

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
JUNE 30, 2009**

WOODARD, COWEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

7032

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 JUNE 30, 2009

TABLE OF CONTENTS

Table of Contents	i – iii
Official Roster	iv
Independent Auditor’s Report	v – vi
FINANCIAL SECTION	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	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 Net Assets	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	5
Reconciliation of the Statements of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	6
Major Funds:	
Combined Statements of Revenues, Expenditures – Budget (Non-GAAP) And Actual – General Fund	7
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – Reading First	8
Statement of Fiduciary Net Assets	9
NOTES TO FINANCIAL STATEMENTS	10 – 21
NON-MAJOR FUNDS	
Capital Projects Fund – Fund Description	22
Special Revenue Funds – Fund Descriptions	22 – 23
Combining Balance Sheet – Capital Project Funds – Non-Major Governmental Funds	24
Combining Statements of Revenue, Expenditures, and Changes in Fund Balance – Capital Project Funds – Non-Major Governmental Funds	25
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Funds	26 – 29
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds – Special Revenue Funds	30 – 33
Cafeteria – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	34
Athletics – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	35
Title I – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	36
IDEA-B Entitlement – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	37
IDEA-B Discretionary – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	38
IDEA-B Preschool – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	39
Teacher/Principal Training – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	

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 FLOYD MUNICIPAL SCHOOLS
 JUNE 30, 2009

TABLE OF CONTENTS

NON-MAJOR FUNDS (continued)

Title IV-Safe and Drug Free Schools – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	41
Title I Stimulus – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	42
Rural Education – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	43
Microsoft Settlement – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	44
Technology for Education – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	45
Incentives for School Improvement – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	46
Library GO Bonds – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	47
Beginning Teacher Mentoring – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	48
Breakfast For Elementary-Special Revenue Fund Statement of Revenue & Expenditures - Budget (Non-GAAP) and Actual	49
Reading Materials Fund – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	50
State Directed Activities – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	51
Rural Revitalization – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	52
Senate Bill 9 – Special Revenue Fund Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual	53

Major Funds

Combining Balance Sheet – General Fund	54
Combining Statement of Revenue, Expenditure and Changes in Fund Balance – General Fund	55
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Operational	56
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Transportation	57
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Instructional Materials	58
Statement of Revenue & Expenditures – Budget & Actual (Non-GAAP) Budgetary Basis – General Fund – Teacherage	59

OTHER SUPPLEMENTAL INFORMATION

Schedule of Changes in Assets and Liabilities – Agency Fund	60
Schedule of Pledged Collateral	61
Bank Summary	62
Bank Reconciliation	63 – 64

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
JUNE 30, 2009

TABLE OF CONTENTS

OTHER SUPPLEMENTAL INFORMATION (continued)

Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	65 - 66
Prior Year Audit Findings	67 - 69
Schedule of Findings and Responses	70 - 77
Exit Conference	78

OFFICIAL ROSTER

BOARD OF EDUCATION

Leon Nall

President

Jim Chandler

Vice President

Jeff Essary

Secretary

James Love

Member

Clovis Gray

Member

SCHOOL OFFICIALS

Paul Benoit

Superintendent

Margie Plummer

Business Manager

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Hector Balderas, State Auditor
The Board of Education
Floyd Municipal Schools
Floyd, New Mexico

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons of the general fund and the major special revenue funds and the aggregate remaining fund information of the Floyd Municipal Schools, as of and for the year ended June 30, 2009, which collectively comprise the Floyd Municipal Schools' basic financial statements as listed in the table of contents. We also were engaged to audit the financial statements of each of Floyd Municipal Schools' nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Floyd Municipal Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

As discussed in note IV paragraph E to the financial statements, management did not maintain a listing of capital assets and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those capital assets be capitalized and depreciated, which would increase the assets and expenses of the governmental activities. The amount by which this departure would affect assets and expense of the governmental activities is not reasonably determinable.

Adjustments proposed by the District's outside consultant to bring the books into balance were not made. Beginning cash balances on the District's books were zero across all funds. Therefore, cash began the fiscal year out of balance. Bank reconciliations have not been performed on District's accounting system for the fiscal year ended June 30, 2009.

The findings 07-02, 08-07, and 08-08 discussed in the Schedule of Findings and Responses were deemed to material. Finding 07-02 is a repeated finding with a decreased amount of discrepancy over the prior year. These findings constitute a breakdown of internal controls which could have a material effect on the amounts and balances reported on the financial statements. The nature and the amount of the adjustments needed to bring the accounts of the District within balance leave a significant amount of uncertainty that the financial statements are accurate and free of material misstatement.

Because we were unable to satisfy ourselves concerning the balance of cash and the accuracy of the recording of revenues and expenditures, and the balance in the inventory of capital assets and related depreciation, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with Government Auditing Standards, we have also issued our report dated March 13, 2012, on our consideration of Floyd Municipal Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit

Floyd Municipal Schools has not presented the managements 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.

We were engaged for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the matters described above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

March 13, 2012
Portales, New Mexico

W. A. Dard, CPA

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 STATEMENT OF NET ASSETS

June 30, 2009

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 426,347
Property Taxes Receivable	874
Due From Other Agencies	143,560
Inventory	1,923
Non-current:	
Capital assets, net	<u>1,615,537</u>
Total assets	<u>2,188,241</u>
<u>LIABILITIES</u>	
Accounts payable	221,393
Deferred Revenue	<u>56,771</u>
Total liabilities	<u>278,164</u>
<u>NET ASSETS</u>	
Invested in capital assets	1,615,537
Restricted for:	
Capital Projects	1,433
Inventory	1,923
Cafeteria	15,270
Athletics	10,231
Senate Bill Nine	90,222
Unrestricted	<u>175,461</u>
Total net assets	<u>\$ 1,910,077</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
Primary government:					
Governmental activities:					
Instruction	\$ 1,877,534	\$ 11,406	\$ 252,567	\$ -	\$ (1,613,561)
Support Services					(137,809)
Support Services-Students	204,878	1,155	65,914	-	(131,936)
Support Services-Instruction	131,936	-	-	-	(148,670)
Support Services-General Administration	157,493	-	8,823	-	(74,647)
Support Services-School Administration	74,647	-	-	-	(31,009)
Central Services	31,009	-	-	-	(405,841)
Operation & Maintenance of Plant	405,841	-	-	-	(5,789)
Student Transportation	135,630	-	129,841	-	-
Other Support Services	-	-	-	-	(39,406)
Food Services-Operations	158,904	10,774	108,724	-	-
Community Services-operations	-	-	-	-	(150,590)
Depreciation-unallocated	150,590	-	-	-	102,160
Unallocated	-	8,216	20,323	73,621	
Total governmental activities	\$ 3,328,462	\$ 31,551	\$ 586,192	\$ 73,621	\$ (2,637,098)

General revenues:

Property taxes:		
Levied for General purpose	\$	6,642
Levied for Capital Projects		26,940
Rent		13,024
PED Equalization Guarantee		2,522,459
Refunds		2,098
Unrestricted interest income		3,757
Donations		762
Miscellaneous		-
Federal Programs		-
Total general revenues	\$	2,575,682
Change in net assets	\$	(61,416)
Net assets - beginning		2,054,709
Restatement		(83,216)
Restated Balance		1,971,493
Net assets - ending	\$	1,910,077

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2009

	GENERAL	READING FIRST	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
ASSETS				
Cash on Deposit	\$ 250,773	\$ -	\$ 175,574	\$ 426,347
Due from Other Funds	170,710	37,662	-	208,372
Due from Other Governments	-	23,701	119,859	143,560
Property Taxes Receivable	170	-	704	874
Inventory	-	-	1,923	1,923
TOTAL ASSETS	\$ 421,653	\$ 61,363	\$ 298,060	\$ 781,076
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 208,411	\$ 3,881	\$ 9,101	\$ 221,393
Deferred Revenue	-	-	56,652	56,652
Delinquent Property taxes	119	-	-	119
Due to Other Funds	37,662	57,482	113,228	208,372
TOTAL LIABILITIES	246,192	61,363	178,981	486,536
FUND BALANCE				
Nonspendable	-	-	1,923	1,923
Restricted	31,157	-	117,156	148,313
Unassigned	144,304	-	-	144,304
TOTAL FUND BALANCE	175,461	-	119,079	294,540
TOTAL LIABILITIES AND FUND BALANCE	\$ 421,653	\$ 61,363	\$ 298,060	\$ 781,076

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

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

June 30, 2009

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

Fund Balances - total governmental funds	\$	294,540
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		1,615,537
Net assets of governmental activities	\$	<u>1,910,077</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	GENERAL	READING FIRST	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
REVENUE				
Residential/Non-Residential Taxes	\$ 6,642	\$ -	\$ 26,940	\$ 33,582
Fees - Educational	1,200	-	-	1,200
Rent and Leases	13,024	-	-	13,024
Refunds	2,098	-	-	2,098
Fees Activities	-	-	14,676	14,676
Fees-Users	-	-	15,675	15,675
Interest Income	3,548	-	209	3,757
State Equalization	2,522,459	-	-	2,522,459
State Flow Through Grants	-	-	9,788	9,788
State Programs	173,161	-	124,989	298,150
Donations	762	-	-	762
Federal Program	-	94,359	257,516	351,875
TOTAL REVENUES	2,722,894	94,359	449,793	3,267,046
EXPENDITURES				
Current				
Instruction	1,632,368	87,536	157,630	1,877,534
Support Services				
Support Services-Students	144,597	-	60,281	204,878
Support Services-Instruction	129,338	-	2,598	131,936
Support Services-General Administration	148,404	6,823	2,266	157,493
Support Services-School Administration	74,647	-	-	74,647
Central Services	31,009	-	-	31,009
Operation & Maintenance of Plant	338,605	-	2,496	341,101
Student Transportation	135,630	-	-	135,630
Food Services-Operations	39,406	-	119,498	158,904
Acquisition & Construction	(2,761)	-	103,656	100,895
TOTAL EXPENDITURES	2,671,243	94,359	448,425	3,214,027
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	51,651	-	1,368	53,019
Other Financing Sources				
Transfers In<Out>	(200)	-	200	-
Total Other Financial Sources	(200)	-	200	-
Net Change In Fund Balances	51,451	-	1,568	53,019
FUND BALANCE				
June 30, 2008	207,226	-	117,511	324,737
Restatement	(83,216)	-	-	(83,216)
Restated Fund Balance June 30, 2008	124,010	-	117,511	241,521
FUND BALANCE June 30, 2009	\$ 175,461	\$ -	\$ 119,079	\$ 294,540

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

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

Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds	\$	53,019
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year		(114,435)
Decrease in Delinquent Property Taxes		<hr/>
Change in Net Assets	\$	<u><u>(61,416)</u></u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET
 (NON-GAAP) AND ACTUAL-GENERAL FUND
 Year Ended June 30, 2009

	General Fund			VARIANCE Favorable (Unfavorable)
	ORIGINAL BUDGET	BUDGET	ACTUAL	
REVENUE				
Residential/Non-Residential Taxes	\$ 7,011	\$ 7,011	\$ 6,670	\$ (341)
Fees - Educational	-	-	-	-
Rent and Leases	14,400	14,400	12,700	(1,700)
Fees Activities	-	-	-	-
Fees-Users	-	-	1,200	1,200
Interest Income	7,400	7,400	3,548	(3,852)
State Equalization	2,495,634	2,522,142	2,522,459	317
State Flow Through Grants	172,521	164,764	173,161	8,397
Impact Aid	1,640	1,640	324	(1,316)
Rent	-	-	762	762
Special Assessments (REC)	-	-	28,067	28,067
Refunds	-	-	2,098	2,098
TOTAL REVENUE	<u>2,698,606</u>	<u>2,717,357</u>	<u>\$ 2,750,989</u>	<u>\$ 33,632</u>
Cash Balance Budgeted	146,611	146,611		
TOTAL REVENUE & CASH	<u>\$ 2,845,217</u>	<u>\$ 2,863,968</u>		
EXPENDITURES				
Current	\$ 1,662,392	\$ 1,662,392	\$ 1,633,960	\$ 28,432
Instruction	-	-	-	-
Support Services	226,693	226,693	148,557	78,136
Support Services-Students	64,549	64,549	129,338	(64,789)
Support Services-Instruction	167,064	178,572	156,693	21,879
Support Services-General Administration	77,130	77,130	74,647	2,483
Support Services-School Administration	53,400	53,400	34,131	19,269
Central Services	414,199	414,199	338,605	75,594
Operation & Maintenance of Plant	150,374	142,617	132,667	9,950
Student Transportation	1,095	1,095	-	1,095
Other Support Services	18,321	33,321	39,406	(6,085)
Food Services-Operations	-	-	-	-
Community Services-operations	10,000	10,000	-	10,000
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 2,855,217</u>	<u>\$ 2,873,968</u>	<u>\$ 2,688,004</u>	<u>\$ 185,964</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ 2,750,989
Differences-Budget to GAAP	
Property tax Receivable	170
Prior Year Tax Receivables	(477)
Current Year Deferral	(119)
Prior Year Deferral	398
Total Revenues (GAAP Basis)	<u>\$ 2,750,961</u>
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ 2,688,004
Differences-budget to GAAP	
Prior Year Accounts Payable	(22,147)
Current Year Accounts Payable	5,366
Total Expenditures (GAAP Basis)	<u>\$ 2,671,223</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--READING FIRST

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Refunds	\$ -	\$ -	\$ -	\$ -
Federal Revenue	94,500	94,500	107,644	13,144
TOTAL REVENUE	<u>94,500</u>	<u>94,500</u>	<u>\$ 107,644</u>	<u>\$ 13,144</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 94,500</u>	<u>\$ 94,500</u>		
EXPENDITURES				
Current				
Instruction	\$ 87,467	\$ 87,467	\$ 87,536	\$ (69)
Support Services-General Administration	7,033	7,033	6,823	210
TOTAL EXPENDITURES	<u>\$ 94,500</u>	<u>\$ 94,500</u>	<u>\$ 94,359</u>	<u>\$ 141</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 107,644
Differences-Budget to GAAP	61,363
Current Year Receivable	(74,648)
Prior Year Receivable	
Total Revenues (GAAP Basis)	<u>\$ 94,359</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 94,359
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 94,359</u>

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

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2009

ASSETS

Pooled cash	\$ 75,533
Due from other Governments	-
Total Assets	<u>\$ 75,533</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Due to Student Groups	<u>\$ 75,533</u>

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

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

I. Summary of Significant Accounting Policies

A. Reporting Entity

Floyd Municipal School District is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Village of Floyd and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

There were no component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Floyd Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental 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.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, 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. All other revenue items are considered to be measurable and available only when the government receives cash. Grant revenues and deferrals are recognized in accordance with GASB 33.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

I. Summary of Significant Accounting Policies (continued)

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

The district reports the following major governmental funds:

General Funds – 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.

READING FIRST (Special Revenue Fund) – To account for the federal grant assistance to provide support for high quality, scientifically based classroom reading instruction from kindergarten through grade three. Authority for this fund comes from the No Child Left Behind Act.

The government also reports the following fund types:

Governmental Funds:

Nonmajor Special Revenue Funds – The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund.

Nonmajor Capital Project Funds – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Fiduciary Funds:

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

1. Deposits and investments (continued)

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The State Board of Finance shall set the rate of interest in non-demand interest-bearing accounts, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2008 fiscal year was \$14,512,913. Mill levy rates are set by the State of New Mexico each year for the General Fund, and SB – 9,. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

4. Capital assets (continued)

The costs 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. Construction expenditures paid by the New Mexico Public Facilities Authority are included in the District's disclosures and financial statements when appropriate. For the fiscal year ended June 30, 2009, there were no projects paid by the New Mexico Public Facilities Authority.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	25 to 50
Equipment	5 to 10

5. Compensated absences

The District does not offer a compensated absence benefit to its employees.

6. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

7. Comparative data/reclassifications

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

8. Indirect Costs

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

9. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

10. Estimates

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2009

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

11. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost".

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$2,522,459 in state equalization guarantee distributions during the year ended June 30, 2009.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to and from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$142,617 in transportation distributions during the year ended June 30, 2009.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$114,435) difference are as follows:

Capital Outlay	\$ 36,155
Depreciation expense	<u>(150,590)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	\$ <u>(114,435)</u>

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2009

III. Stewardship, compliance, and accountability

A. Budgetary information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be reappropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., every budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, the school board and the State of New Mexico Department of Education must approve any revisions that alter the total expenditures of any fund.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

A. Budgetary information (continued)

- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2008 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 2,855,217	\$ 2,873,968
Special Revenue Fund	595,990	617,462
Capital Projects Fund	73,929	73,929
Totals	<u>\$ 3,525,136</u>	<u>\$ 3,565,359</u>

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

III. Stewardship, compliance, and accountability (continued)

B. Deficit fund equity

There were no deficit fund balances at June 30, 2008.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2008, the carrying amount of the District's deposits was \$290,819 and the bank balance was \$321,222. Of this balance \$250,000 was covered by federal depository insurance and \$71,222 was covered by collateral held in joint safekeeping by a third party in the entity's name.

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

The collateral pledged is shown as listed in the table of contents of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. 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

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

For the year ended June 30, 2009, the investments held in the LGIP had an interest risk (WAM) of 43 days and a Standard and Poor's Rating of AAAM.

B. Custodial Credit Risk - Deposits

The State Treasurer monitors pledged collateral related to most state agency bank accounts. Pledged collateral information specific to the District is not available because the bank commingles pledged collateral for all state funds it holds.

Custodial risk is the risk that in the event of 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, 2009, \$0 of the District's deposits totaling \$532,284 was exposed to custodial credit risk.

Uninsured and Uncollateralized	<u>\$0</u>
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STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2009

IV. Detailed notes on all funds (continued)

C. Due To and From Other Funds

Interfund loans as of year end for the government's individual major funds and non-major funds in the aggregate, including the following:

Interfund Payables:

Due to Operational Fund	
Reading First	\$ 57,482
Title I	53,204
IDEA-B Entitlement	9,368
IDEA-B Discretionary	4,961
IDEA-B Preschool	4,723
Teacher/Principal Training	1,340
Title I Stimulus	5,182
Incentives for School Improvement	3,427
Library GO Bonds	1,402
State Directed Activities	19,621
Rural Revitalization	10,000
Total due to Operational Fund	\$ 170,710
Total Due to/Due From	\$ <u>170,710</u>

The balance of \$170,710 resulted from loans made to establish working capital for the individual funds. All loans are considered to be repaid within one year.

Governmental funds reported *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Grant draw downs prior to meeting	
All eligibility requirements	\$ 56,652
Delinquent Property Taxes	119
Total deferred/unearned revenue	
For governmental funds	\$ <u>72,924</u>

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2009

IV. Detailed notes on all funds (continued)

D. Receivables

Due from other governments:	
Reading First	\$ 23,701
Title I	56,631
IDEA-B Entitlement	11,141
IDEA-B Discretionary	5,847
IDEA-B Preschool	5,268
Teacher/Principal Training	1,340
Title I Stimulus	5,182
Incentives for School Improvement	3,427
Library GO Bonds	1,402
State Directed Activities	19,621
Rural Revitalization	10,000
Total due from other governments	<u>\$ 143,560</u>
Due from local taxes	
General	\$ 170
Senate Bill Nine	704
Total Property Tax Receivable	<u>\$ 874</u>

E. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Total Capital Assets not being depreciated	60,000	-	-	60,000
Capital assets, being depreciated				
Buildings & Improvements	9,683,906	36,155	-	9,720,061
Equipment	1,505,895	-	-	1,505,895
Total Capital assets being depreciated	11,189,801	36,155	-	11,225,956
Less accumulated depreciation for:				
Buildings & Improvements	9,369,239	-	-	9,369,239
Equipment	150,590	150,590	-	301,180
Total accumulated depreciation	-	150,590	-	9,670,419
Total Capital assets, being depreciated, net	<u>1,669,972</u>	<u>(114,435)</u>	<u>-</u>	<u>1,555,537</u>
Governmental activities capital assets, net	<u>\$ 1,729,972</u>	<u>\$ (114,435)</u>	<u>\$ -</u>	<u>\$ 1,615,537</u>

The District has not prepared the listing of capital assets in accordance to GASB 34, nor has the land and equipment been adjusted to cost or estimated cost. In addition the depreciation and accumulated depreciation has not been calculated. The depreciation disclosed above is an estimate.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

IV. Detailed notes on all funds (continued)

E. Capital Assets (continued)

Depreciation expense was not charged to function/programs of the District because the detail information was not available.

F. Long-Term Debt

The District had no long-term debt.

G. Student Activity Cash

The Schedule of Changes in Assets & Liabilities – Agency for the fiscal year ended June 30, 2008 omitted \$69 held in the State Treasurer's Investment Pool. The current year report reflects the omitted amount in the beginning balance.

V. Other information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2008.

B. Contingent liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

V. Other information (continued)

C. Employee retirement plan

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

Funding Policy: Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007, were \$209,124, \$200,557, and \$298,049, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-retirement health care benefits

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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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.

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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO FINANCIAL STATEMENTS

June 30, 2009

V. Other information (continued)

D. Post-retirement health care benefits (continued)

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

The District's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$22,888, \$22,700 and \$20,707, respectively, which equal the required contributions for each year.

E. Restatement of Beginning Net Assets for Governmental Funds

	Governmental Activities	Individual Funds
Net Assets – Governmental Funds at July 1, 2008	\$ 2,054,709	324,737
Operational:		
Prior year transfer recorded as revenue in Operational	(27,541)	(27,541)
Prior year transfer recorded as revenue in Operational Fed Account	(11,303)	(11,303)
Prior year receivable recorded in error	(34,777)	(34,777)
Prior year Federal program revenue recorded in Operational	(9,595)	(9,595)
Restated balance at July 1, 2008	\$ <u>2,061,998</u>	<u>241,521</u>

F. Overspent Budget Line Items

As stated in the finding 06-03 on page 71 the Districted had the overspent budget line items as listed in the finding. The overspent line items were the result of expenditures were not maintained on the District's books in the function line items as required by the PED.

G. Fund Balances Classified

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

Fund Balance	General Fund	Reading First	Other Governmental Funds	Total
Non-Spendable:				
Inventory	\$ -	\$ -	1,923	\$ 1,923
Total Non-spendable	-	-	1,923	1,923
Restricted for:				
Capital Improvements	-	-	1,433	1,433
Athletics	-	-	10,231	10,231
Cafeteria	-	-	15,270	15,270
Instructional Materials	31,157	-	-	31,157
Senate Bill Nine	-	-	90,222	90,222
Total Restricted	31,157	-	117,156	148,313
Unassigned	144,304	-	-	144,304
Total Fund Balances	\$ 175,461	\$ -	\$ 119,079	\$ 294,540

CAPITAL PROJECTS FUNDS

Public School Capital Outlay 20% – To account for monies to be set aside out of Impact Aid, Forest Reserve, and Local taxes for capital improvements in public schools. Authority for the creation of this fund is Section 22-8-5 NMSA 1978.

SPECIAL CAPITAL OUTLAY STATE – To account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

NON-MAJOR SPECIAL REVENUE FUNDS

FOOD SERVICES – to account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS – to account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Authority for this fund is the New Mexico Administrative Code 6.20.2.

TITLE I – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The Federal Government through the New Mexico State Department of Education under the Elementary funds the project and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 et seq. Reported as a special revenue fund.

IDEA B – ENTITLEMENT BUDGET – P.L. 94-142, Individuals with Disabilities Education Act—to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA B-DISCRETIONARY – P.L. 94-142, individuals with Disabilities Education Act—to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA B PRESCHOOL – P.L. 94-142, Individuals with Disabilities Education Act—to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

ENHANCING EDUCATION THROUGH TECHNOLOGY – To account for grant revenue and expenditures used to improve student academic achievement through the use of technology in schools, to assist all students in becoming technologically literate by the end of the eighth grade, and to encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. Authority to create this fund is given under the Elementary and Secondary Education Act of 1965, Title II, Part D, Subparts 1 and 2, as amended.

TEACHER/PRINCIPAL TRAINING – To provide grants to State Education Agencies 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. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

SAFE AND DRUG FREE SCHOOLS— To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs, involve parents, and coordinated with related Federal, State and community efforts and resources.

TITLE I STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's Title I funds.

RURAL EDUCATION – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

NON-MAJOR SPECIAL REVENUE FUNDS (continued)

MICROSOFT SETTLEMENT – Funding for this fund is provided by the antitrust settlement between the State of New Mexico and Microsoft Corporation. The purpose of this program is to help New Mexico school districts to purchase a wide variety of computer hardware, software, and professional development services.

TECHNOLOGY FOR EDUCATION – To account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENT AWARD – to account for a legislative appropriation to recognize top improving schools in New Mexico which provided funds for supplies, materials, and/or purchased services, excluding salaries and benefits. Required by the State Department of Education Manual of Procedures for New Mexico School districts to be accounted for as a separate fund. The authority for this fund is NMSA 22-13A-5.

LIBRARY GO BONDS – This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public school and juvenile detention libraries statewide.

BEGINNING TEACHER MENTORING PROGRAM—To account for funds used to pay stipends to teachers as mentors and to hire new teachers. This fund was created by the authority of the State Legislature.

BREAKFAST FOR ELEMENTARY STUDENTS – To account for funds used to provide elementary students with breakfast in the classroom. Creation authorized by the Child Nutrition Act of the United States Department of Agriculture.

READING MATERIALS – This fund is used to account for the revenues and expenditures used to assist schools in improving their reading materials to more scientifically researched materials. Funding and authority for this program was provided by HB 225 passed by the New Mexico Legislature.

STATE DIRECTED ACTIVITIES – The purpose of this fund is used to account for a program funded by a State grant to assist the REC 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, 936-380 ,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.

RURAL REVITALIZATION – To account for the monies received from the Rural Education Bureau to support the vocational program. Authority for creation of this fund is the New Mexico Rural Revitalization Initiative (Laws of 2008, Chapter 3, Section 4 Item I (k).

SB-9 – to account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--CAPITAL PROJECT FUNDS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	CAPITAL OUTLAY 20%	SPECIAL CAPITAL OUTLAY STATE	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash on Deposit	\$ 1,433	\$ -	\$ 1,433	\$ 174,141	\$ 175,574
Due from Other Governments	-	-	-	119,859	119,859
Due from other Funds	-	-	-	-	-
Taxes Receivable	-	-	-	704	704
Inventory	-	-	-	1,923	1,923
TOTAL ASSETS	\$ 1,433	\$ -	\$ 1,433	\$ 296,627	\$ 298,060
LIABILITIES AND FUND BALANCE					
Due to Other Funds	\$ -	\$ -	\$ -	\$ 113,228	\$ 113,228
Accounts Payable	-	-	-	9,101	9,101
Deferred Revenue	-	-	-	56,652	56,652
TOTAL LIABILITIES	-	-	-	178,981	178,981
FUND BALANCE					
Unspendable	-	-	-	1,923	1,923
Restricted	1,433	-	1,433	115,723	117,156
TOTAL FUND BALANCE	1,433	-	1,433	117,646	119,079
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,433	\$ -	\$ 1,433	\$ 296,627	\$ 298,060

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE --CAPITAL PROJECT FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

	CAPITAL OUTLAY 20%	SPECIAL CAPITAL OUTLAY STATE	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE					
Residential/Non-Residential Taxes	\$ -	\$ -	\$ -	\$ 26,940	\$ 26,940
Fees Activities	-	-	-	14,676	14,676
Fees-Users	-	-	-	15,675	15,675
Interest Income	-	-	-	209	209
State Flow Through Grants	-	-	-	9,788	9,788
State Programs	-	70,000	70,000	54,989	124,989
Federal Program	-	-	-	257,516	257,516
TOTAL REVENUES	-	70,000	70,000	379,793	449,793
EXPENDITURES					
Current					
Instruction	-	-	-	157,630	157,630
Support Services	-	-	-	60,281	60,281
Support Services-Students	-	-	-	2,598	2,598
Support Services-Instruction	-	-	-	2,266	2,266
Support Services-General Admin	-	-	-	-	2,496
Operation & Maintenance of Plant	2,496	-	2,496	-	2,496
Food Services-Operations	-	-	-	119,498	119,498
Community Services-operations	-	-	-	-	-
Acquisition & Construction	-	70,000	70,000	33,656	103,656
TOTAL EXPENDITURES	2,496	70,000	72,496	375,929	448,425
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,496)	-	(2,496)	3,864	1,368
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	-	-	-	200	200
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	200	200
Net Change In Fund Balance	(2,496)	-	(2,496)	4,064	1,568
FUND BALANCE					
June 30, 2008	3,929	-	3,929	113,582	117,511
Restatement	-	-	-	-	-
Restated Fund Balance June 30, 2008	3,929	-	3,929	113,582	117,511
FUND BALANCE June 30, 2009	\$ 1,433	\$ -	\$ 1,433	\$ 117,646	\$ 119,079

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



COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2009

	CAFETERIA	ATHLETICS	TITLE I	IDEA-B ENTITLEMENT
ASSETS				
Cash on Deposit	\$ 16,950	\$ 10,231	\$ -	\$ -
Due from Other Governments			56,631	11,141
Due From Other Funds				
Taxes Receivable				
Inventory	1,923	-		-
TOTAL ASSETS	\$ 18,873	\$ 10,231	\$ 56,631	\$ 11,141
LIABILITIES AND FUND BALANCE				
Due to other Funds	\$ -	\$ -	\$ 53,204	\$ 9,368
Accounts Payable	1,680	-	3,427	1,773
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	1,680	-	56,631	11,141
FUND BALANCE				
Unspendable	1,923	-	-	-
Restricted	15,270	10,231	-	-
TOTAL FUND BALANCE	17,193	10,231	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 18,873	\$ 10,231	\$ 56,631	\$ 11,141

IDEA-B DISCRETIONARY	IDEA-B PRESCHOOL	ENHANCING ED THRU TECHNOLOGY	TEACHER/ PRINCIPAL TRAINING	SAFE & DRUG FREE SCHOOLS	TITLE I STIMULUS	RURAL EDUCATION
\$ - 5,847	\$ - 5,268	\$ 10,866	\$ - 1,340	\$ 292	\$ - 5,182	\$ 22,478
-	-	-	-	-	-	-
<u>\$ 5,847</u>	<u>\$ 5,268</u>	<u>\$ 10,866</u>	<u>\$ 1,340</u>	<u>\$ 292</u>	<u>\$ 5,182</u>	<u>\$ 22,478</u>
\$ 4,961 886 -	\$ 4,723 545 -	\$ - - 10,866 10,866	\$ 1,340 - -	\$ - - 292 292	\$ 5,182 - -	\$ - 790 21,688 22,478
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,847</u>	<u>\$ 5,268</u>	<u>\$ 10,866</u>	<u>\$ 1,340</u>	<u>\$ 292</u>	<u>\$ 5,182</u>	<u>\$ 22,478</u>

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



COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2009

	MICROSOFT SETTLEMENT	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	LIBRARY GO BONDS
ASSETS				
Cash on Deposit	\$ 3,210	\$ 11,329	\$ -	\$ -
Due from Other Governments	-		3,427	1,402
Due From Other Funds			-	
Taxes Receivable				
Inventory	-	-		
TOTAL ASSETS	\$ 3,210	\$ 11,329	\$ 3,427	\$ 1,402
LIABILITIES AND FUND BALANCE				
Due to other Funds	\$ -	\$ -	\$ 3,427	\$ 1,402
Accounts Payable	-	-	-	-
Deferred Revenue	3,210	11,329	-	-
TOTAL LIABILITIES	3,210	11,329	3,427	1,402
FUND BALANCE				
Unspendable	-	-	-	-
Restricted	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,210	\$ 11,329	\$ 3,427	\$ 1,402

BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY	READING MATERIALS	STATE DIRECTED ACTIVITIES	RURAL REVITALIZATION	SENATE BILL NINE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 4,318	\$ 4,364	\$ 93	\$ - 19,621	\$ - 10,000	\$ 90,010	\$ 174,141 119,859
					704	704
						1,923
<u>\$ 4,318</u>	<u>\$ 4,364</u>	<u>\$ 93</u>	<u>\$ 19,621</u>	<u>\$ 10,000</u>	<u>\$ 90,714</u>	<u>\$ 296,627</u>
\$ -	\$ -	\$ -	\$ 19,621	\$ 10,000	\$ -	\$ 113,228
-	-	-	-	-	-	9,101
4,318	4,364	93	-	-	492	56,652
<u>4,318</u>	<u>4,364</u>	<u>93</u>	<u>19,621</u>	<u>10,000</u>	<u>492</u>	<u>178,981</u>
-	-	-	-	-	-	1,923
-	-	-	-	-	90,222	115,723
-	-	-	-	-	90,222	117,646
<u>\$ 4,318</u>	<u>\$ 4,364</u>	<u>\$ 93</u>	<u>\$ 19,621</u>	<u>\$ 10,000</u>	<u>\$ 90,714</u>	<u>\$ 296,627</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2009

	CAFETERIA	ATHLETICS	TITLE I	IDEA-B ENTITLEMENT
REVENUE				
Residential/Non-Residential Taxes	\$ -	\$ -	\$ -	\$ -
Fees Activities	-	14,676	-	-
Fees-Users	15,675	-	-	-
Interest Income	-	22	-	-
State and Local Grants	-	-	-	-
State Programs	-	-	-	-
Federal Program	108,724	-	68,690	38,118
TOTAL REVENUES	<u>124,399</u>	<u>14,698</u>	<u>68,690</u>	<u>38,118</u>
EXPENDITURES				
Current				
Instruction	-	11,406	68,690	19
Support Services-Students	-	1,155	-	36,099
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	2,000
Food Services-Operations	119,498	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>119,498</u>	<u>12,561</u>	<u>68,690</u>	<u>38,118</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,901	2,137	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	200	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	5,101	2,137	-	-
FUND BALANCE				
June 30, 2008	12,092	8,094	-	-
Restatement	-	-	-	-
Restated Fund Balance June 30, 2008	12,092	8,094	-	-
FUND BALANCE June 30, 2009	<u>\$ 17,193</u>	<u>\$ 10,231</u>	<u>\$ -</u>	<u>\$ -</u>

IDEA-B DISCRETIONARY	IDEA-B PRESCHOOL	ENHANCING ED THRU TECHNOLOGY	TEACHER/ PRINCIPAL TRAINING	SAFE & DRUG FREE SCHOOLS	TITLE I STIMULUS	RURAL EDUCATION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,243	-	-	3,000	5,182	19,559
-	14,243	-	-	3,000	5,182	19,559
-	14,243	-	-	-	5,182	19,559
-	-	-	-	3,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,243	-	-	3,000	5,182	19,559
-	14,243	-	-	3,000	5,182	19,559
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2009

	MICROSOFT SETTLEMENT	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	LIBRARY GO BONDS
REVENUE				
Residential/Non-Residential Taxes	\$ -	\$ -	\$ -	\$ -
Fees Activities	-	-	-	-
Fees-Users	-	-	-	-
Interest Income	-	-	-	-
State and Local Grants	9,788	-	-	-
State Programs	-	9,667	7,758	2,598
Federal Program	-	-	-	-
TOTAL REVENUES	<u>9,788</u>	<u>9,667</u>	<u>7,758</u>	<u>2,598</u>
EXPENDITURES				
Current				
Instruction	9,788	9,261	7,758	-
Support Services-Students	-	406	-	-
Support Services-Instruction	-	-	-	2,598
Support Services-General Administration	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>9,788</u>	<u>9,667</u>	<u>7,758</u>	<u>2,598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
June 30, 2008	-	-	-	-
Restatement	-	-	-	-
Restated Fund Balance June 30, 2008	-	-	-	-
FUND BALANCE June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY	READING MATERIALS	STATE DIRECTED ACTIVITIES	RURAL REVITALIZATION	SENATE BILL NINE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,940	\$ 26,940
-	-	-	-	-	-	14,676
-	-	-	-	-	-	15,675
-	-	-	-	-	187	209
-	-	-	-	-	-	9,788
-	-	1,724	19,621	10,000	3,621	54,989
-	-	-	-	-	-	257,516
-	-	1,724	19,621	10,000	30,748	379,793
-	-	1,724	-	10,000	-	157,630
-	-	-	19,621	-	-	60,281
-	-	-	-	-	-	2,598
-	-	-	-	-	266	2,266
-	-	-	-	-	-	119,498
-	-	-	-	-	-	-
-	-	-	-	-	33,656	33,656
-	-	1,724	19,621	10,000	33,922	375,929
-	-	-	-	-	(3,174)	3,864
-	-	-	-	-	-	200
-	-	-	-	-	-	4,064
-	-	-	-	-	(3,174)	4,064
-	-	-	-	-	93,396	113,582
-	-	-	-	-	-	-
-	-	-	-	-	93,396	113,582
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,222	\$ 117,646

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 19,000	\$ 19,000	\$ 15,675	\$ (3,325)
Federal Revenue	91,000	91,000	102,475	11,475
TOTAL REVENUE	<u>110,000</u>	<u>110,000</u>	<u>\$ 118,150</u>	<u>\$ 8,150</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 110,000</u>	<u>\$ 110,000</u>		
EXPENDITURES				
Current				
Food Services-Operations	110,000	110,000	111,239	(1,239)
TOTAL EXPENDITURES	<u>110,000</u>	<u>110,000</u>	<u>111,239</u>	<u>(1,239)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 118,150
Differences-Budget to GAAP	
Commodities Received	6,249
Total Revenues (GAAP Basis)	<u>\$ 124,399</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 111,239
Differences-budget to GAAP	
Current Year Interest Payable	1,680
Cost of Commodities Used	6,249
Inventory Adjustment	330
Total Expenditures (GAAP Basis)	<u>\$ 119,498</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	\$ 11,000	\$ 11,000	\$ 14,676	\$ 3,676
Interest Income	35	35	22	(13)
TOTAL REVENUE	<u>11,035</u>	<u>11,035</u>	<u>\$ 14,698</u>	<u>\$ 3,663</u>
Cash Balance Budgeted	<u>8,000</u>	<u>8,000</u>		
TOTAL REVENUE & CASH	<u>\$ 19,035</u>	<u>\$ 19,035</u>		
EXPENDITURES				
Current				
Instruction	\$ 19,035	\$ 19,035	\$ 11,406	\$ 7,629
Support Services-Students	-	-	1,155	(1,155)
TOTAL EXPENDITURES	<u>\$ 19,035</u>	<u>\$ 19,035</u>	<u>\$ 12,561</u>	<u>\$ 6,474</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 14,698
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 14,698</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 12,561
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 12,561</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 89,215	\$ 89,215	\$ 45,745	\$ (43,470)
TOTAL REVENUE	<u>89,215</u>	<u>89,215</u>	<u>45,745</u>	<u>(43,470)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 89,215</u>	<u>\$ 89,215</u>		
EXPENDITURES				
Current				
Instruction	71,073	71,073	68,690	2,383
Support Services-Students	18,142	18,142	-	18,142
TOTAL EXPENDITURES	<u>\$ 89,215</u>	<u>\$ 89,215</u>	<u>\$ 68,690</u>	<u>\$ 20,525</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 45,745
Differences-Budget to GAAP	56,631
Current Year Receivable	(33,686)
Prior Year Receivable	
Total Revenues (GAAP Basis)	<u>\$ 68,690</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 68,690
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 68,690</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 66,084	70,889	\$ 42,332	\$ (28,557)
TOTAL REVENUE	<u>66,084</u>	<u>70,889</u>	<u>\$ 42,332</u>	<u>\$ (28,557)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 66,084</u>	<u>\$ 70,889</u>		
EXPENDITURES				
Current				
Instruction	\$ 29,879	\$ 31,184	\$ 19	\$ 31,165
Support Services-Students	36,205	36,205	36,099	106
Support Services-General Administration	-	3,500	2,000	1,500
TOTAL EXPENDITURES	<u>\$ 66,084</u>	<u>\$ 70,889</u>	<u>\$ 38,118</u>	<u>\$ 32,771</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ 42,332
Differences-Budget to GAAP	11,141
Current Year Receivable	(15,355)
Prior Year Receivable	\$ 38,118
Total Revenues (GAAP Basis)	<u>\$ 38,118</u>
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ 38,118
Differences-budget to GAAP	\$ 38,118
Total Expenditures (GAAP Basis)	<u>\$ 38,118</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B DISCRETIONARY

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Receivable	5,847
Prior Year Receivable	(5,847)
Total Revenues (GAAP Basis)	<u>\$ -</u>
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</u>

The accompanying footnotes are integral part of these financial statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA B PRESCHOOL

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 13,598	\$ 14,400	\$ 12,204	\$ (2,196)
TOTAL REVENUE	<u>13,598</u>	<u>14,400</u>	<u>\$ 12,204</u>	<u>\$ (2,196)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 13,598</u>	<u>\$ 14,400</u>		
EXPENDITURES				
Current				
Instruction	\$ 13,598	\$ 14,400	\$ 14,243	\$ 157
TOTAL EXPENDITURES	<u>\$ 13,598</u>	<u>\$ 14,400</u>	<u>\$ 14,243</u>	<u>\$ 157</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,204
Differences-Budget to GAAP	
Current Year Receivable	5,268
Prior Year Receivable	(3,229)
Total Revenues (GAAP Basis)	<u>\$ 14,243</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 14,243
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 14,243</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TEACHER/PRINCIPAL TRAINING

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 10,509	\$ 10,509	\$ -	\$ (10,509)
TOTAL REVENUE	<u>10,509</u>	<u>10,509</u>	<u>\$ -</u>	<u>\$ (10,509)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 10,509</u>	<u>\$ 10,509</u>		
EXPENDITURES				
Current				
Instruction	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Support Services-Instruction	2,509	2,509	-	2,509
TOTAL EXPENDITURES	<u>\$ 10,509</u>	<u>\$ 10,509</u>	<u>\$ -</u>	<u>\$ 10,509</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	1,340
Current Year Receivable	(1,340)
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE IV-A SAFE & DRUG FREE SCHOOLS

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,500	\$ 1,500	\$ 3,000	\$ 1,500
TOTAL REVENUE	<u>1,500</u>	<u>1,500</u>	<u>3,000</u>	<u>1,500</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 1,500</u>	<u>\$ 1,500</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ 1,500	\$ 1,500	\$ 3,000	\$ (1,500)
TOTAL EXPENDITURES	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 3,000</u>	<u>\$ (1,500)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ 3,000
Differences-Budget to GAAP	<u>\$ 3,000</u>
Total Revenues (GAAP Basis)	
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ 3,000
Differences-budget to GAAP	<u>\$ 3,000</u>
Total Expenditures (GAAP Basis)	

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I STIMULUS

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 9,208	\$ 9,208	\$ -	\$ (9,208)
TOTAL REVENUE	<u>9,208</u>	<u>9,208</u>	<u>-</u>	<u>(9,208)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 9,208</u>	<u>\$ 9,208</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,208	\$ 9,208	\$ 5,182	\$ 4,026
TOTAL EXPENDITURES	<u>\$ 9,208</u>	<u>\$ 9,208</u>	<u>\$ 5,182</u>	<u>\$ 4,026</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	5,182
Current Year Receivable	-
Prior Year Receivable	\$ 5,182
Total Revenues (GAAP Basis)	<u>\$ 5,182</u>
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ 5,182
Differences-budget to GAAP	\$ 5,182
Total Expenditures (GAAP Basis)	<u>\$ 5,182</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--RURAL EDUCATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 19,539	\$ 19,539	\$ 19,539	\$ -
TOTAL REVENUE	<u>19,539</u>	<u>19,539</u>	<u>19,539</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 19,539</u>	<u>\$ 19,539</u>		
EXPENDITURES				
Current				
Instruction	\$ 19,539	\$ 19,539	\$ 19,559	\$ (20)
TOTAL EXPENDITURES	<u>\$ 19,539</u>	<u>\$ 19,539</u>	<u>\$ 19,559</u>	<u>\$ (20)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 19,539
Differences-Budget to GAAP	
Prior Year Receivable	(5,441)
Current Year Deferral	(21,688)
Prior Year Deferral	27,149
Commodities Received	
Total Revenues (GAAP Basis)	<u>\$ 19,559</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 19,539
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 19,559</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--MICROSOFT SETTLEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 1,777	\$ 1,777
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>1,777</u>	<u>1,777</u>
Cash Balance Budgeted	<u>14,481</u>	<u>14,481</u>		
TOTAL REVENUE & CASH	<u>\$ 14,481</u>	<u>\$ 14,481</u>		
EXPENDITURES				
Current				
Instruction	\$ 14,481	\$ 14,481	\$ 9,788	\$ 4,693
TOTAL EXPENDITURES	<u>\$ 14,481</u>	<u>\$ 14,481</u>	<u>\$ 9,788</u>	<u>\$ 4,693</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,777
Differences-Budget to GAAP	(3,210)
Current Year Deferral	11,221
Prior Year Deferral	\$ 9,788
Total Revenues (GAAP Basis)	<u>\$ 9,788</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 9,788
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 9,788</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 4,050	\$ 20,126	\$ 4,387	\$ (15,739)
TOTAL REVENUE	<u>4,050</u>	<u>20,126</u>	<u>4,387</u>	<u>(15,739)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,050</u>	<u>\$ 20,126</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,000	\$ 10,076	\$ 9,261	\$ 815
Support Services-Students		7,000	-	7,000
Support Services-Instruction	3,050	3,050	-	3,050
Support Services-School Administration			406	(406)
TOTAL EXPENDITURES	<u>\$ 4,050</u>	<u>\$ 20,126</u>	<u>\$ 9,667</u>	<u>\$ 10,459</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,387
Differences-Budget to GAAP	(11,329)
Current Year Deferral	16,609
Prior Year Deferral	
Total Revenues (GAAP Basis)	<u>\$ 9,667</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 9,667
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 9,667</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--INCENTIVES FOR SCHOOL IMPROVEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 5,822	\$ 5,822	\$ -	\$ (5,822)
TOTAL REVENUE	<u>5,822</u>	<u>5,822</u>	<u>-</u>	<u>(5,822)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 5,822</u>	<u>\$ 5,822</u>		
EXPENDITURES				
Current				
Instruction	\$ 5,822	\$ 5,822	\$ 7,758	\$ (1,936)
TOTAL EXPENDITURES	<u>\$ 5,822</u>	<u>\$ 5,822</u>	<u>\$ 7,758</u>	<u>\$ (1,936)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	3,427
Current Year Receivable	4,331
Prior Year Deferral	\$ 7,758
Total Revenues (GAAP Basis)	
Uses/outflows of resources	\$ 7,758
Actual amounts (budgetary basis)	
Differences-budget to GAAP	\$ 7,758
Total Expenditures (GAAP Basis)	

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARY GO BONDS

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 742	\$ 742
TOTAL REVENUE	-	-	<u>742</u>	<u>742</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ -	\$ -	\$ 2,598	\$ (2,598)
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>2,598</u>	<u>(2,598)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ 742
Differences-Budget to GAAP	1,402
Current Year Receivable	454
Prior Year Deferral	\$ 2,598
Total Revenues (GAAP Basis)	<u>2,598</u>
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ 2,598
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>2,598</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--BEGINNING TEACHER MENTORING PROGRAM

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 4,012	\$ 4,012	\$ 4,941	\$ 929
TOTAL REVENUE	<u>4,012</u>	<u>4,012</u>	<u>4,941</u>	<u>929</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,012</u>	<u>\$ 4,012</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,012	\$ 4,012	\$ -	\$ 4,012
TOTAL EXPENDITURES	<u>\$ 4,012</u>	<u>\$ 4,012</u>	<u>\$ -</u>	<u>\$ 4,012</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ 4,941
Differences-Budget to GAAP	(623)
Prior Year Receivable	(4,318)
Current Year Deferral	\$ -
Total Revenues (GAAP Basis)	<u>\$ -</u>
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	\$ -
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--BREAKFAST FOR ELEMENTARY

Year Ended June 30 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 4,575	\$ 4,364	\$ 4,364	\$ -
TOTAL REVENUE	<u>4,575</u>	<u>4,364</u>	<u>4,364</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,575</u>	<u>\$ 4,364</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 4,575	\$ 4,364	\$ -	\$ 4,364
TOTAL EXPENDITURES	<u>\$ 4,575</u>	<u>\$ 4,364</u>	<u>\$ -</u>	<u>\$ 4,364</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,364
Differences-Budget to GAAP	
Current Year Deferral	(4,364)
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--READING MATERIALS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 1,817	\$ 1,817
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>1,817</u>	<u>1,817</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ 1,724	\$ (1,724)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,724</u>	<u>(1,724)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,817
Differences-Budget to GAAP	(93)
Current Year Deferral	
Total Revenues (GAAP Basis)	<u>\$ 1,724</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,724
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,724</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--STATE DIRECTED ACTIVITIES

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 55,862	\$ 55,862	\$ -	\$ (55,862)
TOTAL REVENUE	<u>55,862</u>	<u>55,862</u>	<u>-</u>	<u>(55,862)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 55,862</u>	<u>\$ 55,862</u>		
EXPENDITURES				
Current				
Instruction	\$ 15,500	\$ 15,500	\$ -	\$ 15,500
Support Services-Students	40,362	40,362	19,621	20,741
TOTAL EXPENDITURES	<u>\$ 55,862</u>	<u>\$ 55,862</u>	<u>\$ 19,621</u>	<u>\$ 36,241</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	19,621
Current Year Receivable	<u>19,621</u>
Total Revenues (GAAP Basis)	<u>\$ 19,621</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 19,621
Differences-budget to GAAP	<u>19,621</u>
Total Expenditures (GAAP Basis)	<u>\$ 19,621</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--RURAL REVITALIZATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
TOTAL REVENUE	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 10,000</u>	<u>\$ 10,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
TOTAL EXPENDITURES	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	10,000
Current Year Receivable	\$ 10,000
Total Revenues (GAAP Basis)	<u>\$ 10,000</u>
Uses/outflows of resources	
Actual amounts (budgetary basis)	\$ 10,000
Differences-budget to GAAP	10,000
Total Expenditures (GAAP Basis)	<u>\$ 10,000</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SENATE BILL 9

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 28,908	\$ 28,908	\$ 27,064	\$ (1,844)
Interest Income	360	360	187	(173)
State Flow Through Grants	-	-	3,621	3,621
TOTAL REVENUE	<u>29,268</u>	<u>29,268</u>	<u>\$ 30,872</u>	<u>\$ 1,604</u>
Cash Balance Budgeted	<u>34,732</u>	<u>34,732</u>		
TOTAL REVENUE & CASH	<u>\$ 64,000</u>	<u>\$ 64,000</u>		
EXPENDITURES				
Current				
Support Services	\$ 351	\$ 351	\$ 266	\$ 85
Acquisition & Construction	63,649	63,649	33,656	29,993
TOTAL EXPENDITURES	<u>\$ 64,000</u>	<u>\$ 64,000</u>	<u>\$ 33,922</u>	<u>\$ 30,078</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 30,872
Differences-Budget to GAAP	
Property tax Receivable	704
Prior Year Tax Receivables	(1,940)
Current Year Deferrai	(492)
Prior Year Deferral	1,604
Total Revenues (GAAP Basis)	<u>\$ 30,748</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 33,922
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 33,922</u>

The accompanying footnotes are integral part of these financial statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2009

	<u>OPERATIONAL</u>	<u>TRANSPORTATION</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>TEACHERAGE</u>	<u>TOTALS</u>
ASSETS					
Cash on Deposit	\$ 141,196	\$ 55,429	\$ 31,177	\$ 22,971	\$ 250,773
Due from Other Funds	170,710				170,710
Due From Other Governments	-				-
Taxes Receivable	170				170
TOTAL ASSETS	<u>\$ 312,076</u>	<u>\$ 55,429</u>	<u>\$ 31,177</u>	<u>\$ 22,971</u>	<u>\$ 421,653</u>
Liabilities					
Due to Other Funds	\$ 37,662	\$ -	\$ -	\$ -	\$ 37,662
Delinquent Property Taxes	119	-	-	-	119
Accounts Payable	203,175	5,216	20	-	208,411
	240,956	5,216	20	-	246,192
FUND BALANCE					
Restricted	-	-	31,157	-	31,157
Unassigned	71,120	50,213	-	22,971	144,304
TOTAL FUND BALANCE	<u>71,120</u>	<u>50,213</u>	<u>31,157</u>	<u>22,971</u>	<u>175,461</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 312,076</u>	<u>\$ 55,429</u>	<u>\$ 31,177</u>	<u>\$ 22,971</u>	<u>\$ 421,653</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2009

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TEACHERAGE	TOTALS
REVENUE					
Residential/Non-Residential Taxes	\$ 6,642	\$ -	\$ -	\$ -	\$ 6,642
Fees - Educational	1,200	-	-	-	1,200
Rents & Leases	4,324	-	-	8,700	13,024
Refunds	2,098	-	-	-	2,098
Interest Income	3,548	-	-	-	3,548
State Equalization	2,522,459	-	-	-	2,522,459
State Programs	4,229	142,617	26,315	-	173,161
Donations	762	-	-	-	762
Federal Revenue	-	-	-	-	-
TOTAL REVENUES	2,545,262	142,617	26,315	8,700	2,722,894
EXPENDITURES					
Instruction	1,609,371	-	22,997	-	1,632,368
Support Services					
Support Services-Students	144,597	-	-	-	144,597
Support Services-Instruction	129,338	-	-	-	129,338
Support Services-General Administration	148,404	-	-	-	148,404
Support Services-School Administration	74,647	-	-	-	74,647
Central Services	31,009	-	-	-	31,009
Operation & Maintenance of Plant	332,850	-	-	5,755	338,605
Student Transportation	5,789	129,841	-	-	135,630
Other Support Services	-	-	-	-	-
Food Services-Operations	39,406	-	-	-	39,406
Acquisition & Construction	(2,761)	-	-	-	(2,761)
TOTAL EXPENDITURES	2,512,650	129,841	22,997	5,755	2,671,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	32,612	12,776	3,318	2,945	51,651
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN/ TRANSFERS OUT	(200)	-	-	-	(200)
TOTAL OTHER FINANCING SOURCES (USES)					
Net Change In Fund Balance	32,412	12,776	3,318	2,945	51,451
FUND BALANCE					
June 30, 2008	121,924	37,437	27,839	20,026	207,226
Restatement	(83,216)	-	-	-	(83,216)
Restated Fund Balance June 30, 2008	38,708	37,437	27,839	20,026	124,010
FUND BALANCE June 30, 2009	\$ 71,120	\$ 50,213	\$ 31,157	\$ 22,971	\$ 175,461

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 7,011	\$ 7,011	\$ 6,670	\$ (341)
Rent and Leases	-	-	4,000	4,000
Fees-Users	-	-	1,200	1,200
Interest Income	7,400	7,400	3,548	(3,852)
State Equalization	2,495,634	2,522,142	2,522,459	317
State Flow Through Grants	-	-	4,229	4,229
Royalties	1,640	1,640	324	(1,316)
Donations	-	-	762	762
Refunds	-	-	2,098	2,098
TOTAL REVENUE	<u>2,511,685</u>	<u>2,538,193</u>	<u>\$ 2,545,290</u>	<u>\$ 7,097</u>
Cash Balance Budgeted	<u>125,205</u>	<u>125,205</u>		
TOTAL REVENUE & CASH	<u>\$ 2,636,890</u>	<u>\$ 2,663,398</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,641,565	\$ 1,641,565	\$ 1,610,983	\$ 30,582
Support Services-Students	226,693	226,693	148,557	78,136
Support Services-Instruction	63,229	63,229	129,338	(66,109)
Support Services-General Administration	167,064	178,572	156,693	21,879
Support Services-School Administration	77,130	77,130	74,647	2,483
Central services	53,400	53,400	34,131	19,269
Operation & Maintenance of Plant	388,393	388,393	332,850	55,543
Student Transportation	-	-	5,789	(5,789)
Other Support Services	1,095	1,095	-	1,095
Food Services-Operations	18,321	33,321	39,406	(6,085)
TOTAL EXPENDITURES	<u>\$ 2,636,890</u>	<u>\$ 2,663,398</u>	<u>\$ 2,532,394</u>	<u>\$ 131,004</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,545,290
Differences-Budget to GAAP	
Property tax Receivable	170
Prior Year Tax Receivables	(477)
Current Year Receivable	
Prior Year Receivable	
Current Year Deferral	(119)
Prior Year Deferral	398
Total Revenues (GAAP Basis)	<u>\$ 2,545,262</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,532,394
Differences-budget to GAAP	
Prior Year Accounts Payable	(19,894)
Current Year Accounts Payable	150
Total Expenditures (GAAP Basis)	<u>\$ 2,512,650</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 150,374	\$ 142,617	\$ 142,617	\$ -
TOTAL REVENUE	<u>150,374</u>	<u>142,617</u>	<u>142,617</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 150,374</u>	<u>\$ 142,617</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 150,374	\$ 142,617	\$ 126,878	\$ 15,739
TOTAL EXPENDITURES	<u>\$ 150,374</u>	<u>\$ 142,617</u>	<u>\$ 126,878</u>	<u>\$ 15,739</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 142,617
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 142,617</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 126,878
Differences-budget to GAAP	
Prior Year Accounts Payable	(2,253)
Current Year Accounts Payable	5,216
Total Expenditures (GAAP Basis)	<u>\$ 129,841</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 22,147	\$ 22,147	\$ 26,315	\$ 4,168
TOTAL REVENUE	<u>22,147</u>	<u>22,147</u>	<u>26,315</u>	<u>4,168</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 22,147</u>	<u>\$ 22,147</u>		
EXPENDITURES				
Current				
Instruction	\$ 20,827	\$ 20,827	\$ 22,977	\$ (2,150)
Support Services-Instruction	1,320	1,320	-	1,320
TOTAL EXPENDITURES	<u>\$ 22,147</u>	<u>\$ 22,147</u>	<u>\$ 22,977</u>	<u>\$ (830)</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 26,315
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 26,315</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 22,977
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 22,977</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Rent and Leases	\$ 14,400.0	\$ 14,400.0	\$ 8,700.0	\$ (5,700.0)
TOTAL REVENUE	<u>14,400.0</u>	<u>14,400.0</u>	<u>\$ 8,700.0</u>	<u>\$ (5,700.0)</u>
Cash Balance Budgeted	<u>21,406.0</u>	<u>21,406.0</u>		
TOTAL REVENUE & CASH	<u>\$ 35,806.0</u>	<u>\$ 35,806.0</u>		
EXPENDITURES				
Current				
Operation & Maintenance of Plant	\$ 25,806.0	\$ 25,806.0	\$ 5,755.0	\$ 20,051.0
Acquisition & Construction	10,000.0	10,000.0	-	10,000.0
TOTAL EXPENDITURES	<u>\$ 35,806.0</u>	<u>\$ 35,806.0</u>	<u>\$ 5,755.0</u>	<u>\$ 30,051.0</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 8,700
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 8,700</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 5,755
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 5,755</u>

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES-- AGENCY FUNDS

Year Ended June 30, 2009

	Balance 6/30/2008	ADDITIONS	DEDUCTIONS	Balance 6/30/2009
Goff Memorial	\$ 1,509	\$ 1,332	\$ -	\$ 2,841
Davis Memorial	50	-	-	50
Recycle	-	10	-	10
EPAC	-	23,839	12,814	11,025
Keep NM Beautiful	-	519	519	-
Student Council	796	1,680	945	1,531
Yearbook	4,003	5,987	6,836	3,154
FCCLA	176	4,110	1,576	2,710
FFA	3,920	13,791	12,227	5,484
FCA	153	2,424	1,739	838
Cheerleaders	3,572	9,606	12,557	621
Book Fair	5,032	3,098	3,112	5,018
Jostens	-	1,028	1,028	-
A/R Prize Fund	193	-	-	193
Elementary Cheerleaders	146	260	100	306
BPA	33	-	-	33
HS Basketball-Girls	2,979	5,652	4,334	4,297
Football	539	3,981	3,741	779
Activity Account Super	166	-	-	166
Volleyball	1,044	3,753	2,995	1,802
HS Basketball-Boys	133	-	-	133
Track	105	-	-	105
Baseball	20	220	48	192
Booster Club	10,861	17,815	12,611	16,065
Poetry	649	-	-	649
Vending	-	16,320	14,272	2,048
Elementary Fund	215	1,156	546	825
Music Booster Club	1,344	1,078	566	1,856
Class of 2008	1,232	-	1,232	-
Class of 2009	7,558	10,715	18,273	-
Class of 2010	2,157	14,621	11,741	5,037
Class of 2011	3,231	3,067	3,179	3,119
Class of 2012	1,643	173	800	1,016
Class of 2013	652	506	934	224
Class of 2014	965	384	1,195	154
Class of 2015	1,130	1,081	1,261	950
Class of 2016	306	-	214	92
Class of 2017	771	737	742	766
Class of 2018	72	299	300	71
Class of 2019	412	452	651	213
Class of 2020	251	303	73	481
Class of 2021	-	319	264	55
Class of 2022	-	1,021	1,021	-
Special Ed	475	-	-	475
Returned Check	-	80	-	80
State Treasurer Investment Pool	69	-	-	69
Total	\$ 58,562	\$ 151,446	\$ 134,445	\$ 75,533

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

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2009

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured/ Uncollateralized Deposits	Pledged Collateral Deficit
PORTALES NATIONAL BANK	\$ 321,222	\$ 250,000	\$ 71,222	\$ 35,611	\$ 208,250	\$ -	\$ -

COLLATERAL		MATURES
FNMA - 31359MA94	\$ 154,969	11/15/2011
FHLMC - 3128X3K69	53,281	4/20/2010

\$ 208,250

COLLATERAL IS HELD AT

NEW MEXICO STATE TREASURER	\$ 211,062	\$ -	\$ 211,062	\$ 211,062	\$ 211,062	\$ -	\$ -
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SECURITIES HELD BY THE INDEPENDENT BANKERS BANK

See Independent Auditor's Report

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS

BANK SUMMARY

JUNE 30, 2009

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	NET CASH BALANCE
PORTALES NATIONAL BANK	Checking	Operational	* \$ 14,704	\$ 22,160	\$ -	\$ (7,456)
	Checking	Capital Improvement	* 92,425	982	-	91,443
	Checking	Cafeteria	17,096	181	35	16,950
	Checking	Athletics	* 10,771	540	-	10,231
	Checking	Activities	* 82,040	6,575	-	75,465
	Checking	Federal tax withheld	104,186	-	-	104,186
	Checking	Federal Programs	-	-	-	-
	Checking	Payroll Clearing	-	-	-	-
Total PORTALES NATIONAL BANK			<u>321,222</u>	<u>30,438</u>	<u>-</u>	<u>290,819</u>
New Mexico State Treasurer	C.D.	Activity	* 68			68
New Mexico State Treasurer	C.D.	Operational	* 210,994	-		210,994
Total New Mexico Treasurer			<u>211,062</u>			<u>211,062</u>
Total All Accounts			<u>\$ 532,284</u>	<u>\$ 30,438</u>	<u>\$ -</u>	<u>\$ 501,881</u>

* Interest Bearing

See Independent Auditor's Report

BANK RECONCILIATION

June 30, 2009

	<u>OPERATIONAL</u>	<u>TRANSP.</u>	<u>FOOD SERVICES</u>	<u>ATHLETICS</u>	<u>FEDERAL PROJECTS</u>	<u>LOCAL/STATE ACCOUNT</u>
Audited Net Cash						
JUNE 30, 2008	\$ 59,895	\$ 39,690	\$ 9,840	\$ 8,094	\$ (19,379)	\$ 30,065
Investments on hand/Loans	79,936	-	-	-	(81,861)	1,926
TOTAL CASH BALANCE						
JUNE 30, 2008	139,831	39,690	9,840	8,094	(101,240)	31,991
2008-2009 Revenue	2,573,329	142,617	118,149	14,698	230,463	18,029
Transfers In & Due From	9,800	-	10,000	-	-	-
TOTAL AVAILABLE CASH	2,722,960	182,307	137,989	22,792	129,223	50,020
2008-2009 Expenditures	2,532,245	126,878	111,239	12,561	243,150	61,155
Loans to other funds						
Transfers Out & Due To	10,000	-	9,800	-	-	-
	2,542,245	126,878	121,039	12,561	243,150	61,155
Reconciling Items	38,308	-	-	-	-	-
Cash in Clearing Accounts	104,186					
Restated Cash Balance	-					
NET CASH, JUNE 30, 2009	<u>\$ 323,209</u>	<u>\$ 55,429</u>	<u>\$ 16,950</u>	<u>\$ 10,231</u>	<u>\$ (113,927)</u>	<u>\$ (11,135)</u>

See Independent Auditor's Report

<u>SB-9</u>	<u>ACTIVITIES</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>PSCO 20%</u>	<u>TEACHERAGE</u>
\$ 93,060	\$ 58,496	\$ 27,839	\$ 3,929	\$ 20,026
-	68	-	-	-
93,060	58,564	27,839	3,929	20,026
30,872	151,418	26,315	-	8,700
-	-	-	-	-
123,932	209,982	54,154	3,929	28,726
33,922	134,449	22,997	2,496	5,755
-	-	-	-	-
33,922	134,449	22,997	2,496	5,755
-	-	20	-	-
<u>\$ 90,010</u>	<u>\$ 75,533</u>	<u>\$ 31,177</u>	<u>\$ 1,433</u>	<u>\$ 22,971</u>

Woodard, Cowen & Co.

Certified Public Accountants

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

Mr. Hector H Balderas, State Auditor
The Board of Directors
Floyd Municipal Schools
Floyd, New Mexico

We were engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the *agency* as of and for the year ended June 30, 2009, and have issued our report thereon dated March 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 07-02, 08-07, and 08-08.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. 06-01, 06-02, 06-03, 07-01, 08-02, 08-03, 08-04, 08-05, 08-06, 08-09, and 08-10.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *agency'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 are described in the accompanying schedule of findings and responses as items 06-01, 06-02, 06-03, 07-02 and 08-07.

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

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

Woodard, Hewen & Co.

Portales, New Mexico
March 13, 2012

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2009

PRIOR YEAR AUDIT FINDINGS

LATE REPORT 06-01

Statement of Condition: The report was submitted to the State Auditor's office January 21, 2010 which is after the due date.
Recommendation: Work diligently to catch up the delinquent audits and restore the District to compliance with the audit deadline.
Status: Revised and Repeated.

CAPITAL ASSETS NOT BEING INVENTORIED 06-02

Statement of Condition: The District has not completed a listing of its capital assets nor has the District calculated depreciations for its capital assets.
Recommendation: The District should complete its listing of capital assets and input the results of that listing into the accounting system. Once the capital assets have been input, the listing should be maintained for additions and retirements and depreciation should be calculated and accumulated.
Status: Revised and Repeated.

EXPENDITURES EXCEED BUDGET 06-03

Statement of Condition: The District had several overspent budget line items.
Recommendation: District personnel in charge of maintaining budget data should ensure that appropriate budget amounts are maintained at each function level.
Status: Revised and Repeated.

Bank Statements not reconciled in a timely manner 07-01

Statement of Condition: It was noted that a few bank transactions were not recorded in the District's books until the month following the receipt of the bank statement.
Recommendation: The bank statements should be reconciled upon receipt from the bank and all bank transactions should be recorded in the month in which they occur. In addition the District should use the bank reconciliation utility in the District's accounting system to ensure the system balance agrees with the reconciled cash balance.
Status: Revised and repeated.

Bank Transfers are not recorded on the District's books 07-02

Statement of Condition: Temporary transfers between bank accounts are not being recorded to the District's accounting system. Transfers totaling \$518,791 were not recorded.
Recommendation: All cash transactions must be recorded to the District's accounting system including interfund transfers.
Status: Revised and repeated.

NO INVOICE TO SUBSTANTIATE EXPENDITURE 08-01

Statement of Condition: During the test of expenditures, an expenditure was found that lacked an invoice to support the expenditure.
Recommendation: Expenditures should be supported by vendor invoice.
Status: Resolved.

INVOICE DATE PRECEDES PURCHASE ORDER DATE 08-02

Statement of Condition: Fourteen of the expenditures reviewed had invoices with dates that preceded the purchase order date.
Recommendation: A purchase order must be obtained prior to any purchase being made. This will ensure that the District has the funds to make the purchase.
Status: Revised and repeated.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2009

PRIOR YEAR AUDIT FINDINGS

INVOICE AMOUNT EXCEEDS PURCHASE ORDER AMOUNT 08-03

Statement of Condition: Fourteen of the disbursements reviewed had invoice amounts that exceeded the purchase order amounts. Two of these were minor (less than \$20), but twelve of these were substantial. Many of these were in the Cafeteria fund for food purchases. The purchase order would be made for \$2 and the invoice would be greater than \$1,000.

Recommendation: Purchase orders should be completed prior to purchase and made for an amount sufficient to encumber enough available funds to cover the expenditure.

Status: Revised and repeated.

BLANKET PURCHASE ORDERS ARE NOT DECREASING WITH EXPENDITURES 08-04

Statement of Condition: The review of expenditures for recurring charges for utilities and telephone services revealed blanket purchase orders with encumbrances that did not decrease with subsequent disbursements.

Recommendation: Purchases on blanket purchase orders should be applied with each disbursement in order to accurately track available budget amounts.

Status: Revised and repeated.

PURCHASE ORDERS CHANGED BY HAND 08-05

Statement of Condition: Purchase orders were changed in hand writing through cross outs and over written to match the corresponding invoice.

Recommendation: Any changes to the purchase orders should be revised in the accounting software and the revised purchase order attached to the expenditure record.

Status: Revised and repeated.

NO PURCHASE ORDERS ON ATHLETIC EXPENDITURES 08-06

Statement of Condition: Disbursements for referee services and athletic district fees did not have accompanying purchase orders.

Recommendation: Purchase orders should be prepared and should accompany every expenditure made on any District fund.

Status: Revised and repeated.

CLEARING ACCOUNT TRANSACTIONS NOT RECORDED 08-07

Statement of Condition: Deposits and checks written on the District's payroll clearing and federal withholding clearing bank accounts were not recorded in the accounting software. The District's clearing accounts did not appear to have been properly reconciled.

Recommendation: Deposits to the clearing accounts should only be made for the amount of the disbursements to be made from the clearing accounts. Those deposits and subsequent should be recorded in the District's accounting system and maintained like any other bank account. The clearing accounts should be reconciled every month. The reconciled balance for clearing accounts should always be zero.

Status: Revised and repeated.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2009

PRIOR YEAR AUDIT FINDINGS

CASH ACCOUNTS ARE NOT BEING MONITORED 08-08

Statement of Condition: Negative cash balances and lack of funds in the operating account caused the District to borrow funds from SB-9.

Recommendation: The District needs to practice some intense cash management, improve on its purchasing practices, and balance bank accounts on a timelier manner so that management has a better understanding of its cash position.

Status: Revised and repeated.

PREPARATION OF FINANCIAL STATEMENTS 08-09

Statement of Condition: The financial statements and related disclosures are not being prepared by the District, but by the auditor.

Recommendation: District personnel should receive the training necessary to gain an understanding of the elements of external reporting. Not only should District personnel receive training in financial statement preparation and footnote disclosure, but in addition gain an understanding of the pronouncement produced by GASB, GAAS, and FASB and the requirements of the Office of the State Auditor and PED.

Status: Revised and repeated.

VIOLATION OF THE 24-HOUR RULE – 2008-10

Statement of Condition: Upon review of Activity Funds deposits, it was discovered that three of the activity fund collections in February 2009 were not being deposited within the required 24-hour period. This determination was made by comparing the date of the receipt with the date stamped by the bank on the deposit slip. Each deposit included receipts that were dated more than 24 hours prior to the deposit. In addition, during the review of bank transactions, a deposit was found to have been deposited two months after collection.

Recommendation: Fundraiser money collected should be deposited with the bank the day it is collected and receipted. Teachers and sponsors should submit all money the day it is collected to the campus secretary to avoid possible loss and theft. District personnel in charge of collecting, receipting and depositing money should pay closer attention to what they are doing and not lose deposits in their desks. Timely bank reconciliations would have caught this error sooner, as the deposit was entered into the accounting software when it was collected.

Status: Revised and repeated.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

I. SUMMARY OF AUDITOR'S RESULTS:

Report on Financial Statements	Disclaimer of Opinion
Reportable Conditions on GAGAS	06-01, 06-02, 06-03, 07-01, 08-02, 08-03, 08-04, 08-05, 08-06, 08-09, and 08-10.
Material Weakness involving Reportable Condition	07-02, 08-07, and 08-08.
Material Noncompliance	None
Questioned Cost	None
Type A & Type B Dollar Threshold	\$300,000
Entity Risk	High Risk
II FEDERAL PROGRAM FINDINGS:	None

III FINANCIAL STATEMENT FINDINGS:

LATE REPORT 06-01 (Repeated & Revised)

Statement of Condition: The report was submitted to the State Auditor's office March 20, 2012 which is after the due date.

Criteria: NMAC 2.2.2.9 A (1)(C) establishes November 15 as the due date for school district audit reports.

Cause: The bank and cash accounts of the District did not balance and contained multiple errors that rendered the accounts unauditable. The District hired an outside consultant to review and correct the bank accounts which took considerable time.

Effect: Users of the financial statements such as legislators, creditors, state and federal grantors do not have access to timely audit reports. The lack of timely audit reports can have a negative effect on state and federal funding.

Recommendation: Work diligently to catch up the delinquent audits and restore the District to compliance with the audit deadline.

Response: Management concurs with recommendation.

CAPITAL ASSETS NOT BEING INVENTORIED 06-02 (Repeated & Revised)

Statement of Condition: The District has not completed a listing of its capital assets nor has the District calculated depreciations for its capital assets.

Criteria: Section 12-6-10.B NMSA 1978 and GASB 34 require that a listing of capital assets be maintained and depreciation be calculated and recognized.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND REPOSSES

JUNE 30, 2009

III FINANCIAL STATEMENT FINDINGS (continued):

CAPITAL ASSETS NOT BEING INVENTORIED 06-02 (Repeated & Revised) (continued)

Cause: District personnel have been unable to complete an inventory of capital assets in order to create a listing of capital assets.

Effect: The financial statements of the District can not be presented in accordance to GAAP. The financials statements could potentially be misstated in regards to capital assets, accumulated depreciation, and depreciation.

Recommendation: The District should complete its listing of capital assets and input the results of that listing into the accounting system. Once the capital assets have been input, the listing should be maintained for additions and retirements and depreciation should be calculated and accumulated.

Response: Management has completed an estimated cost inventory of the District's buildings and building improvements. The District will move forward with completing an inventory of land and equipment and inputting results in the accounting system.

EXPENDITURES EXCEED BUDGET 06-03 (Repeated & Revised)

Statement of Condition: The following funds and function lines had expenditures that exceed the budget for that function. Operating Food Services \$6,085, Instructional Materials Support Services – Instruction \$2,150, Cafeteria Food Services Operations \$1,239, Athletics Support Services – Students \$1,155, Title IV-A Safe and Drug Free Schools Support Services – Students \$1,500, Reading First – Instruction \$69, Rural Education Instruction \$20 Technology for Education Support Services – School Administration \$406, Incentives for School Improvement Instruction \$1,936, Library GO Bonds Support Services – Instruction \$2,598, and Reading Materials Instruction \$1,724.

Criteria: According to 6.20.2.10 NMAC and the manual of procedures of the Public Education Department a school district is to control expenditures from the budget function level.

Cause: Per the review of the budget procedures of the District the budget was not broken down to the required function level.

Effect: By not following the regulatory guidelines the District is not able to control adequately the expenditures charged to the individual function levels.

Recommendation: District personnel in charge of maintaining budget data should ensure that appropriate budget amounts are maintained at each function level.

Response: Management concurs and will diligently work to correct its procedures.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

III FINANCIAL STATEMENT FINDINGS (continued):

BANK STATEMENTS NOT RECONCILED IN A TIMELY MANNER 07-01 (Repeated and Revised)

Statement of Condition: It was noted that a few bank transactions were not recorded in the District's books until the month following the receipt of the bank statement.

Criteria: This is not a good accounting practice as the cash accounts on the books should be reconciled shortly after receipt of the bank statements.

Cause: The bank reconciliations are not being performed upon receipt of the bank statements. In addition, bank transactions are not being recorded in the month in which they take place.

Effect: The cash balance may not be accurately reflected in the District's financial records from month to month. This can adversely effect management spending decisions.

Recommendation: The bank statements should be reconciled upon receipt from the bank and all bank transactions should be recorded in the month in which they occur. In addition the District should use the bank reconciliation utility in the District's accounting system to ensure the system balance agrees with the reconciled cash balance.

Response: Management concurs with the recommendation.

BANK TRANSFERS ARE NOT RECORDED ON THE DISTRICT'S BOOKS 07-02 (Repeated and Revised)

Statement of Condition: Temporary transfers between bank accounts are not being recorded to the District's accounting system. Transfers totaling \$518,791 were not recorded.

Criteria: This is a violation of good accounting practice and 6.20.2.14 NMAC under the cash control standards which states "temporary transfers of cash are to be posted as due to and due from to indicate interfund transfers".

Cause: The District makes transfers between bank accounts without recording the transfer to its accounting system.

Effect: Cash balances are not correctly reflected in the District's accounting system. This can adversely effect management's spending decisions and could result in negative cash balances.

Recommendation: All cash transactions must be recorded to the District's accounting system including interfund transfers.

Response: Management concurs with the recommendation.

NO INVOICE TO SUBSTANTIATE EXPENDITURE 08-01 (Repeated and Revised)

Statement of Condition: During the test of expenditures, an expenditure was found that lacked an invoice to support the expenditure.

Criteria: Expenditures should be supported by vendor invoice.

Cause: An invoice for hotel rooms was not returned to the business office to be attached with the check copy, purchase order, and travel request.

Effect: Funds were disbursed without proof of expenditure. The expenditure could not be proven as to the necessity or purpose or allowability.

Recommendation: Expenditures should be supported by vendor invoice.

Response: Management concurs with the recommendation.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

III FINANCIAL STATEMENT FINDINGS (continued):

INVOICE DATE PRECEDES PURCHASE ORDER DATE 08-02 (Repeated and revised)

Statement of Condition: Eight of the expenditures reviewed had invoices with dates that preceded the purchase order date.

Criteria: Expenditure was made without determining that funds were available and that the expenditure would be within budget. 6.20.2.14.E NMSA states the District shall verify that there is sufficient cash and budget available prior to disbursement of cash.

Cause: Invoices appear to have been presented for payment prior to a purchase order being executed.

Effect: Such a lapse in control can lead to cash shortages and overspent budgets as noted in finding 06-03.

Recommendation: A purchase order must be obtained prior to any purchase being made. This will ensure that the District has the funds to make the purchase.

Response: Management concurs with the recommendation.

INVOICE AMOUNT EXCEEDS PURCHASE ORDER AMOUNT 08-03 (Repeated and revised)

Statement of Condition: Eight of the disbursements reviewed had invoice amounts that exceeded the purchase order amounts.

Criteria: 6.20.2.14.E NMSA states the District shall verify that there is sufficient cash and budget available prior to disbursement of cash. By encumbering an amount substantially below the actual amount, the District can not verify that sufficient funds and budget are available for the expenditure.

Cause: The purchase order amount was input at an amount that was significantly below the actual purchase. Purchase orders were not revised to reflect changes in purchase amount.

Effect: The District's budgets are subject to being overspent. The auditor's review of the District's budgets did reveal several overspent budget line items.

Recommendation: Purchase orders should be completed prior to purchase and made for an amount sufficient to encumber enough available funds to cover the expenditure.

Response: Management concurs with the recommendation.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

III FINANCIAL STATEMENT FINDINGS (continued):

BLANKET PURCHASE ORDERS ARE NOT DECREASING WITH EXPENDITURES 08-04 (Repeated and revised)

Statement of Condition: The review of expenditures for recurring charges for utilities and telephone services revealed blanket purchase orders with encumbrances that did not decrease with subsequent disbursements.

Criteria: The District should have in place and utilize purchase controls that accurately reflect the expenditures and the decrease reflected to available funds and budget.

Cause: Purchase orders were not applied in the accounting software when funds were disbursed, therefore the encumbrance amount did not decrease with subsequent disbursements.

Effect: The carrying amount of available budget was not decreased as funds were disbursed for utility and telephone services.

Recommendation: Purchases on blanket purchase orders should be applied with each disbursement in order to accurately track available budget amounts.

Response: Management concurs with the recommendation.

PURCHASE ORDERS CHANGED BY HAND 08-05 (Repeated and revised)

Statement of Condition: Purchase orders were changed in hand writing through cross outs and over written to match the corresponding invoice.

Criteria: 6.20.2.11 D NMSA states that appropriate control procedures shall be adopted by the local board within a school district to safeguard its assets, check the accuracy and reliability of its accounting data, promote operating efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all school transactions.

Cause: A District employee, without authority, hand wrote changes to purchase orders to match the actual expenditure and even in one instance changed the vendor. The changes were not input into the District's accounting software.

Effect: The budget of the District was not accurately recorded as these changes were never input into the accounting software. The result could be overspent budget line items.

Recommendation: Any changes to the purchase orders should be revised in the accounting software and the revised purchase order attached to the expenditure record.

Response: Management concurs with the recommendation.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

III FINANCIAL STATEMENT FINDINGS (continued):

NO PURCHASE ORDERS ON ATHLETIC EXPENDITURES 08-06 (Repeated and revised)

Statement of Condition: Disbursements for referee services and athletic district fees did not have accompanying purchase orders.

Criteria: 6.20.2.14.E NMSA states the District shall verify that there is sufficient cash and budget available prior to disbursement of cash.

Cause: Purchase orders for the above referenced expenditures were not prepared.

Effect: The District can not ensure that funds and budget are available for disbursement.

Recommendation: Purchase orders should be prepared and should accompany every expenditure made on any District fund.

Response: Management concurs with the recommendation.

CLEARING ACCOUNT TRANSACTIONS NOT RECORDED 08-07 (Repeated and revised)

Statement of Condition: Deposits and checks written on the District's payroll clearing and federal withholding clearing bank accounts were not recorded in the accounting software. The District's clearing accounts did not appear to have been properly reconciled.

Criteria: 6.20.2.14 G NMSA Clearing accounts shall reconcile to zero at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis.

Cause: Clearing account activity was not recorded in those accounts in the District's accounting software. Monthly reconciliations were not properly completed as noted by cash reports from the District's Software.

Effect: The clearing accounts do not balance to zero and the District is blindly transferring funds to the clearing accounts to cover checks written out of the clearing accounts.

Recommendation: Deposits to the clearing accounts should only be made for the amount of the disbursements to be made from the clearing accounts. Those deposits and subsequent should be recorded in the District's accounting system and maintained like any other bank account. The clearing accounts should be reconciled every month. The reconciled balance for clearing accounts should always be zero.

Response: Management concurs with the recommendation.

CASH ACCOUNTS ARE NOT BEING MONITORED 08-08 (Repeated and revised)

Statement of Condition: Negative cash balances and lack of funds in the operating account caused the District to borrow funds from SB-9.

Criteria: The levy as proposed to the voters in the District was for the purpose of acquiring capital assets.

Cause: Lack of monitoring of cash balances plus the amount of time it took to receive reimbursement from federal programs created cash restraints on the District. The District had to use whatever cash balances that were available to cover expenditures.

Effect: The District has borrowed money from a fund which has a designated purpose other than operations.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

III FINANCIAL STATEMENT FINDINGS (continued):

CASH ACCOUNTS ARE NOT BEING MONITORED 08-08 continued

Recommendation: The District needs to practice some intense cash management, improve on its purchasing practices, and balance bank accounts on a timelier manner so that management has a better understanding of its cash position.

Response: Management concurs with the recommendation.

PREPARATION OF FINANCIAL STATEMENTS 08-09 (Repeated and revised)

Statement of Condition: The financial statements and related disclosures are not being prepared by the District, but by the auditor.

Criteria: According to the American Institute of Certified Public Accountants' Statement on auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation.

Cause: The District's personnel do not have the training to understand the elements of external financial reporting including the preparation of financial statements and related footnotes. Without this understanding, the District does not have the personnel with the capability to review and approve the financial statements and related disclosures prepared by the auditor.

Effect: Without the controls over the preparation of financial statements and related disclosures, the District's ability to detect and prevent misstatements in the financial statements is limited.

Recommendation: District personnel should receive the training necessary to gain an understanding of the elements of external reporting. Not only should District personnel receive training in financial statement preparation and footnote disclosure, but in addition gain an understanding of the pronouncement produced by GASB, GAAS, and FASB and the requirements of the Office of the State Auditor and PED.

Response: Management concurs with the recommendation.

VIOLATION OF THE 24-HOUR RULE – 2008-10 (Repeated and revised)

Statement of Condition: Upon review of Activity Funds deposits, it was discovered that three of the activity fund collections in February 2009 were not being deposited within the required 24-hour period. This determination was made by comparing the date of the receipt with the date stamped by the bank on the deposit slip. Each deposit included receipts that were dated more than 24 hours prior to the deposit. In addition, during the review of bank transactions, a deposit was found to have been deposited two months after collection

Criteria: NMAC 6.20.2.14 Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Cause: In the case of the activity fund deposits, the deposits simply were not documented by receipt at the collection point. There is no documentation to support the District's assertion that deposits are made timely.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

III FINANCIAL STATEMENT FINDINGS (continued):

VIOLATION OF THE 24-HOUR RULE – 2008-10 (continued)

Effect:	Holding money subjects the money to loss, theft, or misappropriation. This also subjects the District, District employees, parents and students to possible loss and liability.
Recommendation:	Fundraiser money collected should be deposited with the bank the day it is collected and receipted. Teachers and sponsors should submit all money the day it is collected to the campus secretary to avoid possible loss and theft. District personnel in charge of collecting, receipting and depositing money should pay closer attention to what they are doing and not lose deposits in their desks. Timely bank reconciliations would have caught this error sooner, as the deposit was entered into the accounting software when it was collected.
Response:	The District personnel will monitor deposits more closely so that staff making collections will be aware that the 24-hour rule is being enforced at all times.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS

Year Ended June 30, 2009

EXIT CONFERENCE

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 District'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.

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined and approved by management. These services are allowable under SAS 112.

EXIT CONFERENCE

An Exit Conference was held on March 13, 2012. Present were Paul Benoit, Superintendent; Margie Plummer, Business Manager; and Leon Nall, Board of Education President. Our firm was represented by Gayland Cowen, CPA and John P. McKinley, Jr., CPA.