

**STATE OF NEW MEXICO  
VILLAGE OF FLOYD**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
JUNE 30, 2017**

*Woodard, Cowen & Co.*

Certified Public Accountants

TABLE OF CONTENTS

Table of Contents	i – ii
Official Roster	iii
Independent Auditor's Report	iv – vi
FINANCIAL SECTION	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3
Reconciliation of the Balance Sheet – All Governmental Funds to The Statement of Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statements of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	6
Governmental Funds:	
Statement of Revenues, Expenditures – Budget (Non-GAAP) And Actual – General Fund	7
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – Fire Protection Fund	8
Proprietary Funds:	
Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Net Position	10
Statement of Cash Flows	11
Agency Funds:	
Statement of Fiduciary Assets and Liabilities	12
NOTES TO FINANCIAL STATEMENTS	13 – 25
Fund Descriptions	26
Non-major Governmental Funds	
Balance Sheet – Non-major Governmental Funds	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	28
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – EMS/Ambulance Fund	29
Required Supplementary Information	
Schedule of Changes in Assets and Liabilities – Agency Fund	30
Bank Summary	31
Schedule of Pledged Collateral	32

STATE OF NEW MEXICO  
Village of Floyd  
JUNE 30, 2017

TABLE OF CONTENTS (continued)

Proprietary Funds Budgets:

Statement of Revenues, Expenditures – Budget (Non-GAAP)  
And Actual – Water Fund 33

Statement of Revenues, Expenditures – Budget (Non-GAAP)  
And Actual – Solid Waste Fund 34

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* 35 – 36

Prior Year Audit Findings 37 – 38

Schedule of Findings and Responses 39

Other Disclosures 40

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

OFFICIAL ROSTER

June 30, 2017

VILLAGE COUNCIL

Mr. Colin Chandler	Mayor
Mr. Larry Griffin	Member
Mr. James Love	Member
Mr. Harold Nixon	Member
Ms. Deborah Moore	Member

VILLAGE ADMINISTRATION

Ms. Toni Whitecotton	Clerk/Treasurer
----------------------	-----------------

# Woodard, Cowen & Co.

Certified Public Accountants

## Independent Auditor's Report

Mr. Wayne A. Johnson  
New Mexico State Auditor  
Honorable Mayor and Village Council  
Village of Floyd  
Floyd, New Mexico

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village of Floyd (the Village), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental, nonmajor enterprise, and the budgetary comparisons for the 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, 2017, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

**Portales:** PO Box 445, 118 E. 2<sup>nd</sup> Street Portales NM, 88130 Phone: 575-356-8564 Fax: 575-356-2453

**Clovis:** PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows 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.

## **Other Matters**

### *Required Supplementary Information*

The District has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the omission of the Management Discussion and Analysis.

Our audit was conducted for the purpose of forming opinions on the Village's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Changes in Assets and Liabilities – Agency Fund, the Bank Summary, and the Schedule of Pledged Collateral required by Section 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Changes in Assets and Liabilities – Agency Fund, the Bank Summary and the Schedule of Pledged Collateral are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Changes in Assets and Liabilities – Agency Fund, the Bank Summary and the Schedule of Pledged Collateral are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2017 on our consideration of the Village'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 Village's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Woodward, Lewen & Co." The signature is written in black ink and is positioned above the typed name and date.

Portales, New Mexico  
December 5, 2017

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
STATEMENT OF NET POSITION

June 30, 2017

	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 65,697	\$ 2,071	\$ 67,768
Accounts Receivable	-	-	-
Due From Other Agencies	1,349	-	1,349
<b>Total Current Assets</b>	<b>67,046</b>	<b>2,071</b>	<b>69,117</b>
Restricted Assets (Cash)	94,264	1,039	95,303
<b>Total Restricted Assets</b>	<b>94,264</b>	<b>1,039</b>	<b>95,303</b>
Capital Assets			
Land	74,128	16,500	90,628
Land Improvements	18,877	-	18,877
Equipment	48,904	-	48,904
Vehicles	911,790	-	911,790
Heavy Equipment	127,612	-	127,612
Buildings and Improvements	664,349	70,000	734,349
Plant/Infrastructure	-	1,869,701	1,869,701
<b>Total Capital Assets</b>	<b>1,845,660</b>	<b>1,956,201</b>	<b>3,801,861</b>
Less Accumulated depreciation	(1,159,903)	(936,190)	(2,096,093)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>685,757</b>	<b>1,020,011</b>	<b>1,705,768</b>
<b>TOTAL ASSETS</b>	<b>\$ 847,067</b>	<b>\$ 1,023,121</b>	<b>\$ 1,870,188</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 3,511	\$ 258	\$ 3,769
NMFA Loan ( current portion)	87,294	2,563	89,857
Non-current:			
NMFA Loan payable	21,270	31,658	52,928
<b>TOTAL LIABILITIES</b>	<b>112,075</b>	<b>34,479</b>	<b>146,554</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	577,193	985,790	1,562,983
Restricted for:			
Capital Projects	-	-	-
Debt Service	94,264	1,039	95,303
Unrestricted	63,535	1,813	65,348
<b>TOTAL NET POSITION</b>	<b>734,992</b>	<b>988,642</b>	<b>1,723,634</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 847,067</b>	<b>\$ 1,023,121</b>	<b>\$ 1,870,188</b>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 80,073	\$ 150	\$ -	\$ -	\$ (79,923)	\$ -	\$ (79,923)
Highways and streets	3,708	-	-	-	(3,708)	-	(3,708)
Public safety	147,915	3,061	161,913	17,702	34,761	-	34,761
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	31,889	250	-	-	(31,639)	-	(31,639)
Interest	3,589	-	-	-	(3,589)	-	(3,589)
Depreciation-unallocated	50,891	-	-	-	(50,891)	-	(50,891)
<b>Total governmental activities</b>	<b>318,065</b>	<b>3,461</b>	<b>161,913</b>	<b>17,702</b>	<b>(134,989)</b>	<b>-</b>	<b>(134,989)</b>
Business-type activities:							
Water services	122,893	25,523	-	-	-	(97,370)	(97,370)
Solid waste services	19,961	14,909	-	-	-	(5,052)	(5,052)
<b>Total business-type activities</b>	<b>142,854</b>	<b>40,432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(102,422)</b>	<b>(102,422)</b>
<b>Total all activities</b>	<b>\$ 460,919</b>	<b>\$ 43,893</b>	<b>\$ 161,913</b>	<b>\$ 17,702</b>	<b>\$ (134,989)</b>	<b>\$ (102,422)</b>	<b>\$ (237,411)</b>
General revenues:							
Property taxes					\$ 1,666	\$ -	\$ 1,666
Gross receipts taxes					16,655	-	16,655
Gasoline taxes					5,546	-	5,546
Motor vehicle taxes					317	-	317
State aid not restricted to special purpose					90,000	-	90,000
General					-	-	-
Transfers					(13,279)	13,279	-
Refunds					3,310	600	3,910
Contributions/Donations					350	-	350
Sales of Equipment					1,300	-	1,300
Investment earnings					559	15	574
<b>Total general revenues</b>					<b>106,424</b>	<b>13,894</b>	<b>118,668</b>
<b>Change in net position</b>					<b>(28,565)</b>	<b>(88,528)</b>	<b>(118,743)</b>
<b>Net position - beginning</b>					<b>764,479</b>	<b>1,077,402</b>	<b>1,841,881</b>
<b>Restatement</b>					<b>(922)</b>	<b>(232)</b>	<b>(1,154)</b>
<b>Restated Beginning Net Position</b>					<b>763,557</b>	<b>1,077,170</b>	<b>1,840,727</b>
<b>Net position - ending</b>					<b>\$ 734,992</b>	<b>\$ 988,642</b>	<b>\$ 1,721,984</b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2017

	GENERAL	FIRE PROTECTION	NON-MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash on Deposit	\$ 67,391	\$ 78,071	\$ 14,499	\$ 159,961
Due from Other Funds	-	-	-	-
Due from Other Governments	1,349	-	-	1,349
Due From External Funds	-	-	-	-
Accounts Receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 68,740</b>	<b>\$ 78,071</b>	<b>\$ 14,499</b>	<b>\$ 161,310</b>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Accounts Payable	3,511	-	-	3,511
<b>TOTAL LIABILITIES</b>	<b>3,511</b>	<b>-</b>	<b>-</b>	<b>3,511</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Non-spendable	-	-	-	-
Restricted	29,244	78,071	14,499	121,814
Committed	-	-	-	-
Unassigned	35,985	-	-	35,985
<b>TOTAL FUND BALANCE</b>	<b>65,229</b>	<b>78,071</b>	<b>14,499</b>	<b>157,799</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 68,740</b>	<b>\$ 78,071</b>	<b>\$ 14,499</b>	<b>\$ 161,310</b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD  
 RECONCILIATION OF THE BALANCE SHEET  
 ALL GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF NET POSITION

June 30, 2017

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

Fund Balances - total governmental funds		\$	157,799
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			
Total cost of capital assets	1,845,660		
Accumulated depreciation	<u>(1,159,903)</u>		
			685,757
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 and year-end consist of:			
NMFA Loan			<u>(108,564)</u>
Net position of governmental activities		\$	<u><u>734,992</u></u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	GENERAL	FIRE PROTECTION	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>				
Taxes	\$ 1,666	\$ -	\$ -	\$ 1,666
Charges for services	150	-	3,311	3,461
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Local sources	-	3,500	-	3,500
State sources	90,000	169,036	7,080	266,116
Federal sources	-	-	-	-
State shared taxes	22,518	-	-	22,518
Earnings from investments	213	346	-	559
Refunds	1,550	1,681	79	3,310
Contributions/Donations	-	150	200	350
<b>TOTAL REVENUES</b>	<b>116,097</b>	<b>174,713</b>	<b>10,670</b>	<b>301,480</b>
<b>EXPENDITURES</b>				
Current				
General government	80,073	-	-	80,073
Highways and streets	3,708	-	-	3,708
Public safety	-	138,513	9,402	147,915
Health & welfare	-	-	-	-
Culture and recreation	24,274	-	7,615	31,889
Capital outlay	-	17,702	-	17,702
NMFA principal	11,203	23,667	-	34,870
NMFA interest	606	2,983	-	3,589
<b>TOTAL EXPENDITURES</b>	<b>119,864</b>	<b>182,865</b>	<b>17,017</b>	<b>319,746</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(3,767)</b>	<b>(8,152)</b>	<b>(6,347)</b>	<b>(18,266)</b>
Other Financing Sources				
Bond Proceeds	-	-	-	-
Sale of Equipment	-	-	1,300	1,300
Bond Premium	-	-	-	-
Transfers In<Out>	(13,279)	-	-	(13,279)
<b>Total Other Financial Sources</b>	<b>(13,279)</b>	<b>-</b>	<b>1,300</b>	<b>(11,979)</b>
<b>Net Change In Fund Balances</b>	<b>(17,046)</b>	<b>(8,152)</b>	<b>(5,047)</b>	<b>(30,245)</b>
<b>FUND BALANCE</b>				
June 30, 2016	82,740	86,223	19,531	188,494
Restatement	(465)	-	15	(450)
<b>Restated Fund Balance June 30, 2016</b>	<b>82,275</b>	<b>86,223</b>	<b>19,546</b>	<b>188,044</b>
<b>FUND BALANCE June 30, 2017</b>	<b>\$ 65,229</b>	<b>\$ 78,071</b>	<b>\$ 14,499</b>	<b>\$ 157,799</b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

Net change in fund balance - total governmental funds	\$	(30,245)
---	----	----------

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

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

Depreciation expense	(50,891)	
Capital outlays	<u>17,702</u>	
Excess of capital outlay over depreciation expense		<u>(33,189)</u>

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of the principal of long-term debt consumes the current financial resources of governmental funds. Repayment of loans payable is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the Statement of Activities

Loan proceeds	-	
Repayment of long-term debt	<u>34,870</u>	
		<u>34,870</u>

Change in net assets of governmental activities		<u>\$ (28,564)</u>
---	--	--------------------

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes	\$ 1,610	\$ 1,610	\$ 1,655	\$ 45
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Local sources	-	-	1,700	1,700
State sources	90,000	90,000	90,000	-
Federal sources	-	-	-	-
State shared taxes	15,219	15,219	23,122	7,903
Earnings from investments	-	-	213	213
<b>TOTAL REVENUE</b>	<b>\$ 106,829</b>	<b>\$ 106,829</b>	<b>\$ 116,690</b>	<b>\$ 9,861</b>
<b>EXPENDITURES</b>				
Current				
General government	\$ 103,000	\$ 103,000	\$ 119,168	\$ (16,168)
Highways and Streets	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
NMFA Principal	11,203	11,203	-	11,203
NMFA Interest	1,620	1,620	-	1,620
<b>TOTAL EXPENDITURES</b>	<b>\$ 115,823</b>	<b>\$ 115,823</b>	<b>\$ 119,168</b>	<b>\$ (3,345)</b>
<b>OTHER FINANCING SOURCES</b>				
Loan proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	15,000	(15,000)
Operating transfers out	33,552	33,552	41,086	(7,534)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 33,552</b>	<b>\$ 33,552</b>	<b>\$ 56,086</b>	<b>\$ (22,534)</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ 67,867</b>	<b>\$ 67,867</b>		
<b>REVENUE</b>				
Budgetary basis			\$ 116,690	
Prior year accounts receivable			(1,942)	
Current year accounts receivable			1,349	
Refunds			-	
Modified accrual basis			<u>\$ 116,097</u>	
<b>EXPENDITURES</b>				
Budgetary basis			\$ 119,168	
Prior year accounts payable			(2,815)	
Current year accounts payable			3,511	
Modified accrual basis			<u>\$ 119,864</u>	

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--FIRE PROTECTION

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Local sources	2,500	2,500	5,331	2,831
State sources	98,618	98,618	169,036	70,418
Federal sources	-	-	-	-
State shared taxes	-	-	-	-
Earnings from investments	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 101,118</b>	<b>\$ 101,118</b>	<b>\$ 174,367</b>	<b>\$ 73,249</b>
<b>EXPENDITURES</b>				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	69,000	69,000	138,513	(69,513)
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	17,702	(17,702)
Debt Service				
NMFA Principal	23,667	23,667	23,667	-
NMFA Interest	2,983	2,983	2,983	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 95,650</b>	<b>\$ 95,650</b>	<b>\$ 182,865</b>	<b>\$ (87,215)</b>
<b>OTHER FINANCING SOURCES</b>				
Loan proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	26,650	26,650	80,190	(53,540)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 26,650</b>	<b>\$ 26,650</b>	<b>\$ 80,190</b>	<b>\$ (53,540)</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ 64,171</b>	<b>\$ 64,171</b>		
<b>REVENUE</b>				
Budgetary basis			\$ 174,367	
Prior year accounts receivable			-	
Current year accounts receivable			-	
Refunds			346	
Modified accrual basis			<b>\$ 174,713</b>	
<b>EXPENDITURES</b>				
Budgetary basis			\$ 182,865	
Modified accrual basis			<b>\$ 182,865</b>	

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	WATER	SOLID WASTE	TOTAL
<b>ASSETS</b>			
Current Assets			
Cash	\$ 1,981	\$ -	\$ 1,981
Accounts Receivable	-	-	-
Total Current Assets	<u>1,981</u>	<u>-</u>	<u>1,981</u>
Non-Current Assets			
Restricted Assets (Cash)			
NMFA Reserves	1,039	-	1,039
Total Non-Current Assets	<u>1,039</u>	<u>-</u>	<u>1,039</u>
Capital Assets			
Land	16,500	-	16,500
Buildings	70,000	-	70,000
Plant/infrastructure	1,869,701	-	1,869,701
Accumulated depreciation	(936,190)	-	(936,190)
Total Capital Assets	<u>1,020,011</u>	<u>-</u>	<u>1,020,011</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,023,031</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,023,031</u></b>
<b>LIABILITIES</b>			
Current Liabilities			
Due to other Funds	\$ -	\$ -	\$ -
Accounts Payable	258	-	258
NMFA Loan ( current portion)	2,563	-	2,563
Total Current Liabilities	<u>2,821</u>	<u>-</u>	<u>2,821</u>
Long-Term Liabilities			
Compensated absences payable	-	-	-
NMFA Loan	31,658	-	31,658
Total Long-term Liabilities	<u>31,658</u>	<u>-</u>	<u>31,658</u>
<b>TOTAL LIABILITIES</b>	<b><u>34,479</u></b>	<b><u>-</u></b>	<b><u>34,479</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned Revenue	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>NET POSITION</b>			
Net investment in capital assets	985,790	-	985,790
Restricted			
Debt Service	1,039	-	1,039
Unrestricted	1,723	-	1,723
<b>TOTAL NET POSITION</b>	<b><u>988,552</u></b>	<b><u>-</u></b>	<b><u>988,552</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$ 1,023,031</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,023,031</u></b>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017

	WATER	SOLID WASTE	TOTAL PROPRIETARY FUNDS
<b>OPERATING REVENUE</b>			
Sales and services	\$ 24,385	\$ 14,909	\$ 39,294
Local source	-	-	-
State source	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>24,385</b>	<b>14,909</b>	<b>39,294</b>
<b>OPERATING EXPENSES</b>			
Maintenance and operations	29,408	19,961	49,369
Depreciation	93,485	-	93,485
<b>Total operating expense</b>	<b>122,893</b>	<b>19,961</b>	<b>142,854</b>
Operating income (loss)	(98,508)	(5,052)	(103,560)
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Investment income	15	-	15
Investment expense	-	-	-
Rent income	1,138	-	1,138
Refunds	600	-	600
<b>Total Non-Operating Revenue (Expense)</b>	<b>1,753</b>	<b>-</b>	<b>1,753</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(96,755)</b>	<b>(5,052)</b>	<b>(101,807)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
<b>TRANSFERS IN/ TRANSFERS OUT</b>	<b>8,137</b>	<b>5,142</b>	<b>13,279</b>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>8,137</b>	<b>5,142</b>	<b>13,279</b>
<b>Net Change In Net Position</b>	<b>(88,618)</b>	<b>90</b>	<b>(88,528)</b>
<b>NET POSITION</b>			
June 30, 2016	1,077,402	-	1,077,402
Restatement	(232)	-	(232)
Restated Net Position June 30, 2016	1,077,170	-	1,077,170
June 30, 2017	<b>\$ 988,552</b>	<b>\$ 90</b>	<b>\$ 988,642</b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
June 30, 2017

	WATER	SOLID WASTE	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 24,385	\$ 14,909	\$ 39,294
Cash received from local sources	1,738	-	1,738
Cash payments to employees and to suppliers for goods and services	<u>(29,550)</u>	<u>(19,961)</u>	<u>(49,511)</u>
Net cash provided by operating activities	<u>(3,427)</u>	<u>(5,052)</u>	<u>(8,479)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid	(2,454)	-	(2,454)
Investment expense	<u>(275)</u>	<u>-</u>	<u>(275)</u>
Net cash provided (used) by capital and related financing activities	<u>(2,729)</u>	<u>-</u>	<u>(2,729)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers from other funds	14,342	5,142	19,484
Operating transfers to other funds	<u>(6,205)</u>	<u>-</u>	<u>(6,205)</u>
Net cash provided (used) by noncapital financing activities	<u>8,137</u>	<u>5,142</u>	<u>13,279</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	<u>15</u>	<u>-</u>	<u>15</u>
Net cash provided by investing activities	<u>15</u>	<u>-</u>	<u>15</u>
Net increase (decrease) in cash	1,996	90	2,086
Cash, beginning of year	<u>1,024</u>	<u>-</u>	<u>1,024</u>
Cash, end of year	<u>\$ 3,020</u>	<u>\$ 90</u>	<u>\$ 3,110</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	(98,508)	(5,052)	(103,560)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Rent Income	1,138	-	1,138
Refunds	600	-	600
Depreciation	93,485	-	93,485
Interest paid	275	-	275
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	(417)	-	(417)
Net cash provided (used) by operating activities	<u>\$ (3,427)</u>	<u>\$ (5,052)</u>	<u>\$ (8,479)</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2017

ASSETS

Pooled Cash	<u>\$ 4,117</u>
-------------	-----------------

LIABILITIES AND FUND BALANCE

Liabilities:

Deposits Held for Others	<u>\$ 4,117</u>
Total Liabilities	<u>\$ 4,117</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Floyd is incorporated under Section 3 New Mexico State Statutes Annotated 1978 Compilation operating under a Mayor-Council form of government and provides the following services as authorized: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation and general administrative services.

The financial statements of the Village of Floyd 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 government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village of Floyd had no component units.

B. Government-Wide and Fund Financial Statements

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reports using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of revenues to be available of they are collected within 30 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

---

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

The government reports the following major governmental finds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Protection Fund* (Special Revenue Fund) is to account for the operations and maintenance of the Fire Department. It is financed by a special allotment from the State Fire Marshall's Office. The authority is NMSA 59Q-53-1.

The Village reports the following Proprietary Fund types:

Enterprise Fund – Water Fund – To account for the provision of water services to the residents of Floyd, New Mexico. All activities necessary to provide these services are accounted for in this fund.

Enterprise Fund – Solid Waste Fund – To account for revenue and expenditures for the maintenance of the solid waste operations. All activities necessary to provide services are accounted for in this fund.

Additionally, the Village reports the following fund types:  
Fiduciary Funds – Agency Funds

Agency Funds – To 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 Village.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of the following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected to follow subsequent private- sector guidance.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues. Program revenues include: 1) charges for services to taxpayers 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 and 3) program-specified capital grants contributions including special assessments.

Internally dedicated resources are reports as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

---

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is charged to customers for sales and services. The enterprise fund also recognized as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Village Clerk-Treasurer submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The Village Clerk-Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, and revisions that alter the total expenditures of and funds must be approved by the Village Council and New Mexico State Department of Finance, Division of Local Governments. The original budget that was adopted in July, 1998 was amended during the fiscal year in a legally permissible manner.
3. Formal budgetary integration is employed as a management control devise during the year for the General Fund, Special Revenue Funds, and Capital Project Funds.
4. Encumbrances are not reported in the budgets or financial statements.
5. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in budget total. Appropriations lapse at year end.
6. Budgets for the General and Special Revenue Funds are adopted on a basis not consistent with generally accepted accounting principles. Throughout the year the accounting records are maintained on the Non-GAAP basis of cash receipts and disbursements. Accordingly, certain revenues and he related assets are recognized when paid rather than when the obligation is incurred. The financial statements are presented on t eh modified accrual basis of accounting. Budgetary comparisons presented for General and Special Revenue Funds in this report are on the Non-GAAP budgetary basis and actual (cash basis). The budget of the Enterprise Fund is adopted on a Non-GAAP cash basis.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

---

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes authorize the government to invest in obligations of the U.S. Treasury, interest bearing accounts with local financial institutions and the State Treasurer Pool. New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledges is held in safekeeping by other financial institutions, with safekeeping receipts held by the Village. The pledges securities remain in the name of the financial institution.

F. Inventories

The cost of inventories are recorded as expenditures when purchased rather than when consumed.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated Capital Assets are recorded at their estimated fair value at the date of donation. Additions improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	50
Building Improvements	50
Public domain infrastructure	30 – 50
System infrastructure	30 – 50
Vehicles	3 to 15
Equipment	3 to 15

The Village does not capitalize computer software or software developed for internal use (if applicable) unless it exceeds the \$5,000 threshold.

H. Compensated Absences

The Village does not allow any vacation or sick leave to accrue and carry forward at the end of each fiscal year.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

---

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

J. Taxes

Motor Vehicle Registration Fees – Under the provisions of Chapter 66, Article 6, NMSA 1978, the State of New Mexico collects various fees for the registration and regulation of motor vehicles in the state. Of the amount collected, certain specified amounts are distributed to various governmental agencies within the State, including; the Motor Vehicle Division, State Road fund, municipalities, and counties. After certain priority payments, as detailed in 66-6-23 NMSA 1978 have been made, a portion of the remaining fees held in the motor vehicle suspense fund are distributed as required in 66-23 B (4) and 66-6-23 B (5). These distributions are commonly referred to as the 10% and 15% motor vehicle tax distributions.

Gasoline – The State of New Mexico, by authority of Chapter 7, Article 13 NMSA 1978, imposed as excise tax on \$0.17 on each gallon of gasoline received in New Mexico. Of the total gasoline taxes received, a portion is distributed to the various municipalities within the State pursuant to Chapter 7, Article 1-6.9 NMSA 1978 and Chapter 7, Article 1-6.27 NMSA 1978.

Municipal Gross Receipts Tax – Under authority of Chapter 7, Articles 19 and 19D, NMSA 1978, The Village adopted gross receipts taxing through ordinance. Said ordinance provide for the imposition of gross receipts taxes on all non-exempt persons engaging in business in the municipality. The tax is collected by the state of New Mexico and remitted to the Village after deducting certain administrative costs.

State Gross Receipts Tax – Under authority of Chapter 7, Article 1, NMSA 1978, the State of New Mexico imposes a gross receipts tax on all businesses within the State. Of the total collected, 1.225% of the taxable gross receipts are distributed to the municipality reporting the taxable receipts.

K. Restricted Assets

Certain long-term assets in the proprietary funds are classified as restricted assets on the balance sheet because their use is limited to payments for debt service or other purpose such as “deposits held in trust for others”.

L. Net Position

The governmental activities and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as follows:

Net Investment in Capital Assets – This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted Net Position – This category reflects the portion of net assets that have third party limitation on their use.

Unrestricted Net Position – This category reflects net assets of the Village not restricted for any project or other purpose.

M. Fund Balance



STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

---

Fund balance is divided into five classifications based primarily in the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of Resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Village ordinance).

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and included a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposed specified legislation.

Committed – The committed fund balance classification includes amount that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Village Council. Those committed amounts cannot be used for any other purpose unless the Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with theses constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposed but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Village Council or the Village official delegated that authority by the Village Council or ordinance.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Estimates

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

---

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

O. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village carries commercial insurance for these risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting for these risks have not exceeded commercial insurance coverage in the current fiscal year.

2. DEPOSITORY COLLATERAL

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the Village's Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

*Custodial Credit Risk – Deposits* – Custodial Credit Risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, \$0 of the Village's bank balance is \$174,255 was exposed to custodial credit.

NM State Statutes require collateral pledged for deposits in excess of federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the cooperative for at least one half of the amount on deposit with the institution.

The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, district or political subdivision of the State of New Mexico.

The amount held at the New Mexico Finance Authority totaling \$41,764 is collateralized within the NMFA guidelines. The information is not available by individual Agency but the financial statements for the NMFA are available by writing to the New Mexico Finance Authority, 207 Shelby Street, Santa Fe, NM 87501

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

3. ACCOUNTS RECEIVABLE

Receivables as of June 30, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Receivables from customers	\$ -	\$ -
Less: Allowance for doubtful accounts	-	-
Subtotal	-	-
Property Tax	10	-
Gross Receipts Tax	887	-
Gasoline Tax	426	-
Motor Vehicle	26	-
Subtotal	1,349	-
Total Accounts Receivable	<u>\$ 1,349</u>	<u>\$ -</u>

4. CAPITAL ASSETS

The amount of property, plant and equipment in the Governmental-Type Activities consists of the following:

	BALANCE June 30, 2016	Adjustments	Additions	Deletions	BALANCE June 30, 2017
Capital assets not being depreciated					
Land	74,128	-	-	-	74,128
Total capital assets not being depreciated	74,128	-	-	-	74,128
Capital assets being depreciated					
Land Improvements	18,877	-	-	-	18,877
Buildings and improvements	664,349	-	-	-	664,349
Infrastructure	-	-	-	-	-
Vehicles	921,180	(9,390)	-	-	911,790
Heavy equipment	100,520	9,390	17,702	-	127,612
Equipment	48,904	-	-	-	48,904
Total capital assets being depreciated	1,753,830	-	17,702	-	1,771,532
Less: Accumulated depreciation					
Land Improvements	8,976	-	510	-	9,486
Buildings and improvements	264,145	-	13,775	-	277,920
Infrastructure	-	-	-	-	-
Vehicles	743,872	-	22,653	-	766,525
Heavy equipment	50,224	473	9,584	-	60,281
Equipment	41,322	-	4,369	-	45,691
Total Accumulated depreciation	1,108,539	473	50,891	-	1,159,903
Net capital assets being depreciated	645,291	(473)	(33,189)	-	611,629
Total Net Capital Assets	<u>719,419</u>	<u>(473)</u>	<u>(33,189)</u>	<u>-</u>	<u>685,757</u>

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

The amount of property, plant and equipment in the Business-Type Activities consists of the following:

	BALANCE June 30, 2016	Additions	Deletions	BALANCE June 30, 2017
Capital assets not being depreciated				
Land	16,500	-	-	16,500
Total capital assets not being depreciated	16,500	-	-	16,500
Capital assets being depreciated				
Land Improvements	-	-	-	-
Buildings and improvements	70,000	-	-	70,000
Infrastructure	1,869,701	-	-	1,869,701
Total capital assets being depreciated	1,939,701	-	-	1,939,701
Less: Accumulated depreciation				
Land Improvements	70,000	-	-	70,000
Infrastructure	772,705	93,485	-	866,190
Total Accumulated depreciation	842,705	93,485	-	936,190
Net capital assets being depreciated	1,096,996	(93,485)	-	1,003,511
Total Net Capital Assets	1,113,496	(93,485)	-	1,020,011

5. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Governmental Funds

During the year ended June 30, the following changes occurred in the liabilities reported in the Governmental Funds:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
NMFA Loan	\$ 99,014	\$ -	\$ 23,667	\$ 75,347	\$ 75,347
NMFA Loan	44,420	-	11,203	33,217	11,947
Total	\$ 143,434	\$ -	\$ 34,870	\$ 108,564	\$ 87,294

The Village entered into a loan agreement with the New Mexico Finance Authority evidencing a special limited obligation of the Village to pay a principal amount of \$213,507 and interest for the purpose of defraying the cost or acquiring a fire station for the Village's fire department. The Village has pledged future State Fire Fund revenues to pay the loan. The yearly payments are to be redirected from the Village's share of the State Fire Fund revenues to the NMFA. Total annual principal and interest payments for the repayment of the loan are expected to require 27% of the yearly State Fire Allotment. The interest rate is 2.86% to 3.30%. The maturity date is May 1, 2020.

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD  
 Notes to the Financial Statements  
 June 30, 2017

Due Year Ending June 30	Principal	Interest	Total
2018	24,375	2,275	26,650
2019	25,107	1,543	26,650
2020	25,865	785	26,650
Total	<u>\$ 75,347</u>	<u>\$ 4,603</u>	<u>\$ 79,950</u>

The liability will be liquidated by the Fire Protection Fund.

The Village entered into a loan agreement with the New Mexico Finance Authority evidencing a special limited obligation of the Village to pay a principal amount of \$125,954 and interest for the purpose of defraying the cost of acquiring land and water improvements for the Village. The Village has pledged future Gross Receipts Tax revenues to pay the loan. The yearly payments are to be redirected from the Village's share of the General Fund Gross Receipts Tax Revenues to the NMFA. Total annual principal and interest payments for the repayment of the loan are expected to require 20% of the yearly Gross Receipts Tax. The interest rate is .210% to .2530%. The maturity date is May 1, 2023.

Due Year Ending June 30	Principal	Interest	Total
2018	11,947	687	12,634
2019	12,197	436	12,633
2020	9,073	179	9,252
Total	<u>\$ 33,217</u>	<u>\$ 1,302</u>	<u>\$ 34,519</u>

The liability will be liquidated by the General Fund.

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
NMFA Loan	<u>\$ 36,675</u>	<u>\$ -</u>	<u>\$ 2,454</u>	<u>\$ 34,221</u>	<u>\$ 2,563</u>

The Village entered into a loan agreement with the New Mexico Finance Authority evidencing a special limited obligation of the Village to pay a principal amount of \$50,000 and interest for the Village's water department. The Village has pledged future Water Usage charges/revenues to pay the loan. The yearly payments are to be paid from the Village's interest payments for the repayment of the loan is expected to require 13% of the yearly Water Services charges. The interest rate is .750%. The maturity date is May 1, 2030.

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD  
 Notes to the Financial Statements  
 June 30, 2017

---

Due Year			
Ending June 30	Principal	Interest	Total
2018	2,563	257	2,820
2019	2,583	237	2,820
2020	2,602	218	2,820
2021	2,621	199	2,820
2022	2,641	179	2,820
2023-2027	13,506	594	14,100
2028-2030	7,705	111	7,816
Total	<u>\$ 34,221</u>	<u>\$ 1,795</u>	<u>\$ 36,016</u>

The liability will be liquidated by the Water Fund.

6. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property tax rate for the year are set no later than September 1, each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semi-annual installments by November 10 and April 10 of the subsequent year. Taxes are collected on behalf of the Village by the County Treasurer, and are remitted to the Village in the month following collection. Because the treasurer for the county in which the Village is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable County to the Village.

The Village is permitted to levy taxes for general operating purposes based on taxable value for both residential and nonresidential property, taxable value being defined as one-third of the fully assessed value. In addition, the Village is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the Village.

The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues. The Village has no means of determining the amount of delinquent taxes, and no delinquent taxes are recorded on the Villages financial records.

7. RETIREMENT PLAN

The Village has elected not to participate in the New Mexico Public Employees Retirement Association Plan.

8. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

The Village has elected not to participate in the New Mexico State Retiree Health Care Plan.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
Notes to the Financial Statements  
June 30, 2017

9. TRANSFERS

The composition of interfund transfers for the year is as follows:

Transfers Out		Transfers In		
		General Fund	Water	Solid Waste
General Fund	\$ 13,279	\$ -	\$ 8,137	\$ 5,142
Water Fund	-	-	-	-
		-	8,137	5,142
	<u>\$ 13,279</u>			<u>\$ 13,279</u>

In the year ended June 30, 2015 the Village made the following one-time transfers:

General fund transferred \$3,649 to Water to cover fiscal year expenditures.  
General fund transferred \$5,088 to Solid Waste to cover fiscal year expenditures.  
Senior Fund transferred \$1,153 to General fund to reimburse payroll related expenditures paid by the General fund.

10. FUND BALANCES CLASSIFIED

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented here.

Fund Balances	General Fund	Fire Protection Fund	Non-major Governmental Funds	Totals
Nonspendable:				
Interfund loans	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-
Total nonspendable	-	-	-	-
Restricted for:				
Road improvements	-	-	-	-
Fire Protection	-	2,133	-	2,133
Cultural and recreation services	-	-	13,101	13,101
Emergency Medical Services	-	-	1,398	1,398
Debt Service	18,326	75,938	-	94,264
Capital Projects	-	-	-	-
Reserves	10,918	-	-	10,918
Total restricted	<u>29,244</u>	<u>78,071</u>	<u>14,499</u>	<u>121,814</u>
Unassigned	35,985	-	-	35,985
Total Fund Balances	<u>\$ 65,229</u>	<u>\$ 78,071</u>	<u>\$ 14,499</u>	<u>\$ 157,799</u>

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD  
 Notes to the Financial Statements  
 June 30, 2017

---

11. FUND BALANCE RESTATEMENTS

The Village made the following fund balance restatements to correct the cash balance in the General Fund due to a prior year voided transaction. The restatement of the fund balance is as follows:

June 30, 2016 Fund Balance General Fund	\$ 188,494
Overstatement of prior year payroll liability	874
Water debt service paid out of General in prior years	(1,339)
Restatement of cash balance in Senior Fund	15
July 1, 2016 Fund Balance General Fund restated	<u>\$ 188,044</u>

12. NET POSITION RESTATEMENTS

The Village made the following restatements to net position for the Governmental activities and the Business-type activities. The restatements of net position are as follows:

June 30, 2016 Net Position Governmental Activities	\$ 764,479
Restate of cash balance in Senior Fund	15
Overstatement of prior year payroll liability	874
Underreported prior year depreciation expense	(982)
Correction of accumulated depreciation in land improvements	510
Restatement of Cash balance	(1,339)
July 1, 2016 Net Position Governmental Activities restated	<u>\$ 763,557</u>
June 30, 2015 Net Position Business-type Activities	\$ 1,077,402
Overstatement of prior year payroll liability	566
General Fund debt service paid out of Water in prior years	(798)
July 1, 2015 Net Position Business-type Activities restated	<u>\$ 1,077,170</u>

13. BUDGET VIOLATIONS

The General Fund had a budget overrun of \$3,345 and the Fire Fund by \$87,215.

14. SENIOR FUND

Over the past two years, the Senior Fund has not the participation by its senior citizens necessary to generate program revenue. Management of the village has chosen to report the related expenditures under the General fund for future periods.



## **FUND DESCRIPTIONS**

### **SPECIAL REVENUE FUNDS**

**EMS/AMBULANCE FUND** – To account for the operation and maintenance of the Village EMS Department. It is financed primarily by an annual EMS allotment and fees collected for emergency transportation. The authority is NMSA 59A-53-1.

**SENIORS FUND** – To account for grant funds received/used for the benefit of the Village’s Senior Citizens. The authority for the allocation and set-up of the fund is 9-2-5 through 9-2-19, NMSA 1978.

### **PROPRIETARY FUNDS**

**WATER FUND** – To account for the provision of water services to the resident of Dora, New Mexico. All activities necessary to provide these services are accounted for in this fund.

**SOLID WASTE FUND** – To account for revenue and expenditures for the maintenance of the solid waste operations. All activities necessary to provide these services are accounted for in this fund.

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD

BALANCE SHEET-- NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2017

	EMS/ AMBULANCE	SENIORS	Total GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash on Deposit	\$ 1,398	\$ 13,101	\$ 14,499
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Due From External Funds	-	-	-
Accounts Receivable	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 1,398</u></b>	<b><u>\$ 13,101</u></b>	<b><u>\$ 14,499</u></b>
<b>LIABILITIES</b>			
Due to Other Funds	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned Revenue	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
Non-spendable	-	-	-
Restricted	1,398	13,101	14,499
Committed	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCE</b>	<b><u>1,398</u></b>	<b><u>13,101</u></b>	<b><u>14,499</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b><u>\$ 1,398</u></b>	<b><u>\$ 13,101</u></b>	<b><u>\$ 14,499</u></b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	EMS/ AMBULANCE	SENIORS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>			
Taxes	\$ -	\$ -	\$ -
Charges for services	3,061	250	3,311
State sources	7,080	-	7,080
Refunds	-	79	79
Contributions/Donations	-	200	200
TOTAL REVENUES	<u>10,141</u>	<u>529</u>	<u>10,670</u>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Highways and streets	-	-	-
Public safety	9,402	-	9,402
Health & welfare	-	-	-
Culture and recreation	-	7,615	7,615
Capital outlay	-	-	-
NMFA principal	-	-	-
NMFA interest	-	-	-
TOTAL EXPENDITURES	<u>9,402</u>	<u>7,615</u>	<u>17,017</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>739</b>	<b>(7,086)</b>	<b>(6,347)</b>
Other Financing Sources			
Sale of Equipment	-	1,300	1,300
Total Other Financial Sources	<u>-</u>	<u>1,300</u>	<u>1,300</u>
Net Change In Fund Balances	739	(5,786)	(5,047)
<b>FUND BALANCE</b>			
June 30, 2016	659	18,872	19,531
Restatement	-	15	15
Restated Fund Balance June 30, 2016	<u>659</u>	<u>18,887</u>	<u>19,546</u>
<b>FUND BALANCE June 30, 2017</b>	<u><u>\$ 1,398</u></u>	<u><u>\$ 13,101</u></u>	<u><u>\$ 14,499</u></u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--EMS/AMBULANCE

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	3,061	3,061
State sources	7,000	7,000	7,080	80
<b>TOTAL REVENUE</b>	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 10,141</u>	<u>\$ 3,141</u>
<b>EXPENDITURES</b>				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	9,402	(9,402)
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,402</u>	<u>\$ (9,402)</u>
<b>OTHER FINANCING SOURCES</b>				
Loan proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>REVENUE</b>				
Budgetary basis			\$ 10,141	
Modified accrual basis			<u>\$ 10,141</u>	
<b>EXPENDITURES</b>				
Budgetary basis			\$ 9,402	
Modified accrual basis			<u>\$ 9,402</u>	

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

Year Ended June 30, 2017

	<u>Balance</u> <u>6/30/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2017</u>
Floyd Fire and EMS Donation Fund	\$ 5,153	\$ -	\$ 1,036	\$ 4,117
Total	<u>\$ 5,153</u>	<u>\$ -</u>	<u>\$ 1,036</u>	<u>\$ 4,117</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

BANK SUMMARY

JUNE 30, 2017

Bank	ACCT TYPE	FUND		BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	CASH BALANCE
JAMES POLK STONE BANK	Checking	General	*	\$ 170,013	\$ 107,033	\$ 546	\$ 63,526
	Checking	General	*	4,242	-	-	4,242
Total James Polk Stone Bank				<u>174,255</u>	<u>107,033</u>	<u>546</u>	<u>67,768</u>
New Mexico Finance Authority	Checking	General	*	5,586	-	-	5,586
New Mexico Finance Authority	Checking	General	*	12,740	-	-	12,740
New Mexico Finance Authority	Checking	Water	*	1,039	-	-	1,039
New Mexico Finance Authority	Checking	Fire	*	798	-	53,540	54,338
New Mexico Finance Authority	Checking	Fire	*	21,601	-	-	21,601
Total NMFA				<u>41,764</u>	<u>-</u>	<u>53,540</u>	<u>95,304</u>
Amount on Deposit				<u>\$ 216,019</u>	<u>\$ 107,033</u>	<u>\$ 54,086</u>	<u>\$ 163,072</u>

Total Cash

\* Interest Bearing

See Independent Auditor's Report

STATE OF NEW MEXICO  
 VILLAGE OF FLOYD

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2017

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL REQUIRED	COLLATERAL PLEDGED	UNINSURED & UNCOLLATERALIZED DEPOSITS	PLEDGED COLLATERAL DEFICIT
JAMES POLK STONE BANK	\$ 174,255	\$ 174,255	\$ -	\$ -	\$ -	\$ -	\$ -
COLLATERAL N/A	\$ -	CUSIP # N/A	MATURES N/A				
	\$ -						
	\$ -						
COLLATERAL IS HELD AT INDEPENDENT BANKERS BANK DALLAS TEXAS							
NEW MEXICO FINANCE AUTHORITY	\$ 41,764	\$ 41,764	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ALL INSTITUTIONS	\$ 216,019	\$ 216,019	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--WATER

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Sales and services	22,250	22,250	24,385	2,135
Rent Income	-	-	1,138	1,138
Interest Income	-	-	15	15
<b>TOTAL REVENUE</b>	<u>\$ 22,250</u>	<u>\$ 22,250</u>	<u>\$ 25,538</u>	<u>\$ 3,288</u>
<b>EXPENDITURES</b>				
Personal services	\$ -	\$ -	\$ -	\$ -
Maintenance and operations	36,000	36,000	29,408	6,592
<b>TOTAL EXPENDITURES</b>	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 29,408</u>	<u>\$ 6,592</u>
<b>OTHER FINANCING SOURCES</b>				
Loan proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	13,750	13,750	8,137	5,613
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>\$ 13,750</u>	<u>\$ 13,750</u>	<u>\$ 8,137</u>	<u>\$ 5,613</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>REVENUE</b>				
Budgetary basis			\$ 25,538	
Refunds			600	
Modified accrual basis			<u>\$ 26,138</u>	
<b>EXPENDITURES</b>				
Budgetary basis			\$ 29,408	
Depreciation			93,485	
Modified accrual basis			<u>\$ 122,893</u>	

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
VILLAGE OF FLOYD

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--WASTE MANAGEMENT

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Sales and services	15,500	15,500	14,909	(591)
Local sources	250	250	-	(250)
<b>TOTAL REVENUE</b>	<u>\$ 15,750</u>	<u>\$ 15,750</u>	<u>\$ 14,909</u>	<u>\$ (841)</u>
<b>EXPENDITURES</b>				
Personal services	\$ -	\$ -	\$ -	\$ -
Maintenance and operations	20,000	20,000	19,961	39
<b>TOTAL EXPENDITURES</b>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 19,961</u>	<u>\$ 39</u>
<b>OTHER FINANCING SOURCES</b>				
Loan proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	4,250	4,250	5,142	(892)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>\$ 4,250</u>	<u>\$ 4,250</u>	<u>\$ 5,142</u>	<u>\$ (892)</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>REVENUE</b>				
Budgetary basis			\$ 14,909	
Modified accrual basis			<u>\$ 14,909</u>	
<b>EXPENDITURES</b>				
Budgetary basis			\$ 19,961	
Modified accrual basis			<u>\$ 19,961</u>	

The accompanying footnotes are an integral part of these financial statements.

# Woodard, Cowen & Co.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. Wayne A. Johnson  
New Mexico State Auditor  
Village Council  
Village of Floyd  
Floyd, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Floyd (the Village), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated December 5, 2017.

### **Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. 2010-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2010-001.

### **The Village's Response to Findings**

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

A handwritten signature in cursive script that reads "Woodard, Cowen & Co.".

Woodard, Cowen & Compan

Portales, New Mexico

December 5, 2017

PRIOR YEAR FINDINGS

**2010-001 – Overspent Budgets – Significant Deficiency – Control and compliance**

Condition: The Village had overspent budgets in the General Fund by \$65,352 and the Senior Fund by \$1,665. The same number of funds as in the prior year had overspent budgets. Prior year the General Fund and the Fire Protection Fund had overspent budgets.

Recommendation: Management of the Village should include all spending, including debt service, capital projects, and interfund in its budget process. This will provide a complete picture of the Village's spending and ensure the Village has adequate resources to meet its obligations.

Status: Revised and repeated.

**2015-002 – Late Audit Report – Significant deficiency - Compliance**

Condition: The June 30, 2016 audit report was not received by the New Mexico Office of the State Auditor by the December 15, 2016 deadline.

Recommendation: The Village clerk should follow the recommendation in finding 2015-001 to make sure the books are complete and all transactions have been accounted for. Management of the Village should complete the recommendation steps so the audit fieldwork can commence earlier thus giving more to time to complete the report in time.

Status: Resolved.

**2016-001 – Village's Books Are Not Sufficient to Create Financial Statements – Material Weakness – Control**

Condition: Though individual balance sheet accounts such as cash, accounts receivable, and accounts payable reconciled and balanced to subsidiary detail and the Village's books balanced as a whole; financial statements at the fund level did not balance. The General Fund was out-of-balance by \$17,600, the Water Fund was out-of-balance by \$44,000, and the Solid Waste Fund was out-of-balance by \$1,100 at the time the audit report was due. It was also noted that the note payable balances did not tie to the NMFA statement and capital assets were listed with a credit balance of \$712,960.21.

Recommendation: The Village clerk needs to get one-on-one instruction as to the proper structure and organization of the Village's books. The Village clerk also needs guidance in the proper structure of journal entries so that the balances of accounts will be correct and there will be no one-sided entries to the individual funds.

Initially the auditor made the recommendation that a new computer may be in order as the Village's computer was approximately eight years old. However, that computer quit working during the mean time.

Status: Resolved.

**2016-002 – Inaccurate listing of capital assets – Significant Deficiency – Control and compliance**

Condition: The Village does not have an inventory and depreciation schedule for the Village's capital assets. The current auditor and it appears to be that prior auditors have relied on a listing that was updated by the auditor from year-to-year. The condition was discovered when the auditor found a capital asset listing in a notebook containing the DFA reports. That capital asset listing did not match nor roll forward from the prior year listing used or the prior year footnote disclosure. Six assets were not listed on the prior year listing, four assets had depreciation calculation errors resulting in net position restatements of \$3,200, two assets had midstream useful life changes with no explanation, and depreciation was calculated on land. Two assets were discovered to not be listed as the Village received them as part of the State's hardship. One asset was acquired in 2014 requiring a restatement of net position auction for the amount of \$18,020 and related depreciation of \$1,001.

Recommendation: The Village management should take the current listing in use, inventory it for completeness and accuracy and update it with each change to capital assets.

Status: Resolved.

CURRENT YEAR FINDINGS

**2010-001 – Overspent Budgets – Significant Deficiency – Control and compliance**

Condition:	The Village had overspent budgets in the General Fund by \$3,345 and the Fire Fund by \$87,215. The same number of funds as in the prior year had overspent budgets. Prior year the General Fund and the Fire Protection Fund had overspent budgets.
Criteria:	NMSA 1978 Section 22-8-11 B requires all funds be spent within the established guidelines set forth in the budgets.
Cause:	The budget for the General Fund appeared to excluded budgeted expenditures for Highways and Streets, Culture and Recreation, and expenditures related to debt service. The Senior Fund had an expenditure overrun and not adjustment was made.
Effect:	The Village has spending in excess of its budgetary authority. It was noted that the Village did have adequate cash to cover the expenditures.
Recommendation:	Management of the Village should include all spending, including debt service, capital projects, and interfund in its budget process. This will provide a complete picture of the Village's spending and ensure the Village has adequate resources to meet its obligations.
Response:	The Village clerk will submit the necessary budget adjustment request to include all spending before the close of the current budget fiscal year.

STATE OF NEW MEXICO  
VILLAGE OF FLOYD  
OTHER DISCLOSURES  
June 30, 2017

AUDITOR PREPARED FINANCIAL STATEMENTS

These financial statements and related footnotes and supplemental information were prepared by the auditor. The auditor cannot be a part of the Village's internal control; thus, the preparation of the report is not a substitute for managements' internal control and is not considered in the auditors' evaluation of the severity of the internal control deficiency.

EXIT CONFERENCE

An exit conference, to discuss the contents of this report, was held on December 5, 2017. In attendance at the 3:45 p.m. meeting were Deborah Moore, Council Member; Mr. Harold Nixon, Council Member; and Ms. Toni Whitecotton, Clerk/Treasurer. John McKinley, Jr., CPA represented our firm at this meeting.