,324)
2018	(74,318)
2019	24,394
2020	49,044
Total	\$ <u>(89,204)</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, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

All members with annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter,

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,

COLAs for most retirees are reduced until NMERB attains a 100% funded status,

These assumptions were adopted by the Board on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014, and

For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

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

Actuarial Cost Method	Entry Age
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)

**Rate of Return:** 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 objections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.).

**Discount Rate:** A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015 and June 30, 2014. 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 Net Pension Liability to Changes in the Discount Rate Assumption: 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 2015. In particular, the table presents the District’s net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Districts' proportionate share of the net pension liability	\$ 4,753,485	\$ 3,532,701	\$ 2,507,115

**Pension plan fiduciary net position.** Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**Payables to the pension plan.** 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](http://www.nmrhca.state.nm.us).

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

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, 2016, 2015 and 2014 were \$30,508, \$30,998, and \$29,269 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 11, 2016 which is the date the financial statements were available to be issued.

**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, 2016.

	<u>Original</u>		<u>Final</u>		<u>Actual</u>		<u>Variance</u>
<b><u>Major Funds</u></b>							
General Fund - 11000	\$ 8,350	\$	39,943	\$	42,694	\$	(2,751)
Total Food Service Operations							
Solar Pilot-29134							
Instruction-Purchased Services	10,000		10,000		13,127		(3,127)
<b><u>Non-Major Funds</u></b>							
Athletics - 22000							
Instruction	24,250		35,153		38,363		(3,210)

**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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 337,820	\$ 337,820	\$ 200,054	\$ (137,766)
Total Revenues	<u>337,820</u>	<u>337,820</u>	<u>200,054</u>	<u>(137,766)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	3,378	3,378	1,997	1,381
Total General Administration	<u>3,378</u>	<u>3,378</u>	<u>1,997</u>	<u>1,381</u>
Total Support Services	<u>3,378</u>	<u>3,378</u>	<u>1,997</u>	<u>1,381</u>
Debt Service				
Principal	389,051	461,915	300,000	161,915
Interest	36,150	36,150	36,150	0
Fees	0	0	161	(161)
Total Debt Service	<u>425,201</u>	<u>498,065</u>	<u>336,311</u>	<u>161,754</u>
Total Expenditures	<u>428,579</u>	<u>501,443</u>	<u>338,308</u>	<u>163,135</u>
Excess (Deficiency) of Revenues Over Expenditures	(90,759)	(163,623)	(138,254)	25,369
Cash Balance Beginning of Year	<u>163,624</u>	<u>163,624</u>	<u>163,624</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 72,865</u>	<u>\$ 1</u>	<u>\$ 25,370</u>	<u>\$ 25,369</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (138,254)	
Net Change in Taxes Receivable			26,613	
Net Change in Current Portion			128,125	
Net Change in Deferred Taxes			(26,837)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (10,353)</u>	

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

**Supplemental Information Related to  
Nonmajor 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).

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

**IDEA 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.

**IDEA B Results Plan (24132).** The New Mexico Real Results Plan (NMRRP) is part of New Mexico's State Systemic Improvement Plan, required by the U.S. Department of Education, Office of Special Education Programs. New Mexico's plan supports PED's waiver under the Elementary and Secondary Education Act and the A - F School Grading System. This plan and all its resources specifically target students with disabilities enrolled in Title I schools. PL 108-446 PT B Individuals with Disabilities Education Act

**USDA Equipment Assistance (24183).** To account for funds distributed by the U. S. Department of Agriculture to provide funds to purchase equipment needed for the preparation of meals for students. The fund was created by the authority of federal grant provisions.

**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 (REAP) (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.

**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.

**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.

**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.

**NM Grown Fruit & 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, 2016

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
<b>Assets</b>			
Cash and Cash Equivalents	\$ 36	\$ 2,286	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	5,346
Inventory	1,973	0	0
<b>Total Assets</b>	<b>\$ 2,009</b>	<b>\$ 2,286</b>	<b>\$ 5,346</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 8,820	\$ 0	\$ 0
Interfund Balances	0	0	5,346
<b>Total Liabilities</b>	<b>8,820</b>	<b>0</b>	<b>5,346</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance</b>			
Nonspendable-Inventory	1,973	0	0
Restricted for:			
Special Revenue Funds	0	2,286	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	(8,784)	0	0
<b>Total Fund Balances</b>	<b>(6,811)</b>	<b>2,286</b>	<b>0</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>2,009</b>	<b>\$ 2,286</b>	<b>\$ 5,346</b>

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, 2016

	Special Revenue Fund		
	IDEA Preschool 24109	IDEA Early Intervention 24112	Fresh Fruit & Vegetables 24118
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	3,650	4,387	0
Inventory	0	0	0
Total Assets	<u>\$ 3,650</u>	<u>\$ 4,387</u>	<u>\$ 0</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	3,650	4,387	0
Total Liabilities	<u>3,650</u>	<u>4,387</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 3,650</u>	<u>\$ 4,387</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, 2016

	Special Revenue Fund		
	IDEA B Results Plan 24132	USDA Equipment Assistance 24183	Medicaid 25153
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 2,168
Receivables			
Taxes	0	0	0
Due From Grantor	4,339	0	0
Inventory	0	0	0
Total Assets	<u>\$ 4,339</u>	<u>\$ 0</u>	<u>\$ 2,168</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	4,339	0	0
Total Liabilities	<u>4,339</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	2,168
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>2,168</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 4,339</u>	<u>\$ 0</u>	<u>\$ 2,168</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, 2016

	Special Revenue Fund		
	Child Care Block Grant CYFD 25157	Child & Adult Food Program 25171	Rural Education REAP 25233
	\$	\$	\$
	6	0	3,119
<b>Assets</b>			
Cash and Cash Equivalents	\$ 6	\$ 0	\$ 3,119
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ 3,119</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	6	0	3,119
Total Deferred Inflows of Resources	<u>6</u>	<u>0</u>	<u>3,119</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ 3,119</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, 2016

	Special Revenue Fund		
	Golden Apple 26163	Dual Credit Instructional Materials 27103	GO Student Library 27107
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,391	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	9,275
Inventory	0	0	0
Total Assets	<u>\$ 1,391</u>	<u>\$ 0</u>	<u>\$ 9,275</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	9,275
Total Liabilities	<u>0</u>	<u>0</u>	<u>9,275</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	1,391	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>1,391</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 1,391</u>	<u>\$ 0</u>	<u>\$ 9,275</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, 2016

	Special Revenue Fund		
	Breakfast for Elementary Students 27155	STEM Teacher Initiative 27181	NM Grown Fruit & Vegetables 27183
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<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 Balance Sheet  
 June 30, 2016

	Special Revenue Fund		Capital Projects
	Lowes' Toolbox 29102	Silver Wellness Center 29125	Senate Bill Nine 31700
<b>Assets</b>			
Cash and Cash Equivalents	\$ 247	\$ 0	\$ 38,502
Receivables			
Taxes	0	0	9,287
Due From Grantor	0	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 247</b>	<b>\$ 0</b>	<b>\$ 47,789</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 625
Interfund Balances	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>625</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	8,898
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>8,898</b>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	247	0	0
Capital Projects	0	0	38,266
Debt Service	0	0	0
Unassigned	0	0	0
<b>Total Fund Balances</b>	<b>247</b>	<b>0</b>	<b>38,266</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 247</b>	<b>\$ 0</b>	<b>\$ 47,789</b>

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, 2016

	<u>Debt Service</u>	
	Education Technology 43000	<u>Total</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 6,133	\$ 53,888
Receivables		
Taxes	4,289	13,576
Due From Grantor	0	26,997
Inventory	0	1,973
Total Assets	<u>\$ 10,422</u>	<u>\$ 96,434</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 0	\$ 9,445
Interfund Balances	0	26,997
Total Liabilities	<u>0</u>	<u>36,442</u>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue	<u>3,880</u>	<u>15,903</u>
Total Deferred Inflows of Resources	<u>3,880</u>	<u>15,903</u>
<b>Fund Balance</b>		
Nonspendable-Inventory	0	1,973
Restricted for:		
Special Revenue Funds	0	6,092
Capital Projects	0	38,266
Debt Service	6,542	6,542
Unassigned	0	(8,784)
Total Fund Balances	<u>6,542</u>	<u>44,089</u>
 Total Liabilities, Deferred Inflows and Fund Balances	 <u>\$ 10,422</u>	 <u>\$ 96,434</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, 2016

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	9,875	40,181	0
State & Local Grants	0	0	0
Federal Grants	66,964	0	39,791
Other	7	293	0
Total Revenues	<u>76,846</u>	<u>40,474</u>	<u>39,791</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	38,288	8,142
Support Services			
Students	0	0	18,346
Instruction	0	0	0
General Administration	0	0	2,197
School Administration	0	0	11,106
Operation & Maintenance of Plant	0	0	0
Food Services	85,295	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>85,295</u>	<u>38,288</u>	<u>39,791</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,449)	2,186	0
Fund Balances at Beginning of Year	<u>1,638</u>	<u>100</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (6,811)</u>	<u>\$ 2,286</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, 2016

	Special Revenue Fund		
	IDEA Preschool 24109	IDEA Early Intervention 24112	Fresh Fruit & Vegetables 24118
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	3,730	4,387	4,285
Other	0	0	0
Total Revenues	<u>3,730</u>	<u>4,387</u>	<u>4,285</u>
Expenditures			
Current			
Instruction	3,730	4,387	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	4,285
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,730</u>	<u>4,387</u>	<u>4,285</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, 2016

	Special Revenue Fund		
	USDA		
	IDEA B Results Plan 24132	Equipment Assistance 24183	Medicaid 25153
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	21,433
State & Local Grants	0	0	0
Federal Grants	19,974	5,217	0
Other	0	0	0
Total Revenues	<u>19,974</u>	<u>5,217</u>	<u>21,433</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services			
Students	0	0	24,706
Instruction	19,974	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Services	0	5,217	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>19,974</u>	<u>5,217</u>	<u>24,706</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(3,273)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>5,441</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,168</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, 2016

	Special Revenue Fund		
	Child Care	Child & Adult	Rural
	Block Grant	Food	Education
	CYFD	Program	REAP
	25157	25171	25233
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	14,303	517	7,685
Other	0	0	0
Total Revenues	<u>14,303</u>	<u>517</u>	<u>7,685</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	7,685
Support Services			
Students	14,303	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	517	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>14,303</u>	<u>517</u>	<u>7,685</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, 2016

	Special Revenue Fund		
	Golden	Dual Credit	GO Student
	Apple 26163	Instructional Materials 27103	Library 27107
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	545	9,275
Federal Grants	0	0	0
Other	0	0	0
Total Revenues	<u>0</u>	<u>545</u>	<u>9,275</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	545	0
Support Services			
Students	0	0	0
Instruction	0	0	9,275
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>0</u>	<u>545</u>	<u>9,275</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>1,391</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, 2016

	Special Revenue Fund		
	Breakfast for Elementary Students 27155	STEM Teacher Initiative 27181	NM Grown Fruit & Vegetables 27183
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	1,736	12,150	190
Federal Grants	0	0	0
Other	0	0	0
<b>Total Revenues</b>	<b>1,736</b>	<b>12,150</b>	<b>190</b>
<b>Expenditures</b>			
Current			
Instruction	0	12,150	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	1,736	0	190
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>1,736</b>	<b>12,150</b>	<b>190</b>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 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 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 For the Year Ended June 30, 2016

	Special Revenue Fund		Capital Projects
	Lowes' Toolbox 29102	Silver	Senate Bill Nine 31700
		Wellness Center 29125	
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 68,964
Fees	0	0	0
State & Local Grants	0	14,574	26,285
Federal Grants	0	0	0
Other	0	0	0
Total Revenues	<u>0</u>	<u>14,574</u>	<u>95,249</u>
<b>Expenditures</b>			
Current			
Instruction	165	0	0
Support Services			
Students	0	14,574	0
Instruction	0	0	0
General Administration	0	0	690
School Administration	0	0	0
Operation & Maintenance of Plant	0	0	50,391
Food Services	0	0	0
Capital Outlay	0	0	15,000
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>165</u>	<u>14,574</u>	<u>66,081</u>
Excess (Deficiency) of Revenues Over Expenditures	(165)	0	29,168
Fund Balances at Beginning of Year	<u>412</u>	<u>0</u>	<u>9,098</u>
Fund Balance End of Year	<u>\$ 247</u>	<u>\$ 0</u>	<u>\$ 38,266</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, 2016

	<u>Debt Service</u>	
	Education Technology 43000	Total
<b>Revenues</b>		
Property Taxes	\$ 71,840	\$ 140,804
Fees	0	71,489
State & Local Grants	0	64,755
Federal Grants	0	166,853
Other	0	300
Total Revenues	<u>71,840</u>	<u>444,201</u>
<b>Expenditures</b>		
Current		
Instruction	0	75,092
Support Services		
Students	0	71,929
Instruction	0	29,249
General Administration	719	3,606
School Administration	0	11,106
Operation & Maintenance of Plant	0	50,391
Food Services	0	97,240
Capital Outlay	0	15,000
Debt Service		
Principal	70,000	70,000
Interest	2,240	2,240
Total Expenditures	<u>72,959</u>	<u>425,853</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,119)	18,348
Fund Balances at Beginning of Year	<u>7,661</u>	<u>25,741</u>
Fund Balance End of Year	<u>\$ 6,542</u>	<u>\$ 44,089</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 13,150	\$ 13,150	\$ 9,876	\$ (3,274)
Federal Grant	105,000	105,000	76,634	(28,366)
Miscellaneous	0	0	7	7
Total Revenues	<u>118,150</u>	<u>118,150</u>	<u>86,517</u>	<u>(31,633)</u>
<b>Expenditures</b>				
<b>Food Service</b>				
Personnel Services	2,400	2,400	2,400	0
Employee Benefits	381	381	381	0
Other Purchased Services	114,369	114,369	73,714	40,655
Supplies	1,000	1,000	196	804
Total Food Service	<u>118,150</u>	<u>118,150</u>	<u>76,691</u>	<u>41,459</u>
Total Expenditures	<u>118,150</u>	<u>118,150</u>	<u>76,691</u>	<u>41,459</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	9,826	9,826
Cash Balance Beginning of Year	<u>(9,790)</u>	<u>(9,790)</u>	<u>(9,790)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (9,790)</u>	<u>\$ (9,790)</u>	<u>\$ 36</u>	<u>\$ 9,826</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,826	
Net change in Due from Grantor			(9,669)	
Net Change in Inventory			214	
Net Change in Accounts Payable			(8,820)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,449)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 30,000	\$ 38,233	\$ 40,181	\$ 1,948
Miscellaneous	0	0	293	293
Total Revenues	<u>30,000</u>	<u>38,233</u>	<u>40,474</u>	<u>2,241</u>
Expenditures				
Instruction				
Other Purchased Services	24,250	29,972	29,972	0
Supplies	0	5,181	8,391	(3,210)
Total Instruction	<u>24,250</u>	<u>35,153</u>	<u>38,363</u>	<u>(3,210)</u>
Total Expenditures	<u>24,250</u>	<u>35,153</u>	<u>38,363</u>	<u>(3,210)</u>
Excess (Deficiency) of Revenues Over Expenditures	5,750	3,080	2,111	(969)
Cash Balance Beginning of Year	<u>175</u>	<u>175</u>	<u>175</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,925</u>	<u>\$ 3,255</u>	<u>\$ 2,286</u>	<u>\$ (969)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,111	
Net change in Accounts Payable			75	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,186</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 78,468	\$ 85,141	\$ 57,089	\$ (28,052)
Total Revenues	<u>78,468</u>	<u>85,141</u>	<u>57,089</u>	<u>(28,052)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	5,198	198	125	73
Other Purchased Services	4,000	4,000	4,115	(115)
Supplies	5,000	8,673	3,902	4,771
Supply Assets	0	5,000	0	5,000
Total Instruction	<u>14,198</u>	<u>17,871</u>	<u>8,142</u>	<u>9,729</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	12,000	12,000	12,000	0
Employee Benefits	2,978	2,978	2,978	0
Professional & Tech Services	1,750	1,750	710	1,040
Other Purchased Services	3,087	0	0	0
Supplies	7,711	4,111	1,755	2,356
Supply Assets	3,500	7,087	903	6,184
Total Students	<u>31,026</u>	<u>27,926</u>	<u>18,346</u>	<u>9,580</u>
<b>General Administration</b>				
Professional & Tech Services	0	5,500	2,197	3,303
Total General Administration	<u>0</u>	<u>5,500</u>	<u>2,197</u>	<u>3,303</u>
<b>School Administration</b>				
Personnel Services	9,000	9,000	9,000	0
Employee Benefits	1,600	2,200	2,106	94
Total School Administration	<u>10,600</u>	<u>11,200</u>	<u>11,106</u>	<u>94</u>
Total Support Services	<u>41,626</u>	<u>44,626</u>	<u>31,649</u>	<u>12,977</u>
Total Expenditures	<u>55,824</u>	<u>62,497</u>	<u>39,791</u>	<u>22,706</u>
Excess (Deficiency) of Revenues Over Expenditures	22,644	22,644	17,298	(5,346)
Cash Balance Beginning of Year	<u>(22,644)</u>	<u>(22,644)</u>	<u>(22,644)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,346)</u>	<u>\$ (5,346)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 17,298	
Net change in Due from Grantor			(17,298)	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 4,789	\$ 4,789	\$ 1,139	\$ (3,650)
Total Revenues	<u>4,789</u>	<u>4,789</u>	<u>1,139</u>	<u>(3,650)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>3,730</u>	<u>3,730</u>	<u>3,730</u>	<u>0</u>
Total Instruction	<u>3,730</u>	<u>3,730</u>	<u>3,730</u>	<u>0</u>
Total Expenditures	<u>3,730</u>	<u>3,730</u>	<u>3,730</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,059	1,059	(2,591)	(3,650)
Cash Balance Beginning of Year	<u>(1,059)</u>	<u>(1,059)</u>	<u>(1,059)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,650)</u>	<u>\$ (3,650)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,591)	
Net change in Due from Grantor			<u>2,591</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 4,367	\$ 9,754	\$ 5,367	\$ (4,387)
Total Revenues	<u>4,367</u>	<u>9,754</u>	<u>5,367</u>	<u>(4,387)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	2,800	4,110	(1,310)
Professional & Tech Services	0	219	0	219
Supplies	0	1,368	277	1,091
Total Instruction	<u>0</u>	<u>4,387</u>	<u>4,387</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,387</u>	<u>4,387</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	4,367	5,367	980	(4,387)
Cash Balance Beginning of Year	<u>(5,367)</u>	<u>(5,367)</u>	<u>(5,367)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (1,000)</u>	<u>\$ 0</u>	<u>\$ (4,387)</u>	<u>\$ (4,387)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 980	
Net change in Due from Grantor			<u>(980)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 4,630	\$ 4,919	\$ 4,285	\$ (634)
Total Revenues	<u>4,630</u>	<u>4,919</u>	<u>4,285</u>	<u>(634)</u>
Expenditures				
Food Service Operations				
Supplies	0	4,919	4,285	634
Total Food Service Operations	<u>0</u>	<u>4,919</u>	<u>4,285</u>	<u>634</u>
Total Expenditures	<u>0</u>	<u>4,919</u>	<u>4,285</u>	<u>634</u>
Excess (Deficiency) of Revenues Over Expenditures	4,630	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,630</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

**Springer Municipal Schools**

Special Revenue Fund-IDEA B Results Plan-24132

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 20,000	\$ 20,000	\$ 15,635	\$ (4,365)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>15,635</u>	<u>(4,365)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Support Services</b>				
<b>Instruction</b>				
Professional & Tech Services	9,999	4,604	4,601	3
Supplies	3,001	4,424	4,402	22
Supply Assets	<u>0</u>	<u>10,972</u>	<u>10,971</u>	<u>1</u>
Total Instruction	<u>13,000</u>	<u>20,000</u>	<u>19,974</u>	<u>26</u>
Total Support Services	<u>13,000</u>	<u>20,000</u>	<u>19,974</u>	<u>26</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>19,974</u>	<u>26</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,339)	(4,391)
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>\$ (4,339)</u>	<u>\$ (4,391)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,339)	
Net Change in Due from Grantor			<u>4,339</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-USDA Equipment Assistance-24183

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 5,261	\$ 5,217	\$ (44)
Total Revenues	<u>0</u>	<u>5,261</u>	<u>5,217</u>	<u>(44)</u>
Expenditures				
Food Service Operations				
Supply Assets	<u>0</u>	<u>5,261</u>	<u>5,217</u>	<u>44</u>
Total Instruction	<u>0</u>	<u>5,261</u>	<u>5,217</u>	<u>44</u>
Total Expenditures	<u>0</u>	<u>5,261</u>	<u>5,217</u>	<u>44</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



State of New Mexico  
**Springer Municipal Schools**  
Special Revenue Fund-Medicaid-25153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 20,895	\$ 24,803	\$ 21,433	\$ 0
Total Revenues	<u>20,895</u>	<u>24,803</u>	<u>21,433</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	7,080	0	0	0
Total Instruction	<u>7,080</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	7,237	7,237	7,237	0
Employee Benefits	6,920	7,020	6,848	172
Professional & Tech Services	0	1,000	367	633
Other Purchased Services	0	300	0	300
Supplies	5,100	12,187	10,254	1,933
Supply Assets	0	2,500	0	2,500
Total Students	<u>19,257</u>	<u>30,244</u>	<u>24,706</u>	<u>5,538</u>
Total Support Services	<u>19,257</u>	<u>30,244</u>	<u>24,706</u>	<u>5,538</u>
Total Expenditures	<u>19,257</u>	<u>30,244</u>	<u>24,706</u>	<u>5,538</u>
Excess (Deficiency) of Revenues Over Expenditures	1,638	(5,441)	(3,273)	2,168
Cash Balance Beginning of Year	<u>5,441</u>	<u>5,441</u>	<u>5,441</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,079</u>	<u>\$ 0</u>	<u>\$ 2,168</u>	<u>\$ 2,168</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,273)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,273)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 14,309	\$ 14,309	\$ 0
Total Revenues	<u>0</u>	<u>14,309</u>	<u>14,309</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	0	2,500	2,500	0
Employee Benefits	<u>0</u>	<u>11,809</u>	<u>11,803</u>	<u>6</u>
Total Students	<u>0</u>	<u>14,309</u>	<u>14,303</u>	<u>6</u>
Total Support Services	<u>0</u>	<u>14,309</u>	<u>14,303</u>	<u>6</u>
Total Expenditures	<u>0</u>	<u>14,309</u>	<u>14,303</u>	<u>6</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	6	6
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>\$ 6</u>	<u>\$ 6</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6	
Net Change in Deferred Revenue			<u>(6)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 1,861	\$ 1,861	\$ 517	\$ (1,344)
Total Revenues	<u>1,861</u>	<u>1,861</u>	<u>517</u>	<u>(1,344)</u>
<b>Expenditures</b>				
<b>Food Service Operations</b>				
Supplies	1,861	1,861	517	1,344
Total Food Service Operations	<u>1,861</u>	<u>1,861</u>	<u>517</u>	<u>1,344</u>
Total Expenditures	<u>1,861</u>	<u>1,861</u>	<u>517</u>	<u>1,344</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

State of New Mexico

**Springer Municipal Schools**

Special Revenue Fund-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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 8,416	\$ 13,191	\$ 11,997	\$ (1,194)
Total Revenues	<u>8,416</u>	<u>13,191</u>	<u>11,997</u>	<u>(1,194)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	9,230	3,838	5,392
Supplies	0	1,165	2,244	(1,079)
Supply Assets	<u>7,222</u>	<u>1,602</u>	<u>1,602</u>	<u>0</u>
Total Instruction	<u>7,222</u>	<u>11,997</u>	<u>7,684</u>	<u>4,313</u>
Total Expenditures	<u>7,222</u>	<u>11,997</u>	<u>7,684</u>	<u>4,313</u>
Excess (Deficiency) of Revenues Over Expenditures	1,194	1,194	4,313	3,119
Cash Balance Beginning of Year	<u>(1,194)</u>	<u>(1,194)</u>	<u>(1,194)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,119</u>	<u>\$ 3,119</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,313	
Net change in Due from Grantor			(1,194)	
Net Change in Deferred Revenue			<u>(3,119)</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-Golden Apple-26163

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	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	0	0	0	0
Cash Balance Beginning of Year	<u>1,391</u>	<u>1,391</u>	<u>1,391</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,391</u>	<u>\$ 1,391</u>	<u>\$ 1,391</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

**Springer Municipal Schools**

Special Revenue Fund-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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 165	\$ 710	\$ 710	\$ 0
Total Revenues	<u>165</u>	<u>710</u>	<u>710</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>545</u>	<u>545</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>545</u>	<u>545</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>545</u>	<u>545</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	165	165	165	0
Cash Balance Beginning of Year	<u>(165)</u>	<u>(165)</u>	<u>(165)</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			\$ 165	
Net Change in Due from Grantor			<u>(165)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico  
**Springer Municipal Schools**  
Special Revenue Fund-GO Library Books-27107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 21,706	\$ 21,706	\$ 12,232	\$ (9,474)
Total Revenues	<u>21,706</u>	<u>21,706</u>	<u>12,232</u>	<u>(9,474)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
Instruction				
Supplies	6,200	6,200	7,673	(1,473)
Supply Assets	<u>3,274</u>	<u>3,274</u>	<u>1,602</u>	<u>1,672</u>
Total Instruction	<u>9,474</u>	<u>9,474</u>	<u>9,275</u>	<u>199</u>
Total Support Services	<u>9,474</u>	<u>9,474</u>	<u>9,275</u>	<u>199</u>
Total Expenditures	<u>9,474</u>	<u>9,474</u>	<u>9,275</u>	<u>199</u>
Excess (Deficiency) of Revenues Over Expenditures	12,232	12,232	2,957	(9,275)
Cash Balance Beginning of Year	<u>(12,232)</u>	<u>(12,232)</u>	<u>(12,232)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(9,275)</u>	\$ <u>(9,275)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,957	
Net Change in Due from Grantor			<u>(2,957)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 395	\$ 6,315	\$ 2,131	\$ (4,184)
Total Revenues	<u>395</u>	<u>6,315</u>	<u>2,131</u>	<u>(4,184)</u>
<b>Expenditures</b>				
<b>Food Service Operations</b>				
Supplies	0	5,920	1,736	4,184
Total Food Service Operations	<u>0</u>	<u>5,920</u>	<u>1,736</u>	<u>4,184</u>
Total Expenditures	<u>0</u>	<u>5,920</u>	<u>1,736</u>	<u>4,184</u>
Excess (Deficiency) of Revenues Over Expenditures	395	395	395	0
Cash Balance Beginning of Year	<u>(395)</u>	<u>(395)</u>	<u>(395)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 395	
Net Change in Due from Grantor			<u>(395)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



State of New Mexico  
**Springer Municipal Schools**  
Special Revenue Fund-STEM Teacher Initiative-27181  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 20,789	\$ 12,150	\$ (8,639)
Total Revenues	<u>0</u>	<u>20,789</u>	<u>12,150</u>	<u>(8,639)</u>
<b>Expenditures</b>				
<b>Instructions</b>				
Personnel Services	0	10,000	10,000	0
Employee Benefits	<u>0</u>	<u>2,150</u>	<u>2,150</u>	<u>0</u>
Total Instructions	<u>0</u>	<u>12,150</u>	<u>12,150</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,150</u>	<u>12,150</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	8,639	0	(8,639)
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>\$ 8,639</u>	<u>\$ 0</u>	<u>\$ (8,639)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

State of New Mexico

**Springer Municipal Schools**

Special Revenue Fund-NM Grown Fruit & Vegetables-27183

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 3,000	\$ 3,000	\$ 190	\$ (2,810)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>190</u>	<u>(2,810)</u>
Expenditures				
Food Service Operations				
Supplies	<u>0</u>	<u>190</u>	<u>190</u>	<u>0</u>
Total Food Service Operations	<u>0</u>	<u>190</u>	<u>190</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>190</u>	<u>190</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,000	2,810	0	(2,810)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,000</u>	<u>\$ 2,810</u>	<u>\$ 0</u>	<u>\$ (2,810)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

**Springer Municipal Schools**

Special Revenue Fund-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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Local Grant	\$ 112,194	\$ 112,194	\$ 0	\$ (112,194)
Total Revenues	<u>112,194</u>	<u>112,194</u>	<u>0</u>	<u>(112,194)</u>
<b>Expenditures</b>				
<b>Food Service Operations</b>				
Supplies	0	411	165	246
Total Food Service Operations	<u>0</u>	<u>411</u>	<u>165</u>	<u>246</u>
Total Expenditures	<u>0</u>	<u>411</u>	<u>165</u>	<u>246</u>
Excess (Deficiency) of Revenues Over Expenditures	112,194	111,783	(165)	(111,948)
Cash Balance Beginning of Year	<u>412</u>	<u>412</u>	<u>412</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 112,606</u>	<u>\$ 112,195</u>	<u>\$ 247</u>	<u>\$ (111,948)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (165)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (165)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Grant	\$ 20,789	\$ 16,163	\$ 14,574	\$ (1,589)
Total Revenues	<u>20,789</u>	<u>16,163</u>	<u>14,574</u>	<u>(1,589)</u>
Expenditures				
Support Services				
Students				
Personnel Services	0	2,074	578	1,496
Employee Benefits	0	12,215	13,711	(1,496)
Professional & Tech Services	0	285	285	0
Total Students	<u>0</u>	<u>14,574</u>	<u>14,574</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>14,574</u>	<u>14,574</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>14,574</u>	<u>14,574</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	20,789	1,589	0	(1,589)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 20,789</u>	<u>\$ 1,589</u>	<u>\$ 0</u>	<u>\$ (1,589)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

State of New Mexico  
**Springer Municipal Schools**  
 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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 66,551	\$ 66,551	\$ 69,024	\$ 2,473
State Grant	0	12,429	26,285	13,856
Total Revenues	<u>66,551</u>	<u>78,980</u>	<u>95,309</u>	<u>16,329</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	<u>1,670</u>	<u>1,670</u>	<u>690</u>	<u>980</u>
Total General Administration	<u>1,670</u>	<u>1,670</u>	<u>690</u>	<u>980</u>
Total Support Services	<u>1,670</u>	<u>1,670</u>	<u>690</u>	<u>980</u>
<b>Capital Outlay</b>				
Purchased Property Services	60	79,885	45,516	34,369
Supplies	<u>30,561</u>	<u>29,761</u>	<u>19,940</u>	<u>9,821</u>
Total Capital Outlay	<u>30,621</u>	<u>109,646</u>	<u>65,456</u>	<u>44,190</u>
Total Expenditures	<u>32,291</u>	<u>111,316</u>	<u>66,146</u>	<u>45,170</u>
Excess (Deficiency) of Revenues Over Expenditures	34,260	(32,336)	29,163	61,499
Cash Balance Beginning of Year	<u>9,339</u>	<u>9,339</u>	<u>9,339</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 43,599</u>	<u>\$ (22,997)</u>	<u>\$ 38,502</u>	<u>\$ 61,499</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 29,163	
Net Change in Taxes Receivable			8,838	
Net Change in Accounts Payable			65	
Net Change in Deferred Taxes			(8,898)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 29,168</u>	

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

State of New Mexico

**Springer Municipal Schools**

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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 72,980	\$ 72,980	\$ 71,958	\$ (1,022)
Total Revenues	<u>72,980</u>	<u>72,980</u>	<u>71,958</u>	<u>(1,022)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	740	740	719	21
Total General Administration	<u>740</u>	<u>740</u>	<u>719</u>	<u>21</u>
Total Support Services	<u>740</u>	<u>740</u>	<u>719</u>	<u>21</u>
Debt Service				
Principal	70,000	70,000	70,000	0
Interest	2,240	2,240	2,240	0
Total Debt Service	<u>72,240</u>	<u>72,240</u>	<u>72,240</u>	<u>0</u>
Total Expenditures	<u>72,980</u>	<u>72,980</u>	<u>72,959</u>	<u>21</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,001)	(1,001)
Cash Balance Beginning of Year	<u>7,134</u>	<u>7,134</u>	<u>7,134</u>	<u>0</u>
Cash Balance End of Year	\$ <u>7,134</u>	\$ <u>7,134</u>	\$ <u>6,133</u>	\$ <u>(1,001)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,001)	
Net Change in Taxes Receivable			3,762	
Net Change in Deferred Taxes			(3,880)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(1,119)</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

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

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.05324%	0.05455%
District's proportionate share of the net pension liability	\$ 3,037,722	\$ 3,532,701
District's covered-employee payroll	\$ 1,467,580	\$ 1,489,117
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	206.99%	237.23%
Plan fiduciary net position as a percentage of the total pension	66.54%	63.97%

\*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>	<u>2016</u>
Contractually required contribution	\$ 215,577	\$ 245,948
Contributions in relation to the contractually required contribution	\$ 215,577	\$ 215,502
Contribution deficiency (excess)	\$ 0	\$ 30,446
Districts covered-employee payroll	\$ 1,467,580	\$ 1,489,117
Contributions as a percentage of covered-employee payroll	14.69%	16.52%

\* 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

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



**Springer Municipal Schools**

Notes to Required Supplementary Information

For the Year Ended June 30, 2016

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

**Changes of assumptions.**

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

1. Fiscal year 2015 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.25% to 3.75%
  - b. Minor changes to demographic assumptions
  - c. Lower population growth from .50% to zero by removing population growth assumption for
  - d. Updated the mortality tables to incorporate generational improvements
  
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%
  - c. COLA assumption of 2.00% per year
  - d. Retain net 4.75% real return assumption
  - e. Maintain current payroll growth assumption of 3.50%
  - f. Maintained experience-based rates for members who joined NMERB by June 30, 2010

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, 2016

	Balance 06/30/15	Additions	Deductions	Balance 06/30/16
<b>Assets</b>				
Sim Brown Scholarship	\$ 2,863	\$ 10,000	\$ 7,250	\$ 5,613
SECCC Scholarship	1,014	0	0	1,014
Ortiz Scholarship	0	600	0	600
AC Arellano Scholarship	500	1,000	250	1,250
HS Library	32	797	797	32
Education Association Scholarship	3,127	0	500	2,627
Investment-Sim Brown Scholarship	186,048	3,706	19,636	170,118
Class of 2019	2,197	38	0	2,235
Elementary Library	3,685	2,393	2,884	3,194
Elementary Activity	36	1,643	1,373	306
Silk Screening	5,601	8,315	9,209	4,707
Class of 2022	50	0	0	50
Class of 2015	702	0	702	0
Class of 2016	222	5,155	4,451	926
Class of 2017	215	2,987	1,379	1,823
High School Activity	622	1,126	1,494	254
Yearbook	(24)	1,500	1,061	415
HS Honor Society	19	510	483	46
FFA	3,351	10,126	9,191	4,286
Sports Academy	0	1,280	215	1,065
Shop	66	328	394	0
Parent Advisory Committee	687	0	0	687
Athletic Fund Raiser	4,350	18	3,012	1,356
Springer Book	122	0	0	122
High School Mesa	(39)	200	21	140
JR High School Mesa	660	0	0	660
Arellano Scholarship-CD	15,279	8	1,000	14,287
AR Program	4,682	8,888	10,909	2,661
Total Assets	<u>\$ 246,914</u>	<u>\$ 60,618</u>	<u>\$ 76,211</u>	<u>\$ 220,474</u>
<b>Liabilities</b>				
Deposits Held for Others	\$ 246,914	\$ 60,618	\$ 76,211	\$ 220,474
Total Liabilities	<u>\$ 246,914</u>	<u>\$ 60,618</u>	<u>\$ 76,211</u>	<u>\$ 220,474</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, 2016

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		Beginning Cash Balance 6/30/15	Revenue	Expenditures	Ending Cash Balance 6/30/16
Operational	11000	\$ 175,130	\$ 2,295,891	\$ 2,352,648	\$ 118,373
Transportation	13000	41,183	126,021	164,665	2,539
Instructional Materials	14000	8,775	11,105	5,506	14,374
Food Services	21000	(9,790)	86,516	76,690	36
Athletics	22000	176	40,474	38,363	2,287
Federal Flow through	24000	(51,861)	168,593	172,546	(55,814)
Federal Direct	25000	4,247	48,255	47,211	5,291
Local Grants	26000	1,391	0	0	1,391
State Flow through	27000	(38,573)	89,627	73,896	(22,842)
Local/State	29000	143,849	128,162	93,562	178,449
Senate Bill Nine	31700	9,339	95,309	66,147	38,501
Debt Service	41000	163,623	200,054	338,307	25,370
Debt Service-Ed Tech	43000	7,134	71,958	72,960	6,132
Agency Funds		236,067	60,618	76,211	220,474
Total		<u>\$ 690,689</u>	<u>\$ 3,422,583</u>	<u>\$ 3,578,712</u>	<u>\$ 534,560</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, 2016

<i>RFB#/RFP# (If applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
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There were no vendors that met the reporting criteria for this entity for the fiscal year ending June 30, 2016.

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, 2016, 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 October 11, 2016.

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, 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, and 2016-006.


#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, and 2016-006.

#### 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.

 De'Ann Willoughby CPA PC

Clovis, New Mexico

October 11, 2016



State of New Mexico  
**Springer Municipal Schools**  
 Schedule of Findings and Responses  
 For the Year Ended June 30, 2016

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

**Current Year Audit Findings**

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

The District had more expenditures at the function level than budgetary authority in the following funds:

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Major Funds</u></b>				
General Fund - 11000	\$ 8,350	\$ 39,943	\$ 42,694	\$ (2,751)
Food Service Operations				
Solar Pilot-29134				
Instruction	10,000	10,000	13,127	(3,127)
<b><u>Non-Major Funds</u></b>				
Athletics - 22000				
Instruction	24,250	35,153	38,363	(3,210)

Management has not made progress in resolving this finding.

**Criteria**

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.

**Effect**

As a result, the District is not in 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.

**Cause**

The District did not make the appropriate budgetary adjustments to the funds mentioned in the condition before an expenditure was made.

**Recommendation**

Expenditures should not exceed the budgeted expenditures at the function level. The District should amend budgets before an expenditure is made when budget authority will be exceeded by the expenditure.

**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.

The Business Manager is responsible for amending the budget and will make necessary budget adjustments before June 1, 2017.

**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 following funds:

	Budgeted Cash	+	Cash Balance as of July 1, 2016	-	Budgeted Expenditure s	=	Cash Appropriation In Excess of Available Cash
Transportation Fund (13000)	124,291	+	41,183	-	165,490	=	(16)
Food Service Fund (21000)	118,150	+	(9,790)	-	118,150	=	(9,790)
Senate Bill Nine Fund (31700)	78,980	+	9,339	-	111,316	=	(22,997)

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.

**Effect**

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

**Cause**

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

**Recommendation**

The District should not have a deficit budget balance, in fact, the budget must be balanced. The District should implement a procedure to compare the year end carryover cash balances with the estimated cash balances in the budget and if the actual cash balance is less than estimated, BARS should be submitted reducing budgeted expenditures to balance the budget.

**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.

The Business Manager is responsible for amending the budget and will make necessary budget adjustments before June 1, 2017.

**Springer Municipal Schools**

Schedule of Findings and Responses

For the Year Ended June 30, 2016

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**2016-001 PED Cash Reports -Compliance and Internal Control-Significant Deficiency**

**Condition**

The audited cash balances did not agree to the cash balances on the final cash report submitted to PED. The audited balance was \$534,564.96 and the PED report was \$583,398.13 for a difference of \$(48,833.17) over reported to PED.

**Criteria**

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 states the reports sent to the New Mexico Public Education Department (PED) must agree to the District's general ledger and must be submitted quarterly and annually by July 31.

**Effect**

The District is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in impaired decision making by the District's governing board.

**Cause**

The insurance clearing account was not reconciled during the year. The outstanding amounts due to NMPSIA were not recorded on the bank reconciliation of the insurance clearing bank account.

**Recommendation**

The District should report correct cash balances to PED. The insurance clearing account should be reconciled monthly to a zero balance or static balance assuring the cash balance reported to PED will be correct.

**Response**

We now understand how to reconcile the clearing account and will report it correctly to PED.

The Business Manager is responsible for reconciling the bank accounts are reporting correctly to PED. The banks accounts will be reconciled to the general ledger before the PED reports are submitted.

**Springer Municipal Schools**

Schedule of Findings and Responses

For the Year Ended June 30, 2016

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**2016-002 Receipt Books-Compliance and Internal Control-Significant Deficiency**

**Condition**

Receipts were made out to activities rather than individuals and instances where money was not deposited within 24 hours was found.

**Criteria**

NMAC 6.20.2.11 and NMAC 6.20.2.14 describe internal controls for receipting money and the 24 hour deposit requirement.

**Effect**

Receipts could be misappropriated.

**Cause**

A change in personnel and a relaxed attitude have created an environment for receipting errors and failing to deposit receipts within 24 hours.

**Recommendation**

Receipts should be given to the person paying the money and the money should be deposited within 24 hours of collection. Training and emphasis on following procedures is necessary so that all personnel know and follow receipting procedures.

**Response**

The business office has modified its internal controls on how to resolve this issue moving forward.

The Business Manager is responsible for the internal controls for cash receipts. Procedures will be corrected immediately.

**Springer Municipal Schools**

Schedule of Findings and Responses

For the Year Ended June 30, 2016

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**2016-003 Certification of Inventory-Compliance and Internal Control-Significant Deficiency**

**Condition**

The District did not provide a certificate of inventory or evidence that an inventory of capital assets had been performed at the end of the fiscal year.

**Criteria**

NMAC 2.2.10 U.(2) Subsection A of Section 12-6-10 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.

**Effect**

Capital assets could be lost or misappropriated and insurance overpaid for assets that no longer exist.

**Cause**

A change in personnel caused the process to fail.

**Recommendation**

The District should perform an annual inventory and certify it as required by NMAC 2.2.10 U (2). Additional training and oversight is necessary to assure this process is completed annually.

**Response**

The Business office has begun the process of implementing an electronic inventory management system. The issue will be resolved this year.

The Business Manager is responsible for certifying the inventory. It is to be completed before the end of the fiscal year.

**2016-004 Expenditure Issues-Compliance and Internal Control-Significant Deficiency**

**Condition**

Out of 200 expenditures sampled totaling \$694,167.95, we noted the following:

Fund 11000 - Of the 50 expenditures sampled totaling \$381,741.75, 15 had PO processed after fact totaling \$126,459.02.

Fund 13000 - Of the 15 expenditures sampled totaling \$42,344.55, 5 had PO's that were processed after fact totaling \$10,736.92, 2 had no supporting documentation totaling \$500.00, and 1 was for the purchase of unleaded plus fuel for \$48.11.

Fund 21000 - Of the 10 expenditures sampled totaling \$74,153.60, 2 had PO's that were processed after fact totaling \$31.28.

Fund 22000 - Of the 15 expenditures sampled totaling \$13,376.91, 1 had a PO that was processed after fact totaling \$2,515.75.

Fund 24106 - Of the 12 expenditures sampled totaling \$6,221.75, 3 had PO's that were processed after fact totaling \$324.56 and 1 had no supporting documentation totaling \$195.00.

Fund 24132 - Of the 9 expenditures sampled totaling \$19386.60, 3 had PO's that were processed after fact totaling \$147.60.

Fund 24154 - Of the 11 expenditures sampled totaling \$11,139.76, 7 had PO's that were processed after fact totaling \$2,734.96 and 1 had no supporting documentation totaling \$429.00.

Fund 25233 - Of the 4 expenditures sampled totaling \$4,968.67, 1 had a PO processed after fact totaling \$1,122.62.

Fund 29125 - Of the 4 expenditures sampled totaling \$284.39, 2 had PO processed after fact totaling \$99.08.

Fund 29134 - Of the 3 expenditures sampled totaling \$866.68, 2 had PO processed after fact totaling \$629.17.

Fund 31700 - Of the 20 expenditures sampled totaling \$55,936.04, 5 had PO processed after fact totaling \$11,720.06.

**Criteria**

In accordance with 6.20.2.17 Purchasing, each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

**Effect**

The results of these expenditure issues is over spending of public funds.

**Cause**

There is a lack of enforcing existing policies by those with approval authority.

**Recommendation**

for these expenditure issues. Employees will have to be reprimanded for not following procurement procedures with a consequence of deducting the unapproved expenditure from the employee's pay.

**Response**

The Business Manager/CPO has tried to implement a system in which this is not happening, however being overruled by the Superintendent continues to occur. An attempt by the CPO to resign her duties was denied by the superintendent, which will cause this issue to be ongoing.

The Superintendent is responsible for enforcing the purchasing policy. It is unknown when this issue will be resolved.

**Springer Municipal Schools**

Schedule of Findings and Responses

For the Year Ended June 30, 2016

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**2016-005 Overtime-Compliance and Internal Control-Significant Deficiency**

**Condition**

While performing our payroll procedures we noted that overtime is not being paid when earned. It is being held and paid on the next pay period.

**Criteria**

United States Department of Labor - Wage and Hour Division - Overtime pay earned in a particular workweek must be paid on the regular pay day for the pay period in which the wages were earned.

**Effect**

Employees are not paid timely which could result in penalties for the District by the Department of Labor.

**Cause**

The District is paying employees on the same date, during the day, that the pay period ends. It is not possible to calculate time worked until the pay cycle ends without estimating that time. If time worked was different than estimated, the difference was adjusted at the next pay date.

**Recommendation**

Overtime pay cannot be held until the next pay date. The pay cycle should end before the pay

**Response**

Pay periods have been adjusted so that employees who work overtime are being compensated within the required time frame. The issue will be resolved this year.

The Business Manager is responsible for this issue and it has been resolved.

**Springer Municipal Schools**

Schedule of Findings and Responses

For the Year Ended June 30, 2016

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**2016-006 Title I Payroll-Compliance and Internal Control-Significant Deficiency**

**Condition**

The business manager is being paid from Title I, a federal fund. Indirect costs were also paid from the Title I to the Operational fund to reimburse the Operational fund for the general administration cost of the federal program.

**Criteria**

Title I grant agreement at the District.

**Effect**

The District could lose federal funding for violating the grant agreement.

**Cause**

Administration was not aware the business manager could not be paid from Title I if indirect costs were paid.

**Recommendation**

The District should not pay the business manager from the Title I fund. Additional training may be required to avoid this finding.

**Response**

The business manager was immediately removed from being paid out of the Title I fund, this was a lack of experience and knowledge.

The Business Manager is responsible for this issue and it has been resolved.

**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 October 11, 2016 with Eddie King-Superintendent, Ronnie Gurule-Board Secretary, Joe Apodaca-Board Member, Rebecca Rigoni-Business Manager, Lenore Montoya-Assistant Business Manager and De'Aun Willoughby, CPA.