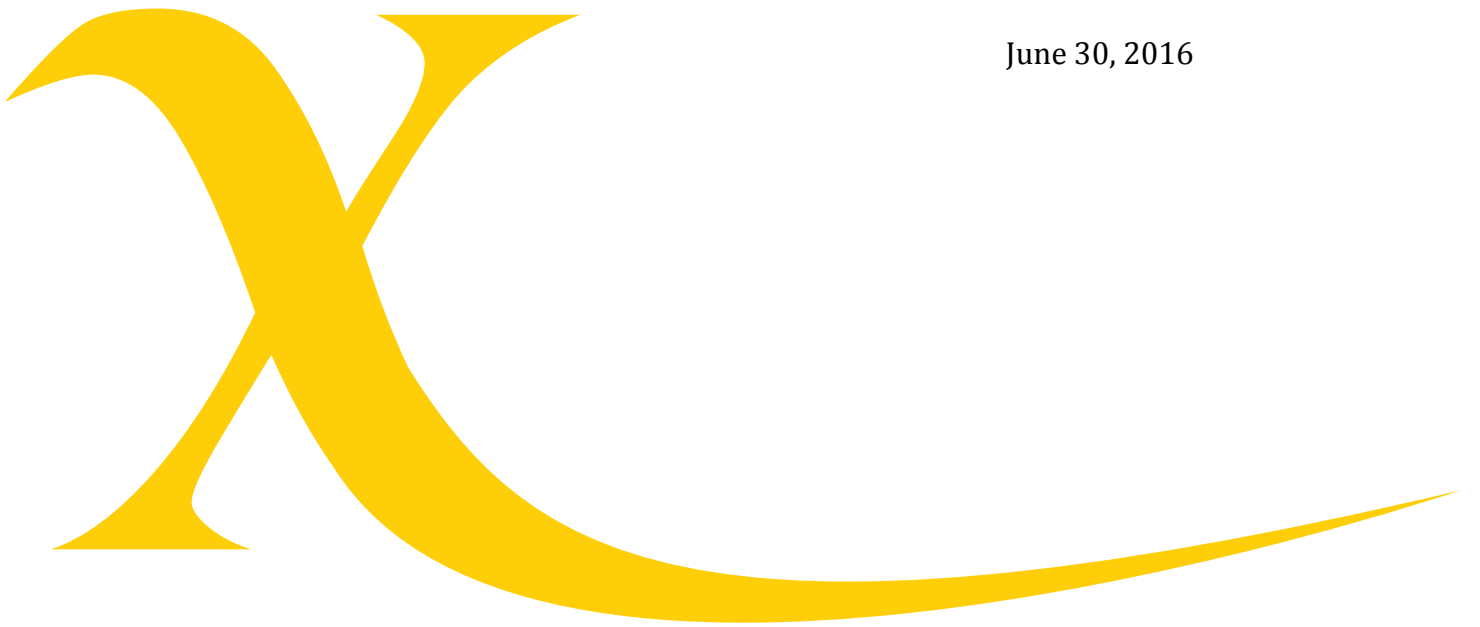


STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS

Audited Financial Statements
and Other Financial Information

June 30, 2016



**FLOYD MUNICIPAL SCHOOLS
TABLE OF CONTENTS**

INTRODUCTORY SECTION

Table of Contents	1
Official Roster	4

FINANCIAL SECTION

Independent Auditor’s Report	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Combined Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual-General Fund	17
Statement of Fiduciary Assets and Liabilities – Agency Funds	18
Notes to the Financial Statements	19

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District’s Proportionate Share of the Net Pension Liability	43
Schedule of District Contributions	44
Notes to Required Supplementary Information	45

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – General Fund	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund	48

**FLOYD MUNICIPAL SCHOOLS
TABLE OF CONTENTS**

SUPPLEMENTARY INFORMATION (CONTINUED)

Schedule of Revenues and Expenditures – Budget (Non-GAAP) and Actual – General Fund	
Operational	50
Teacherage Fund	51
Transportation Fund	52
Instructional Materials Fund	53
Nonmajor Governmental Fund Descriptions	54
Combining Balance Sheet – Nonmajor Governmental Funds	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	62
Schedule of Revenues and Expenditures Budget (Non-GAAP) and Actual – Special Revenue Funds:	
Food Services	67
Athletics	68
Title I	69
IDEA-B Entitlement	70
Preschool IDEA-B	71
IDEA-B Risk Pool	72
Teacher Principal Training	73
Equipment Assistance	74
Rural Education	75
Education Job Fund	76
Dual Credit Textbooks	77
2012 GO Bonds Library	78
Reads to Lead	79
Breakfast for Elementary Students	80
2013 Pre-K Classrooms	81
NM Grown Fresh Fruit & Vegetable	82
Next Generation Assessments	83
Schedule of Revenues and Expenditures Budget (Non-GAAP) and Actual – Capital Projects Funds:	
Special Capital Outlay-State Capital Projects Fund	84
Senate Bill 9 Capital Projects Fund	85
Public School Capital Outlay – 20%	86
Schedule of Changes in Assets and Liabilities – Agency Funds	87

**FLOYD MUNICIPAL SCHOOLS
TABLE OF CONTENTS**

SUPPORTING SCHEDULES

Schedule of Pledged Collateral	88
Schedule of Deposits	89
Cash Reconciliation	90
Schedule of Vendor Information	94

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	95
Schedule of Findings and Responses	97
Status of Prior Year Findings	100
Exit Conference	101

**FLOYD MUNICIPAL SCHOOLS
OFFICIAL ROSTER**

BOARD OF EDUCATION

Leon Nall	President
Jeff Essary	Vice President
Vicki Banister	Secretary
Clovis Gray	Member
Steven Cain	Member

SCHOOL OFFICIALS

Damon Terry	Superintendent
Margie Plummer	Business Manager

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To Timothy Keller
New Mexico State Auditor

The Board of Education
Floyd Municipal Schools

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Floyd Municipal Schools (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital project funds and all nonmajor funds presented as supplementary information, as defined in the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the major capital project funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of District Contributions on pages 43-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Albuquerque, New Mexico
October 31, 2016

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 STATEMENT OF NET POSITION
 June 30, 2016**

(Page 2 of 2)

	GOVERNMENTAL ACTIVITIES
LIABILITIES	
Current liabilities	
Accounts payable	1,341
Unearned revenue	1,925
Compensated Leave	5,537
<i>Total current liabilities</i>	<u>8,803</u>
Noncurrent Liabilities	
Compensated Leave	-
Net pension liability	3,896,723
<i>Total noncurrent liabilities</i>	<u>3,896,723</u>
<i>Total liabilities</i>	<u>3,905,526</u>
DEFERRED INFLOWS	
Pension related	121,673
<i>Total deferred inflows</i>	<u>121,673</u>
NET POSITION	
Investment in capital assets	1,921,963
Restricted for:	
Instruction	45,010
Transportation	-
Food service-operations	-
Capital projects	145,525
Unrestricted	<u>(3,365,224)</u>
<i>Total net position</i>	<u>\$ (1,252,726)</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Primary government					
Governmental activities					
Instruction	\$ 1,906,138	1,200	270,288	-	(1,634,650)
Support services					
Students	196,533	9,736	-	-	(186,797)
Instruction	93,097	-	-	-	(93,097)
General administration	179,257	-	-	-	(179,257)
School administration	55,046	-	-	-	(55,046)
Central services	38,249	-	-	-	(38,249)
Operation & maintenance of plant	381,992	-	-	-	(381,992)
Student transportation	123,111	-	125,374	-	2,263
Other	-	-	-	-	-
Food services-operations	161,278	4,841	86,847	-	(69,590)
Capital outlay	88,286	-	-	87,472	(814)
<i>Total governmental activities</i>	<u>\$ 3,222,987</u>	<u>15,777</u>	<u>482,509</u>	<u>87,472</u>	<u>(2,637,229)</u>
		General Revenues			
		Property taxes			
				\$ 7,497	
				Levied for general purpose	35,005
				Levied for capital projects	11,285
				Rent	2,533,366
				State Equalization Guarantee Revenue	47,695
				Miscellaneous	<u>2,634,848</u>
				<i>Total general revenues</i>	
		Special Items			
				Loss on disposition of assets	(2,198)
				Change in net position	(4,579)
				Net position - beginning	<u>(1,248,147)</u>
				Net position - ending	<u>\$ (1,252,726)</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
BALANCE SHEETS - GOVERNMENTAL FUNDS
June 30, 2016**

	GENERAL 11000-14000	FOOD SERVICES 21000
	<u> </u>	<u> </u>
ASSETS		
<i>Current assets</i>		
Cash	\$ 155,102	-
Accounts receivable		
Due from other governments	-	-
Property taxes	144	-
Interfund receivables	158,480	-
Inventory	-	2,409
<i>Total assets</i>	<u>\$ 313,726</u>	<u>2,409</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
<i>Current liabilities</i>		
Accounts payable	\$ 1,341	-
Unearned revenue	-	-
Interfund payables	-	27,429
<i>Total liabilities</i>	<u>1,341</u>	<u>27,429</u>
 <i>Deferred Inflows</i>		
Unavailable revenue	48	-
<i>Total deferred inflows</i>	<u>48</u>	<u>-</u>
 <i>Fund balances (deficit)</i>		
Nonspendable	-	2,409
Restricted	14,196	-
Unassigned	298,141	(27,429)
<i>Total fund balance (deficit)</i>	<u>312,337</u>	<u>(25,020)</u>
 <i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 313,726</u>	<u>2,409</u>

See Notes to Financial Statements.

STATE DIRECTED ACTIVITIES 27200	CAPITAL OUTLAY STATE 31400	SENATE BILL 9 31700	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	-	144,907	24,396	324,405
29,347	38,000	-	72,256	139,603
-	-	580	-	724
-	-	-	-	158,480
-	-	-	-	2,409
<u>29,347</u>	<u>38,000</u>	<u>145,487</u>	<u>96,652</u>	<u>625,621</u>
-	-	-	-	1,341
-	-	-	1,925	1,925
<u>29,346</u>	<u>50,000</u>	<u>-</u>	<u>51,705</u>	<u>158,480</u>
<u>29,346</u>	<u>50,000</u>	<u>-</u>	<u>53,630</u>	<u>161,746</u>
-	-	170	-	218
-	-	170	-	218
-	-	-	-	2,409
-	-	145,317	43,022	202,535
<u>1</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>258,713</u>
<u>1</u>	<u>(12,000)</u>	<u>145,317</u>	<u>43,022</u>	<u>463,657</u>
<u>29,347</u>	<u>38,000</u>	<u>145,487</u>	<u>96,652</u>	<u>625,621</u>

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 For the Year Ended June 30, 2016**

	<u>GOVERNMENTAL FUNDS</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Fund balances - total governmental funds	\$ 463,657
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,921,963
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	385,369
Some revenues will not be available to pay for current period expenditures and, therefore, are recorded as deferred inflows in the governmental funds	218
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Compensated absences	(5,537)
Net pension liability	(3,896,723)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds	<u>(121,673)</u>
Net position of governmental activities	\$ <u><u>(1,252,726)</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016**

	GENERAL 11000-14000	FOOD SERVICES 21000
Revenues		
Residential/non-residential taxes	\$ 8,175	-
Rent and leases	11,285	-
Fees-activities	-	-
Fees-users	1,200	4,841
State grants	2,671,542	-
Federal grants	-	86,686
Interest income	41	-
Miscellaneous	47,654	-
<i>Total revenues</i>	<u>2,739,897</u>	<u>91,527</u>
Expenditures		
Current		
Instruction	1,603,551	-
Support services		
Students	114,116	-
Instruction	79,477	-
General administration	166,257	-
School administration	50,898	-
Central services	38,249	-
Operations & maintenance of plant	379,344	-
Student transportation	121,279	-
Other support services	-	-
Food services-operations	32,990	120,152
Capital outlay	-	-
<i>Total expenditures</i>	<u>2,586,161</u>	<u>120,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>153,736</u>	<u>(28,625)</u>
Other financing sources (uses)		
Operating transfers	45	-
<i>Total other financing sources (uses)</i>	<u>45</u>	<u>-</u>
Net change in fund balances	153,781	(28,625)
Fund balances, beginning of year	<u>158,556</u>	<u>3,605</u>
Fund balances, end of year	<u>\$ 312,337</u>	<u>(25,020)</u>

See Notes to Financial Statements.

STATE DIRECTED ACTIVITIES 27200	CAPITAL OUTLAY STATE 31400	SENATE BILL 9 31700	OTHER GOVERNMENTAL FUNDS	TOTAL
-	-	35,005	-	43,180
-	-	-	-	11,285
-	-	-	9,736	9,736
-	-	-	-	6,041
29,347	38,000	-	103,293	2,842,182
-	-	-	174,479	261,165
-	-	-	-	41
-	-	-	-	47,654
<u>29,347</u>	<u>38,000</u>	<u>35,005</u>	<u>287,508</u>	<u>3,221,284</u>
-	-	-	174,799	1,778,350
29,346	-	-	38,566	182,028
-	-	-	7,071	86,548
-	-	342	-	166,599
-	-	-	-	50,898
-	-	-	-	38,249
-	-	-	-	379,344
-	-	-	-	121,279
-	-	-	-	-
-	-	-	6,788	159,930
-	50,000	51,959	37,472	139,431
<u>29,346</u>	<u>50,000</u>	<u>52,301</u>	<u>264,696</u>	<u>3,102,656</u>
<u>1</u>	<u>(12,000)</u>	<u>(17,296)</u>	<u>22,812</u>	<u>118,628</u>
-	-	-	(45)	-
-	-	-	(45)	-
1	(12,000)	(17,296)	22,767	118,628
-	-	162,613	20,255	345,029
<u>1</u>	<u>(12,000)</u>	<u>145,317</u>	<u>43,022</u>	<u>463,657</u>

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2016**

	<u>GOVERNMENTAL FUNDS</u>
Amounts reported for governmental activities in the statements of activities are different because:	
Net change in fund balances - total governmental funds	\$ 118,628
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.	(92,278)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:	
Change in deferred inflows related to property taxes	(678)
Change in accrued compensated absences	17,980
Change in net pension liability	(46,033)
Loss on disposition of fixed assets	<u>(2,198)</u>
Change in net position	\$ <u><u>(4,579)</u></u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
GENERAL FUND - 11000, 12000, 13000, 14000
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Residential/non-residential taxes	\$ 7,935	7,935	8,175	\$ 240
Rent and leases	13,600	13,600	11,285	(2,315)
Fees-users	1,200	1,200	1,200	-
State grants	2,657,151	2,674,030	2,695,758	21,728
Interest income	30	30	41	11
Miscellaneous	41,220	41,220	47,654	6,434
<i>Total revenues</i>	<u>2,721,136</u>	<u>2,738,015</u>	<u>2,764,113</u>	<u>26,098</u>
Cash balance budgeted	181,338	181,338	-	(181,338)
<i>Total revenues and cash</i>	<u>2,902,474</u>	<u>2,919,353</u>	<u>2,764,113</u>	<u>(155,240)</u>
Expenditures				
Current				
Instruction	1,701,735	1,710,995	1,624,768	86,227
Support services				
Students	155,216	155,216	114,116	41,100
Instruction	130,829	130,829	79,477	51,352
General administration	171,111	171,111	166,257	4,854
School administration	52,151	52,151	50,898	1,253
Central services	40,848	40,848	38,249	2,599
Operations & maintenance of plant	470,130	470,130	379,344	90,786
Student transportation	117,755	125,374	117,273	8,101
Other support services	718	718	-	718
Food service - operations	45,661	45,661	32,990	12,671
<i>Total expenditures</i>	<u>2,886,154</u>	<u>2,903,033</u>	<u>2,603,372</u>	<u>299,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,320</u>	<u>16,320</u>	<u>160,741</u>	<u>144,421</u>
Other financing sources				
Operating transfers	-	-	45	(45)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>45</u>	<u>(45)</u>
Net change in fund balances	<u>16,320</u>	<u>16,320</u>	<u>160,786</u>	<u>160,786</u>
Cash or fund balance June 30, 2015	<u>-</u>	<u>-</u>	<u>152,796</u>	<u>152,796</u>
Cash or fund balance June 30, 2016	<u>\$ 16,320</u>	<u>16,320</u>	<u>313,582</u>	<u>\$ 313,582</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (24,216)	
Adjustments to expenditures			17,211	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 153,781</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2016

	<u>AGENCY FUNDS</u>
ASSETS	
<i>Current assets</i>	
Cash	\$ <u>62,266</u>
<i>Total assets</i>	\$ <u><u>62,266</u></u>
 LIABILITIES	
<i>Current liabilities</i>	
Deposits held in trust for others	\$ <u>62,266</u>
<i>Total liabilities</i>	\$ <u><u>62,266</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Floyd Municipal School District (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.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units*. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency.

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.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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 Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ad valorem taxes (property taxes), franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

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

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

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted for special purposes.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund):

FOOD SERVICES – To account for funding for the 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.

STATE DIRECTED ACTIVITIES – The purpose of this fund is 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 is 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.

CAPITAL OUTLAY-STATE – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading school facilities. Reported as a capital projects fund.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SENATE BILL-9 – To account for a 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. Reported as a capital projects fund.

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 Projects Fund - 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.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Also, in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. 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. General revenues include all taxes.

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

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Assets, Liabilities, and Net Position or Equity

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

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 on 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 date 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.

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 District's property taxes are levied each year on the assessed valuation of property located in the District as of the preceding January 1st. 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.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 per Section 12-6-10 NMSA 1978, and an estimated 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.

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.

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

Buildings & Improvements	25-75 years
Equipment & Vehicles	5-50 years

Unearned Revenue: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues.

Compensated Absences: The District has provided a compensated leave program to its twelve month employees. Upon severance, a qualifying employee may receive payment for unused leave up to the amount accrued in each of the two prior years.

Indirect Costs: The 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.

Salaries and Wages: The District pays all salaries and wages due to teachers on or before June 30th of each year.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position or Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance 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. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

Net Investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position are restricted for “debt service or capital projects”.

Unrestricted Net Position: All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The Government-wide Statement of Net Position reports \$190,535 of restricted net position of which \$190,535 is restricted by enabling legislation.

The District’s policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance – the difference between assets and liabilities in the governmental fund financial statements. Fund balance is among the most widely and frequently used information in state and local government financial reports. GASB developed Statement No. 54 to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standards establish a hierarchy of fund balance classifications based primarily on the extent to which a government is bound to observe spending constraints imposed upon how resources reported in governmental funds may be used.

Statement No. 54 distinguishes fund balances based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts are reported in the following classifications:

Nonspendable – portion of net resources that cannot be spent because of their form or because they must remain intact.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – amounts constrained by external parties, constitutional provision, or enabling legislation.

Committed – amounts constrained by a government using its highest level of decision-making authority. The Board of Education is the highest level of decision making authority.

Assigned – amounts a government intends to use for a particular purpose.

Unassigned – amounts that are not constrained at all will be reported in the general fund.

Statement No. 54 also clarifies the definitions of individual governmental fund types. It interprets certain terms within the definition of special revenue fund types, while further clarifying the debt service and capital projects fund type definitions. The final standard also specifies how economic stabilization or “rainy-day” amounts should be reported.

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

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

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.

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 ensure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 8-25, 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 \$2,533,366 in state equalization guarantee distributions during the year ended June 30, 2016.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency.

The District records only the portion of the taxes considered to be 'measurable' and 'available'. The District recognized \$42,967 in tax revenues during the year ended June 30, 2016. Descriptions of the individual capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. Roosevelt County collects County, City, and School taxes and distributes them to each fund once per month except in June when taxes are distributed twice to close out the fiscal year.

Transportation Distribution: School districts in the State of New Mexico receive 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 \$125,374 in transportation distributions during the year ended June 30, 2016.

Instructional Materials: The New Mexico Public Education Department (PED) received federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2016 totaled \$12,802.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program is operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives reimbursement under the National School Lunch Program for its food services operations.

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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 position 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 detail of this \$92,278 difference is as follows:

Capital Outlay	\$ 51,145
Depreciation Expense	<u>(143,423)</u>
Net adjustments to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	<u>\$ (92,278)</u>

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 and the state directed activities fund are not budgeted. Additionally, the State Directed Activities fund (27200) was 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 appropriated 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., each 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 District follows these procedures in establishing the budgetary data reflected in the financial statements:

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

- 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 local Board of Education 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.
- 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, 2016 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item.

NOTE 4. CASH AND TEMPORARY INVESTMENTS

At June 30, 2016, the carrying amount of the District's deposits was \$386,671 and the bank balance was \$520,214. Of this balance \$250,000 was covered by federal depository insurance and \$245,659 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.

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

NOTE 4. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

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.

NOTE 5. 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 District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2016, none of the District's deposits totaling \$520,214 were exposed to custodial credit risk.

NOTE 6. 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, include the following:

Due to Operational fund		
Food Services	\$	27,429
Title I		13,634
IDEA-B Entitlement		20,331
IDEA-B Risk Pool		40
Teacher/Principal Training		2,527
Rural Education		3,627
Breakfast for Elementary Students		161
2013 Pre-K Classrooms		11,385
State Directed Activities		29,346
Capital Outlay-State		50,000
		<hr/>
Total due to Operational fund	\$	<u>158,480</u>

The balance of \$158,480 resulted from loans made to establish working capital for the individual funds. All loans are considered to be repaid within one year.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6. DUE TO AND FROM OTHER FUNDS (CONTINUED)

Net operating transfers made to close out funds, to supplement other funding sources, and to repay previous transfers were as follows:

<u>Governmental Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Operational Fund (11000)	\$ 45	-
Education Job Fund (25255)	-	45
Total	\$ 45	\$ 45

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:

Grant draw-downs prior to meeting all eligibility requirements	1,925
Delinquent Property Taxes	<u>218</u>
Total deferred/unearned revenue for governmental funds	\$ <u>2,143</u>

NOTE 7. RECEIVABLES

Due from other governments:	
Title I	\$ 13,634
IDEA-B Entitlement	20,332
IDEA-B Risk Pool	40
Teacher/Principal Training	2,527
Rural Education	3,627
Breakfast for Elementary Students	161
2013 Pre-K Classrooms	11,385
Next Generation Assessments	8,550
State Directed Activities	29,347
Capital Outlay-State	38,000
Public School Capital Outlay – 20%	<u>12,000</u>
Total due from other governments	\$ <u>139,603</u>
Due from local taxes:	
General	\$ 144
Senate Bill 9	<u>580</u>
Total property tax receivable	\$ <u>724</u>

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance 6/30/2015	Increases	Decreases	Transfers	Balance 6/30/2016
Capital assets, not depreciated					
Land	\$ 5,000	-	-		5,000
Construction in progress	10,164	-	-	(10,164)	-
Total not depreciated	15,164	-	-	(10,164)	5,000
Capital assets, depreciated					
Buildings & Improvements	3,759,722	12,666	(2,198)	10,164	3,780,354
Equipment	147,460	15,145	-	-	162,605
Land Improvements	494,803	-	-	-	494,803
Vehicles	539,191	23,334	21,949	-	540,576
Total depreciated	4,941,176	51,145	19,751	10,164	4,978,338
Accumulated depreciation for					
Buildings & Improvements	2,233,869	94,089	-	-	2,327,958
Equipment	46,446	10,108	-	-	56,554
Land Improvements	316,674	14,726	-	-	331,400
Vehicles	342,912	24,500	21,949	-	345,463
Total accumulated depreciation	2,939,901	143,423	21,949	-	3,061,375
Total capital assets, depreciated net	\$ 2,016,439	(92,278)	(2,198)	-	1,921,963

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

Instruction	\$ 113,851
Support Services – Students	11,074
Support Services – Instruction	5,265
Support Services – General Administration	10,136
Support Services – School Administration	3,097
Total depreciation expense	\$ 143,423

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

NOTE 9. COMPENSATED ABSENCES

During the year ended June 30, 2016, the following changes occurred in accrued compensated absences:

Balance June 30, 2015	Leave Used	Leave Accrued	Balance June 30, 2016	Amount Due in One Year
\$ 23,517	17,986	6	5,537	5,537

NOTE 10. 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 (NMPSIA) 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 978), 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. Annual financial reports can be obtained from NMPSIA or viewed on their website at <https://nmipsia.com/information.html>.

NOTE 11. 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 District expects such amounts, if any, to be immaterial.

NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

Plan Description. ERB was created by the State’s Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees’ Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates. ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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

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

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

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

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

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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

Contributions. The contribution requirements of defined benefit plan members and the Floyd Municipal Schools are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from Floyd Municipal Schools were \$244,041 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, Floyd Municipal Schools reported a liability of \$3,896,723 for its proportionate share of the net pension liability. Floyd Municipal Schools' proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, Floyd Municipal Schools' proportion was 0.06016% percent, which was a decrease of 0.00065% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, Floyd Municipal Schools recognized pension expense of \$46,033. At the June 30, 2016, Floyd Municipal Schools reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	72,242
Changes in assumptions	134,029	-
Net difference between projected and actual earnings on pension plan investments	-	17,540
Changes in proportion and differences between Floyd Municipal Schools' contributions and proportionate share of contributions	7,299	31,891
Floyd Municipal Schools' contributions subsequent to the measurement date	<u>244,041</u>	<u>-</u>
Total	<u>\$ 385,369</u>	<u>121,673</u>

\$244,041 reported as deferred outflows of resources related to pensions resulting from Floyd Municipal Schools' contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (16,093)
2018	(14,428)
2019	(3,951)
2020	54,127
2021	-
Thereafter	-

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled-forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2015 and 10.7% thereafter.
2. Members hired after June 30, 2014 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

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

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

90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	46%	5.4%
International equity	21%	5.5%
Fixed income	26%	1.3%
Real estate	6%	4.5%
Cash	1%	0.0%
Total	<u>100%</u>	

Sensitivity of Floyd Municipal Schools proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents Floyd Municipal Schools’ net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Floyd Municipal Schools’ proportionate share of the net pension liability	\$ <u>5,243,302</u>	<u>3,896,723</u>	<u>2,765,457</u>

Pension plan fiduciary net position. Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2015 which are publicly available at www.nmerb.org.

Payables to the pension plan. Floyd Municipal Schools did not accrue any payables for the pension plan at June 30, 2016. All 10-month teacher contracts for the school year are paid by fiscal year end.

NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

**NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long- term care policies.

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2016**

**NOTE 13. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN
 (CONTINUED)**

participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$49,828, \$34,608, and \$33,592, respectively, which equal the required contributions for each year.

NOTE 14. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2016:

Transportation 13000	\$ (1,341)
Food Services 21000	(25,020)
Capital Outlay 31400	(12,000)

The District is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balance.

NOTE 15. FUND BALANCES, GOVERNMENTAL FUNDS

On the Balance Sheets – Governmental Funds, the fund balances are reported in the aggregate using the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances by classification for the year ended June 30, 2016 were as follows:

<u>Fund Balance</u>	<u>General Fund</u>	<u>Food Services</u>	<u>Capital Outlay- State</u>	<u>Senate Bill 9</u>	<u>Other Governmental Funds</u>
Non-spendable					
Inventory	\$ -	2,409	-	-	-
Restricted					
Instructional Materials	14,196	-	-	-	8,551
Food Services	-	-	-	-	-
Athletics	-	-	-	-	22,263
Transportation	-	-	-	-	-
Senate Bill 9	-	-	-	145,317	-
Capital Outlay – 20%	-	-	-	-	12,208
Unassigned	<u>298,141</u>	<u>(27,429)</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>
	\$ <u>312,337</u>	<u>(25,020)</u>	<u>(12,000)</u>	<u>145,137</u>	<u>43,022</u>

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 16. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2015, the GASB issued statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining the fair value and applying the fair value to certain investments and note disclosures. GASB Statement No. 72 was effective for periods ending after June 15, 2016. The adoption of GASB Statement No. 72 did not have any effect on the District's Financial Statements.

In June 2015, the GASB issued statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*. This Statement establishes requirements for defined benefit pension plans and other pension plans not addressed under GASB Statement No. 68. This Statement also amends some requirements of GASB Statement No. 67 and GASB Statement No. 68. GASB Statement No. 73 clarifies requirements of GASB Statements No. 67 and 68 regarding the information that must be presented as notes to the required supplemental 10 year schedules, accounting and financial reporting for certain liabilities for individual employers and non-employer contributing entities, and the revenue recognition for non-employer contributing entities that are not in a special funding situation. This statement requires that all pensions under GASB Statement No. 68 that are not administered through trusts and meet the requirements of GASB Statement No. 68 not be classified as pension plan assets. The implementation of GASB No. 73 did not have an impact on the District's Financial Statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76, which supersedes Statement No. 55, aims to identify, in the context of the current governmental financial reporting environment, the hierarchy of U.S. GAAP, which consists of the sources of accounting principles used to prepare the financial statements of state and local governments entities in conformity with U.S. GAAP, as well as the framework for selecting those principles. The District adopted GASB Statement No. 76 during fiscal year 2016, with no significant impact to the District's financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes criteria that must be met for an external investment pool to be permitted to measure its investments at the amortized cost for financial reporting purposes. This Statement also requires that the pool participants of external investment pools that meet the criteria also report their investments at the amortized cost for financial reporting purposes. External Investment Pools that not meet the requirement are required to follow paragraph 16 of GASB Statement No. 31. GASB Statement No. 79 requires additional note disclosures to be made in qualifying external investment pools financial statements. The additional note disclosures are also required to be made in the pool participants financial statements. The adoption of GASB Statement No. 79 did not have a significant impact on the District's financial statements.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 17. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2016.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*

GASB Statement No. 77, *Tax Abatement Disclosures*

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

GASB Statement No. 80, *Blending Requirements for Certain Units – an amendment to GASB Statement No. 14*

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

GASB Statement No. 82, *Pension Issues (an Amendment of GASB Statements No. 67, No. 68, and No. 73)*

The District will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The District believes that the above listed new GASB pronouncements will not have a significant financial impact to the District or in issuing its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2016**

**New Mexico Educational Retirement Board Pension Plan
Schedule of Ten Year Tracking Data*
(Dollars in Thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's Proportion of the Net Pension Liability (Asset)	0.06%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 3,470	3,897	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 1,676	1,643	-	-	-	-	-	-	-	-
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	207.04%	237.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.54%	63.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*These amounts presented for each fiscal year were determined as of June 30, 2015

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF DISTRICT CONTRIBUTIONS
June 30, 2016**

**New Mexico Educational Retirement Board Pension Plan
Schedule of Ten Year Tracking Data
(Dollars in Thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 220	271	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	220	238	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	34	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
			2014	\$ 356	5		\$ 93	93	91	79	-	
2015	\$ 20	5			(16)	(14)	(4)	54	-			
2016	-	5				-	-	-	-	-		
2017	-	5				-	-	-	-	-	-	
2018	-	5				-	-	-	-	-	-	-
2019	-	5				-	-	-	-	-	-	-
2020	-	5				-	-	-	-	-	-	-
2021	-	5				-	-	-	-	-	-	-
2022	-	5				-	-	-	-	-	-	-
2023	-	5				-	-	-	-	-	-	-
	<u>\$ 376</u>			<u>\$ 93</u>	<u>77</u>	<u>77</u>	<u>75</u>	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Notes to Required Supplementary Information

Change of Benefit Terms. The COLA and retirement eligibility benefit changes in recent years are described in the *Benefits Provided* subsection of the financial statements note disclosure *Pension Plan – Educational Retirement Board*.

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

1. Fiscal Year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.25% to 3.75%
 - b. Update the mortality tables to incorporate generational improvements
 - c. Update the demographic assumptions to use currently published tables, which may result in minor calculation changes
 - d. Remove population growth assumption for projections
 - e. Lower population growth from .50% to zero (no impact on valuation results)

2. Assumptions that were not changed:
 - a. Inflation rate will remain at 3.00%
 - b. Net real return assumption will remain at 4.75%
 - c. Investment return will remain at 7.75%
 - d. Payroll growth assumption will remain at 3.50%
 - e. Experience-based rates for members who joined NMERB by June 30, 2010 will remain the same.

See the *Actuarial Assumptions* subsection of the financial statement note disclosure *Pension Plan – Educational Retirement Board*.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 COMBINING BALANCE SHEET-GENERAL FUND
 June 30, 2016

	OPERATIONAL 11000	TEACHERAGE 12000
	<u> </u>	<u> </u>
ASSETS		
<i>Current assets</i>		
Cash	\$ 120,302	21,548
Accounts receivable		
Due from other governments	-	-
Property taxes	144	-
Interfund receivables	158,480	-
Inventory	-	-
	<u> </u>	<u> </u>
<i>Total assets</i>	<u>\$ 278,926</u>	<u>21,548</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
<i>Current liabilities</i>		
Accounts payable	\$ -	-
Unearned revenue	-	-
Interfund payables	-	-
	<u> </u>	<u> </u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>
 <i>Deferred Inflows</i>		
Unavailable revenue	48	-
	<u> </u>	<u> </u>
<i>Total deferred inflows</i>	<u>48</u>	<u>-</u>
 <i>Fund balances (deficit)</i>		
Nonspendable	-	-
Restricted	944	-
Unassigned	277,934	21,548
	<u> </u>	<u> </u>
<i>Total fund balance (deficit)</i>	<u>278,878</u>	<u>21,548</u>
 <i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 278,926</u>	<u>21,548</u>

See Notes to Financial Statements

TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTALS
-	13,252	155,102
-	-	-
-	-	144
-	-	158,480
-	-	-
-	13,252	313,726
1,341	-	1,341
-	-	-
-	-	-
1,341	-	1,341
-	-	48
-	-	48
-	-	-
-	13,252	14,196
(1,341)	-	298,141
(1,341)	13,252	312,337
-	13,252	313,726

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -- GENERAL FUND
For the Year Ended June 30, 2016**

	OPERATIONAL 11000	TEACHERAGE 12000
Revenues		
Residential/non-residential taxes	\$ 8,175	-
Rent and leases	2,951	8,334
Fees-activities	-	-
Fees-users	1,200	-
State grants	2,533,366	-
Federal grants	-	-
Interest income	41	-
Miscellaneous	47,654	-
<i>Total revenues</i>	<u>2,593,387</u>	<u>8,334</u>
Expenditures		
Current		
Instruction	1,591,362	-
Support services		
Students	114,116	-
Instruction	79,477	-
General administration	166,257	-
School administration	50,898	-
Central services	38,249	-
Operations & maintenance of plant	362,879	16,465
Student transportation	-	-
Other support services	-	-
Food services-operations	32,990	-
Capital outlay	-	-
<i>Total expenditures</i>	<u>2,436,228</u>	<u>16,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>157,159</u>	<u>(8,131)</u>
Other financing sources (uses)		
Operating transfers	45	-
<i>Total other financing sources (uses)</i>	<u>45</u>	<u>-</u>
Net change in fund balances	157,204	(8,131)
Fund balances, beginning of year	<u>121,674</u>	<u>29,679</u>
Fund balances, end of year	<u>\$ 278,878</u>	<u>21,548</u>

See Notes to Financial Statements.

TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTALS
-	-	8,175
-	-	11,285
-	-	-
-	-	1,200
125,374	12,802	2,671,542
-	-	-
-	-	41
-	-	47,654
<u>125,374</u>	<u>12,802</u>	<u>2,739,897</u>
-	12,189	1,603,551
-	-	114,116
-	-	79,477
-	-	166,257
-	-	50,898
-	-	38,249
-	-	379,344
121,279	-	121,279
-	-	-
-	-	32,990
-	-	-
<u>121,279</u>	<u>12,189</u>	<u>2,586,161</u>
<u>4,095</u>	<u>613</u>	<u>153,736</u>
-	-	45
-	-	45
4,095	613	153,781
<u>(5,436)</u>	<u>12,639</u>	<u>158,556</u>
<u>(1,341)</u>	<u>13,252</u>	<u>312,337</u>

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
OPERATIONAL FUND - 11000
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Residential/non-residential taxes	\$ 7,935	7,935	32,272	24,337
Rent and leases	3,600	3,600	2,951	(649)
Fees-users	1,200	1,200	1,200	-
State grants	2,527,640	2,533,930	2,533,366	(564)
Interest income	30	30	41	11
Miscellaneous	41,220	41,220	47,654	6,434
<i>Total revenues</i>	<u>2,581,625</u>	<u>2,587,915</u>	<u>2,617,484</u>	<u>29,569</u>
Cash balance budgeted	<u>143,741</u>	<u>143,741</u>		
<i>Total revenues and cash</i>	<u>2,725,366</u>	<u>2,731,656</u>		
Expenditures				
Current				
Instruction	1,676,042	1,682,332	1,602,391	79,941
Support services				
Students	155,216	155,216	114,116	41,100
Instruction	130,829	130,829	79,477	51,352
General administration	171,111	171,111	166,257	4,854
School administration	52,151	52,151	50,898	1,253
Central services	40,848	40,848	38,249	2,599
Operations & maintenance of plant	430,596	430,596	362,879	67,717
Other support services	718	718	-	718
Food service - operations	45,661	45,661	32,990	12,671
<i>Total expenditures</i>	<u>2,703,172</u>	<u>2,709,462</u>	<u>2,447,257</u>	<u>262,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,194</u>	<u>22,194</u>	<u>170,227</u>	<u>291,774</u>
Other financing sources				
Operating transfers	-	-	45	(45)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>45</u>	<u>(45)</u>
Net change in fund balances	<u>22,194</u>	<u>22,194</u>	<u>170,272</u>	<u>170,272</u>
Cash or fund balance June 30, 2015	<u>-</u>	<u>-</u>	<u>108,510</u>	<u>108,510</u>
Cash or fund balance June 30, 2016	<u>\$ 22,194</u>	<u>22,194</u>	<u>278,782</u>	<u>278,782</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (24,097)	
Adjustments to expenditures			11,029	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 157,204</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
TEACHERAGE FUND - 12000
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Rent and leases	\$ 10,000	10,000	8,453	(1,547)
<i>Total revenues</i>	10,000	10,000	8,453	(1,547)
Cash balance budgeted	34,440	34,440		
<i>Total revenues and cash</i>	44,440	44,440		
Expenditures				
Current				
Support services				
Operations & maintenance of plant	39,534	39,534	16,705	22,829
<i>Total expenditures</i>	39,534	39,534	16,705	22,829
Excess (deficiency) of revenues over (under) expenditures	4,906	4,906	(8,252)	21,282
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	4,906	4,906	(8,252)	(8,252)
Cash or fund balance June 30, 2015	-	-	29,800	29,800
Cash or fund balance June 30, 2016	\$ 4,906	4,906	21,548	21,548
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (119)	
Adjustments to expenditures			240	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (8,131)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
TRANSPORTATION FUND - 13000
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ 117,755	125,374	124,826	(548)
<i>Total revenues</i>	117,755	125,374	124,826	(548)
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	117,755	125,374		
Expenditures				
Current				
Support services				
Student transportation	117,755	125,374	125,374	-
<i>Total expenditures</i>	117,755	125,374	125,374	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(548)	(548)
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	(548)	(548)
Cash or fund balance June 30, 2015	-	-	548	548
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			4,643	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 4,095	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
INSTRUCTIONAL MATERIALS FUND - 14000
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ 11,756	14,726	12,802	(1,924)
<i>Total revenues</i>	11,756	14,726	12,802	(1,924)
Cash balance budgeted	3,157	3,157		
<i>Total revenues and cash</i>	14,913	17,883		
Expenditures				
Current				
Instruction	25,693	28,663	13,488	15,175
<i>Total expenditures</i>	25,693	28,663	13,488	15,175
Excess (deficiency) of revenues over (under) expenditures	(10,780)	(10,780)	(686)	13,251
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	(10,780)	(10,780)	(686)	(686)
Cash or fund balance June 30, 2015	-	-	13,938	13,938
Cash or fund balance June 30, 2016	\$ (10,780)	(10,780)	13,252	13,252
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			1,299	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 613	

See Notes to Financial Statements.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State, and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

ATHLETICS (22000) – 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 IASA (24101) – To account for funding for remedial instruction in language arts for educationally deprived students in low- income areas. Funds are received from the Federal Government through the New Mexico State Department of Education under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 ef seq.

IDEA B-ENTITLEMENT (24106) – To account for a federal grant restricted for the operation and maintenance of meeting the special education needs of children with disabilities. Authority for the creation of this fund is the 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.

PRESCHOOL IDEA-B (24109) – To account for a federal grant restricted for the operation and maintenance of meeting the special education needs of children with disabilities. Authority for the creation of this fund is the Individuals with Disabilities Education Act, Part B, Sec. 611, as amended; Public Law 105-17.

IDEA B RISK POOL (24120) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Authority for the creation of this fund is the Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420.

TEACHER/PRINCIPAL TRAINING (24154) –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.

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

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

SPECIAL REVENUE FUNDS (CONTINUED)

RURAL EDUCATION (25233) – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in rural 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.

EDUCATION JOB FUND (25255) – This fund was created to account for the District's allocation of funds intended to give the District a boost to save teacher jobs. Funding and authority for this fund comes from the American Recovery and Reinvestment Act.

DUAL CREDIT TEXTBOOKS (27103) – To purchase college textbooks for students who dual enroll in college credit courses while still attending high school. Authority for the creation of this fund is New Mexico state statute.

2012 GO BONDS STUDENT LIBRARY FUND (27107) – 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.

NEW MEXICO READS TO LEAD (27114) – To account for funds received to 1) increase the quality of reading instruction; 2) provide a screening assessment for use in planning data-driven instruction; 3) provide quality professional development for administrators, reading coaches, and teachers; 4) ensure that districts/charter schools have a comprehensive plan for addressing literacy instruction; and 5) reach out to parents and families with free resources in English and Spanish to support children's reading at home. Authority for the creation of this fund is New Mexico House Bill 2.

BREAKFAST FOR ELEMENTARY STUDENTS (27155) – The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

2013 PRE-K CLASSROOMS (27177) – The purpose of this fund is to account for a program, funded by the Public Education Department, to renovate and upgrade Pre-Kindergarten classrooms to meet the current kindergarten adequacy standards. Funding is authorized by the Laws of 2013, SB-60 Chapter 226, Section 53.

NEW MEXICO GROWN FRUITS AND VEGETABLES (27183) – Appropriation through the General Appropriations Act to distribute funding to School Districts for the purchase of New Mexico grown fruits and vegetables for school meal programs.

NEXT GENERATION ASSESSMENTS (27185) – To account for funding received by the District to ensure that the District has a sufficient number of qualified computing devices to allow all students to complete testing within the anticipated two-week testing windows.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction for major capital facilities. The District has the following separate funds classified as 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.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2016

	ATHLETICS 22000	TITLE I 24101	IDEA-B ENTITLEMENT 24106
ASSETS			
<i>Current assets</i>			
Cash	\$ 22,263	-	-
Accounts receivable			
Due from other governments	-	13,634	20,332
Interfund receivables	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>\$ 22,263</u>	<u>13,634</u>	<u>20,332</u>
LIABILITIES AND FUND BALANCES			
<i>Current liabilities</i>			
Accounts payable	\$ -	-	-
Unearned revenue	-	-	-
Interfund payables	-	13,634	20,331
<i>Total liabilities</i>	<u>-</u>	<u>13,634</u>	<u>20,331</u>
<i>Fund balances (deficit)</i>			
Nonspendable	-	-	-
Restricted	22,263	-	1
Unassigned	-	-	-
<i>Total fund balance (deficit)</i>	<u>22,263</u>	<u>-</u>	<u>1</u>
<i>Total liabilities and fund balance (deficit)</i>	<u>\$ 22,263</u>	<u>13,634</u>	<u>20,332</u>

See Notes to Financial Statements.

<u>PRESCHOOL IDEA-B 24109</u>	<u>IDEA-B RISK POOL 24120</u>	<u>TEACHER/ PRINCIPAL TRAINING 24154</u>	<u>USDA EQUIPMENT ASSISTANCE PROGRAM 24183</u>	<u>RURAL EDUCATION 25233</u>	<u>EDUCATION JOB FUND 25255</u>
1,925	-	-	-	-	-
-	40	2,527	-	3,627	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,925</u>	<u>40</u>	<u>2,527</u>	<u>-</u>	<u>3,627</u>	<u>-</u>
-	-	-	-	-	-
1,925	-	-	-	-	-
-	40	2,527	-	3,627	-
<u>1,925</u>	<u>40</u>	<u>2,527</u>	<u>-</u>	<u>3,627</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,925</u>	<u>40</u>	<u>2,527</u>	<u>-</u>	<u>3,627</u>	<u>-</u>

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2016

	DUAL CREDIT TEXTBOOKS 27103	2012 GO BONDS LIBRARY 27107	READS TO LEAD 27114
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
<i>Current assets</i>			
Cash	\$ -	-	-
Accounts receivable			
Due from other governments	-	-	-
Interfund receivables	-	-	-
Inventory	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total assets</i>	\$ <u> </u>	<u> </u>	<u> </u>
LIABILITIES AND FUND BALANCES			
<i>Current liabilities</i>			
Accounts payable	\$ -	-	-
Unearned revenue	-	-	-
Interfund payables	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities</i>	<u> </u>	<u> </u>	<u> </u>
<i>Fund balances (deficit)</i>			
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total fund balance (deficit)</i>	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities and fund balance (deficit)</i>	\$ <u> </u>	<u> </u>	<u> </u>

See Notes to Financial Statements.

BREAKFAST FOR ELEMENTARY STUDENTS 27155	2013 PRE-K CLASSROOMS 27177	NM GROWN FRUITS AND VEGETABLES 27183	NEXT GENERATION ASSESSMENTS 27185	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	CAPITAL OUTLAY 20% 32100
-	-	-	-	24,188	208
161	11,385	-	8,550	60,256	12,000
-	-	-	-	-	-
-	-	-	-	-	-
<u>161</u>	<u>11,385</u>	<u>-</u>	<u>8,550</u>	<u>84,444</u>	<u>12,208</u>
-	-	-	-	-	-
-	-	-	-	1,925	-
<u>161</u>	<u>11,385</u>	<u>-</u>	<u>-</u>	<u>51,705</u>	<u>-</u>
<u>161</u>	<u>11,385</u>	<u>-</u>	<u>-</u>	<u>53,630</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	8,550	30,814	12,208
-	-	-	-	-	-
-	-	-	8,550	30,814	12,208
<u>161</u>	<u>11,385</u>	<u>-</u>	<u>8,550</u>	<u>84,444</u>	<u>12,208</u>

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2016

(Page 3 of 3)

	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	<u> </u>	<u> </u>
ASSETS		
<i>Current assets</i>		
Cash	\$ 208	24,396
Accounts receivable		
Due from other governments	12,000	72,256
Interfund receivables	-	-
Inventory	-	-
<i>Total assets</i>	<u>\$ 12,208</u>	<u>96,652</u>
LIABILITIES AND FUND BALANCES		
<i>Current liabilities</i>		
Accounts payable	\$ -	-
Unearned revenue	-	1,925
Interfund payables	-	51,705
<i>Total liabilities</i>	<u>-</u>	<u>53,630</u>
<i>Fund balances (deficit)</i>		
Nonspendable	-	-
Restricted	12,208	43,022
Unassigned	-	-
<i>Total fund balance (deficit)</i>	<u>12,208</u>	<u>43,022</u>
<i>Total liabilities and fund balance (deficit)</i>	<u>\$ 12,208</u>	<u>96,652</u>

See Notes to 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, 2016**

	ATHLETICS 22000	TITLE I 24101	IDEA-B ENTITLEMENT 24106
Revenues			
Residential/non-residential taxes	\$ -	-	-
Rent and leases	-	-	-
Fees-activities	9,736	-	-
Fees-users	-	-	-
State grants	-	-	-
Federal grants	-	54,520	75,433
Interest income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>9,736</u>	<u>54,520</u>	<u>75,433</u>
Expenditures			
Current			
Instruction	8,216	54,520	36,866
Support services			
Students	-	-	38,566
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operations & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services-operations	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	<u>8,216</u>	<u>54,520</u>	<u>75,432</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,520</u>	<u>-</u>	<u>1</u>
Other financing sources (uses)			
Operating transfers	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,520	-	1
Fund balances, beginning of year	<u>20,743</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 22,263</u>	<u>-</u>	<u>1</u>

See Notes to Financial Statements.

PRESCHOOL IDEA-B 24109	IDEA-B RISK POOL 24120	TEACHER/ PRINCIPAL TRAINING 24154	USDA EQUIPMENT ASSISTANCE PROGRAM 24183	RURAL EDUCATION 25233	EDUCATION JOB FUND 25255
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,706	40	5,034	6,384	21,362	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,706</u>	<u>40</u>	<u>5,034</u>	<u>6,384</u>	<u>21,362</u>	<u>-</u>
11,706	40	5,034	-	22,059	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,384	-	-
-	-	-	-	-	-
<u>11,706</u>	<u>40</u>	<u>5,034</u>	<u>6,384</u>	<u>22,059</u>	<u>-</u>
-	-	-	-	(697)	-
-	-	-	-	-	(45)
-	-	-	-	-	(45)
-	-	-	-	(697)	(45)
-	-	-	-	697	45
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**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, 2016**

	DUAL CREDIT TEXTBOOKS 27103	2012 GO BONDS LIBRARY 27107	READS TO LEAD 27114
Revenues			
Residential/non-residential taxes	\$ -	-	-
Rent and leases	-	-	-
Fees-activities	-	-	-
Fees-users	-	-	-
State grants	210	7,071	37,586
Federal grants	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>210</u>	<u>7,071</u>	<u>37,586</u>
Expenditures			
Current			
Instruction	210	-	36,148
Support services			
Students	-	-	-
Instruction	-	7,071	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operations & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services-operations	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	<u>210</u>	<u>7,071</u>	<u>36,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,438</u>
Other financing sources (uses)			
Operating transfers	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	1,438
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>(1,438)</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

See Notes to Financial Statements.

BREAKFAST FOR ELEMENTARY STUDENTS 27155	2013 PRE-K CLASSROOMS 27177	NM GROWN FRUITS AND VEGETABLES 27183	NEXT GENERATION ASSESSMENTS 27185	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	CAPITAL OUTLAY 20% 32100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,736	-
-	-	-	-	-	-
161	37,472	243	8,550	91,293	12,000
-	-	-	-	174,479	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>161</u>	<u>37,472</u>	<u>243</u>	<u>8,550</u>	<u>275,508</u>	<u>12,000</u>
-	-	-	-	174,799	-
-	-	-	-	-	-
-	-	-	-	38,566	-
-	-	-	-	7,071	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
161	-	243	-	6,788	-
-	37,472	-	-	37,472	-
<u>161</u>	<u>37,472</u>	<u>243</u>	<u>-</u>	<u>264,696</u>	<u>-</u>
-	-	-	8,550	10,812	12,000
-	-	-	-	(45)	-
-	-	-	-	(45)	-
-	-	-	8,550	10,767	12,000
-	-	-	-	20,047	208
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,550</u>	<u>30,814</u>	<u>12,208</u>

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2016**

	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues		
Residential/non-residential taxes	\$ -	-
Rent and leases	-	-
Fees-activities	-	9,736
Fees-users	-	-
State grants	12,000	103,293
Federal grants	-	174,479
Interest income	-	-
Miscellaneous	-	-
	<u>12,000</u>	<u>287,508</u>
<i>Total revenues</i>		
Expenditures		
Current		
Instruction	-	174,799
Support services		
Students	-	38,566
Instruction	-	7,071
General administration	-	-
School administration	-	-
Central services	-	-
Operations & maintenance of plant	-	-
Student transportation	-	-
Other support services	-	-
Food services-operations	-	6,788
Capital outlay	-	37,472
	<u>-</u>	<u>264,696</u>
<i>Total expenditures</i>		
Excess (deficiency) of revenues over (under) expenditures	<u>12,000</u>	<u>22,812</u>
Other financing sources (uses)		
Operating transfers	<u>-</u>	<u>(45)</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(45)</u>
Net change in fund balances	12,000	22,767
Fund balances, beginning of year	<u>208</u>	<u>20,255</u>
Fund balances, end of year	<u>\$ 12,208</u>	<u>43,022</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
FOOD SERVICES SPECIAL REVENUE FUND - 21000
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Fees-users	\$ 15,000	15,000	4,841	(10,159)
Federal grants	100,000	100,000	109,920	9,920
<i>Total revenues</i>	115,000	115,000	114,761	(239)
Cash balance budgeted	14,857	14,857		
<i>Total revenues and cash</i>	129,857	129,857		
Expenditures				
Current				
Food service - operations	122,563	122,563	120,152	2,411
<i>Total expenditures</i>	122,563	122,563	120,152	2,411
Excess (deficiency) of revenues over (under) expenditures	7,294	7,294	(5,391)	2,172
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	7,294	7,294	(5,391)	(5,391)
Cash or fund balance June 30, 2015	-	-	(22,038)	(22,038)
Cash or fund balance June 30, 2016	\$ 7,294	7,294	(27,429)	(27,429)
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (23,234)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (28,625)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
ATHLETICS SPECIAL REVENUE FUND - 22000
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Fees-activities	\$ 12,500	12,500	9,736	(2,764)
<i>Total revenues</i>	12,500	12,500	9,736	(2,764)
Cash balance budgeted	21,387	21,387		
<i>Total revenues and cash</i>	33,887	33,887		
Expenditures				
Current				
Instruction	33,530	33,530	8,216	25,314
<i>Total expenditures</i>	33,530	33,530	8,216	25,314
Excess (deficiency) of revenues over (under) expenditures	357	357	1,520	22,550
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	357	357	1,520	1,520
Cash or fund balance June 30, 2015	-	-	20,743	20,743
Cash or fund balance June 30, 2016	\$ 357	357	22,263	22,263
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 1,520	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
TITLE I SPECIAL REVENUE FUND - 24101
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Federal grants	\$ 57,244	55,969	53,935	(2,034)
<i>Total revenues</i>	<u>57,244</u>	<u>55,969</u>	<u>53,935</u>	<u>(2,034)</u>
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	<u>57,244</u>	<u>55,969</u>		
Expenditures				
Current				
Instruction	57,244	55,969	54,520	1,449
<i>Total expenditures</i>	<u>57,244</u>	<u>55,969</u>	<u>54,520</u>	<u>1,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(585)</u>	<u>(585)</u>
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(585)</u>	<u>(585)</u>
Cash or fund balance June 30, 2015	<u>-</u>	<u>-</u>	<u>(13,049)</u>	<u>(13,049)</u>
Cash or fund balance June 30, 2016	<u>\$ -</u>	<u>-</u>	<u>(13,634)</u>	<u>(13,634)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ 585	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
IDEA-B ENTITLEMENT SPECIAL REVENUE FUND - 24106
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Federal grants	\$ 58,383	91,201	66,688	(24,513)
<i>Total revenues</i>	<u>58,383</u>	<u>91,201</u>	<u>66,688</u>	<u>(24,513)</u>
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	<u>58,383</u>	<u>91,201</u>		
Expenditures				
Current				
Instruction	19,604	52,422	36,866	15,556
Support services				
Students	<u>38,779</u>	<u>38,779</u>	<u>38,566</u>	<u>213</u>
<i>Total expenditures</i>	<u>58,383</u>	<u>91,201</u>	<u>75,432</u>	<u>15,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(8,744)</u>	<u>(8,744)</u>
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(8,744)	(8,744)
Cash or fund balance June 30, 2015	-	-	(11,587)	-
Cash or fund balance June 30, 2016	\$ <u>-</u>	<u>-</u>	<u>(20,331)</u>	<u>(8,744)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ 8,745	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ <u>1</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 PRESCHOOL IDEA-B SPECIAL REVENUE FUND - 24109
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Federal grants	\$ 13,055	13,055	17,967	4,912
<i>Total revenues</i>	13,055	13,055	17,967	4,912
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	13,055	13,055		
Expenditures				
Current				
Instruction	13,055	13,055	11,706	1,349
<i>Total expenditures</i>	13,055	13,055	11,706	1,349
Excess (deficiency) of revenues over (under) expenditures	-	-	6,261	6,261
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	6,261	6,261
Cash or fund balance June 30, 2015	-	-	(4,336)	(4,336)
Cash or fund balance June 30, 2016	\$ -	-	1,925	1,925
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (6,261)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 IDEA B RISK POOL SPECIAL REVENUE FUND - 24120
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Federal grants	\$ -	40	44	4
<i>Total revenues</i>	-	40	44	4
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	40		
Expenditures				
Current				
Instruction	-	40	40	-
<i>Total expenditures</i>	-	40	40	-
Excess (deficiency) of revenues over (under) expenditures	-	-	4	4
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	4	4
Cash or fund balance June 30, 2015	-	-	(44)	(44)
Cash or fund balance June 30, 2016	\$ -	-	(40)	(40)
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (4)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
TEACHER/PRINCIPAL TRAINING SPECIAL REVENUE FUND - 24154
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Federal grants	\$ 5,691	12,776	5,034	(7,742)
<i>Total revenues</i>	5,691	12,776	5,034	(7,742)
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	5,691	12,776		
Expenditures				
Current				
Instruction	5,691	12,776	5,034	7,742
<i>Total expenditures</i>	5,691	12,776	5,034	7,742
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	-	-	-	-
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 EQUIPMENT ASSISTANCE PROGRAM - 24183
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Federal grants	\$ -	6,384	6,384	-
<i>Total revenues</i>	-	6,384	6,384	-
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	6,384		
Expenditures				
Current				
Food service - operations	-	6,384	6,384	-
<i>Total expenditures</i>	-	6,384	6,384	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	-	-	-	-
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 RURAL EDUCATION SPECIAL REVENUE FUND - 25233
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Federal grants	\$ -	21,362	17,038	(4,324)
<i>Total revenues</i>	-	21,362	17,038	(4,324)
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	21,362		
Expenditures				
Current				
Instruction	-	21,362	21,362	-
<i>Total expenditures</i>	-	21,362	21,362	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,324)	(4,324)
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	(4,324)	(4,324)
Cash or fund balance June 30, 2015	-	-	697	697
Cash or fund balance June 30, 2016	\$ -	-	(3,627)	(3,627)
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ 3,627	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (697)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
EDUCATION JOB FUND SPECIAL REVENUE FUND - 25255
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Residential/non-residential taxes	\$ -	-	-	-
Rent and leases	-	-	-	-
Fees-activities	-	-	-	-
Fees-users	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	-		
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operations & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food service - operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	(45)	45
<i>Total other financing sources (uses)</i>	-	-	(45)	45
Net change in fund balances	-	-	(45)	(45)
Cash or fund balance June 30, 2015	-	-	45	45
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (45)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 DUAL CREDIT TEXTBOOKS SPECIAL REVENUE FUND - 27103
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ -	619	210	(409)
<i>Total revenues</i>	-	619	210	(409)
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	619		
Expenditures				
Current				
Instruction	-	619	210	409
<i>Total expenditures</i>	-	619	210	409
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	-	-	-	-
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 2012 GO BONDS LIBRARY SPECIAL REVENUE FUND - 27107
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ 16,660	16,660	7,071	(9,589)
<i>Total revenues</i>	16,660	16,660	7,071	(9,589)
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	16,660	16,660		
Expenditures				
Current				
Support services				
Instruction	16,660	16,660	7,071	9,589
<i>Total expenditures</i>	16,660	16,660	7,071	9,589
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	-	-	-	-
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 READS TO LEAD SPECIAL REVENUE FUND - 27114
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ 50,000	50,000	37,670	(12,330)
<i>Total revenues</i>	50,000	50,000	37,670	(12,330)
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	50,000	50,000		
Expenditures				
Current				
Instruction	50,000	50,000	37,586	12,414
<i>Total expenditures</i>	50,000	50,000	37,586	12,414
Excess (deficiency) of revenues over (under) expenditures	-	-	84	84
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	84	84
Cash or fund balance June 30, 2015	-	-	(84)	(84)
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (84)	
Adjustments to expenditures			1,438	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 1,438	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND - 27155
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ -	161	-	(161)
<i>Total revenues</i>	-	161	-	(161)
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	161		
Expenditures				
Current				
Food service - operations	-	161	161	-
<i>Total expenditures</i>	-	161	161	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(161)	(161)
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	(161)	(161)
Cash or fund balance June 30, 2015	-	-	-	-
Cash or fund balance June 30, 2016	\$ -	-	(161)	(161)
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ 161	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 2013 PRE-K CLASSROOMS SPECIAL REVENUE FUND - 27177
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ 7,293	64,307	37,472	(26,835)
<i>Total revenues</i>	<u>7,293</u>	<u>64,307</u>	<u>37,472</u>	<u>(26,835)</u>
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	<u><u>7,293</u></u>	<u><u>64,307</u></u>		
Expenditures				
Current				
Capital outlay	7,293	64,307	37,472	26,835
<i>Total expenditures</i>	<u>7,293</u>	<u>64,307</u>	<u>37,472</u>	<u>26,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	<u>-</u>	<u>-</u>	<u>(11,385)</u>	<u>-</u>
Cash or fund balance June 30, 2016	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>(11,385)</u></u>	<u><u>-</u></u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ -	
Adjustments to expenditures			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u><u>\$ -</u></u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NM GROWN FRESH FRUIT AND VEGETABLES - 27183
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ -	243	243	-
<i>Total revenues</i>	-	243	243	-
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	243		
Expenditures				
Current				
Food service - operations	-	243	243	-
<i>Total expenditures</i>	-	243	243	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	-	-	-	-
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$	
Adjustments to expenditures				
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 NEXT GENERATION ASSESSMENTS SPECIAL REVENUE FUND - 27185
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ -	-	-	-
<i>Total revenues</i>	-	-	-	-
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	-		
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operations & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food service - operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	-	-	-	-
Cash or fund balance June 30, 2016	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ 8,550	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 8,550	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 SPECIAL CAPITAL OUTLAY-STATE CAPITAL PROJECTS FUND - 31400
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ -	50,000	75,000	25,000
<i>Total revenues</i>	-	50,000	75,000	25,000
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	50,000		
Expenditures				
Current				
Capital outlay	-	50,000	50,000	-
<i>Total expenditures</i>	-	50,000	50,000	-
Excess (deficiency) of revenues over (under) expenditures	-	-	25,000	25,000
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	25,000	25,000
Cash or fund balance June 30, 2015	-	-	(75,000)	-
Cash or fund balance June 30, 2016	\$ -	-	(50,000)	25,000
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (37,000)	
Adjustments to expenditures				
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (12,000)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SENATE BILL 9 CAPITAL PROJECTS FUND - 31700
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
Residential/non-residential taxes	\$ 31,746	31,746	35,005	3,259
State grants	148,912	148,912	125,524	(23,388)
<i>Total revenues</i>	180,658	180,658	160,529	(20,129)
Cash balance budgeted	104,001	104,001		
<i>Total revenues and cash</i>	284,659	284,659		
Expenditures				
Current				
Support services				
General administration	-	-	-	-
Capital outlay	286,708	286,708	51,959	234,749
<i>Total expenditures</i>	286,708	286,708	51,959	234,749
Excess (deficiency) of revenues over (under) expenditures	(2,049)	(2,049)	108,570	214,620
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	(2,049)	(2,049)	108,570	108,570
Cash or fund balance June 30, 2015	-	-	36,337	36,337
Cash or fund balance June 30, 2016	\$ (2,049)	(2,049)	144,907	144,907
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ (125,866)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (17,296)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 PUBLIC SCHOOL CAPITAL OUTLAY-20% CAPITAL PROJECTS FUND - 32100
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
Revenues				
State grants	\$ -	-	-	-
<i>Total revenues</i>	-	-	-	-
Cash balance budgeted	-	-		
<i>Total revenues and cash</i>	-	-		
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operations & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food service - operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	-	-	-	-
Cash or fund balance June 30, 2015	-	-	208	208
Cash or fund balance June 30, 2016	\$ -	-	208	208
Reconciliation to GAAP Basis:				
Adjustments to revenues			\$ 12,000	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 12,000	

See Notes to Financial Statements.

STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES-- AGENCY FUNDS
For the Year Ended June 30, 2016

	BALANCE 6/30/2015	ADDITIONS	DEDUCTIONS	BALANCE 6/30/2016
Special Ed	113	-	-	113
Goff Memorial	980	-	30	950
Davis Memorial	-	-	-	-
Jimmie Gordon Memorial	279	-	-	279
Recycle	149	-	-	149
EPAC	19	565	434	150
Student Council	220	1,313	895	638
Yearbook	7,058	7,502	8,578	5,982
FCCLA	3,658	1,637	981	4,314
FFA	925	10,623	11,548	-
FCA	876	1,494	597	1,773
Cheerleaders	1,196	1,781	2,165	812
Book Fair	5,050	551	500	5,101
Poster	311	-	-	311
National Honor Society	(39)	2,222	1,256	927
A/R Prize Fund	180	-	-	180
Elementary Cheerleaders	352	200	161	391
BPA	247	-	-	247
HS Basketball-Girls	3,953	515	1,787	2,681
Football	652	-	403	249
Activity Account Super	930	7,154	3,124	4,960
Golf Tournament	-	-	-	-
Volleyball	922	1,249	899	1,272
HS Basketball-Boys	1,140	4,050	4,400	790
Elementary Basketball	11	-	-	11
Track	(70)	-	(70)	-
Girls Athletics Fundraiser	237	-	-	237
Junior High Basketball	421	-	-	421
Baseball	-	2,342	1,969	373
Music Booster Club	31	-	-	31
Booster Club	6,927	9,372	8,291	8,008
Poetry	-	-	(826)	826
Pre Calculus	(826)	-	-	(826)
Sunshine	477	-	90	387
Elementary Fund	1,545	1,328	1,355	1,518
Relay for Life	47	-	-	47
Floyd Beautification	1,849	-	156	1,693
Class of 2013	-	16	-	16
Class of 2014	542	-	-	542
Class of 2015	-	-	2,698	(2,698)
Class of 2016	14,048	7,256	19,423	1,881
Class of 2017	7,807	12,497	15,419	4,885
Class of 2018	3,527	931	758	3,700
Class of 2019	2,105	158	287	1,976
Class of 2020	1,444	119	15	1,548
Class of 2021	2,049	859	298	2,610
Class of 2022	323	259	161	421
Class of 2023	1,127	15	684	458
Class of 2024	738	856	927	667
Class of 2025	543	351	470	424
Class of 2026	530	445	453	522
Class of 2027	554	396	502	448
Class of 2028	(130)	386	256	-
Class of 2029	(129)	1,923	1,923	(129)
<i>Total</i>	\$ 74,898	80,365	92,997	62,266

SUPPORTING SCHEDULES

**STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 SCHEDULE OF PLEDGED COLLATERAL
 Year Ended June 30, 2016**

	James Polk Stone Community Bank
	<u> </u>
FUNDS ON DEPOSIT	
Interest bearing savings	\$ 347,522
Non-interest bearing deposits	<u>172,692</u>
<i>Total on deposit</i>	520,214
Less: FDIC insurance	<u>(250,000)</u>
<i>Total uninsured public funds</i>	\$ <u><u>270,214</u></u>
PLEDGED COLLATERAL REQUIRED	
50% on deposits	\$ <u>135,107</u>
<i>Pledged collateral required</i>	135,107
Pledged collateral at June 30, 2016	<u>245,659</u>
<i>Total over (under) collateralized:</i>	\$ <u><u>110,552</u></u>
SECURITY TYPE, MATURITY DATE, IDENTIFIER	
Dona Ana CO NM BQ, 09/01/2016, CUSIP# 257579CNO	\$ <u>245,659</u>
	\$ <u><u>245,659</u></u>

Securities Held by the Independent Banker's Bank

STATE OF NEW MEXICO
 FLOYD MUNICIPAL SCHOOLS
 SCHEDULE OF DEPOSITS
 Year Ended June 30, 2016

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	NET CASH BALANCE
JAMES POLK STONE COMMUNITY BANK	Checking	Operational*	\$ 347,522	20,089	-	327,433
	Checking	Activity	56,165	449	-	55,716
	Checking	Payroll Clearing	116,527	113,005	-	3,522
Total JAMES POLK STONE COMMUNITY BANK			<u>\$ 520,214</u>	<u>133,543</u>	<u>-</u>	<u>386,671</u>
					Less Agency Funds:	<u>62,266</u>
					Total Cash	<u><u>324,405</u></u>

*Interest Bearing

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
CASH RECONCILIATION
JUNE 30, 2016**

	<u>OPERATIONAL 11000</u>	<u>TEACHERAGE 12000</u>	<u>TRANSPORTATION 13000</u>
Cash, June 30, 2015	\$ 108,510	29,919	548
Add:			
2015-16 revenues	2,617,387	8,333	125,374
Less:			
Prior Year Warrants Voided	<u>(1,128)</u>	<u>-</u>	<u>-</u>
Total cash available	2,724,769	38,252	125,922
Less:			
2015-16 expenditures	(2,449,404)	(16,704)	(125,922)
Transfers to/from other funds	45	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>
Cash, June 30, 2016	<u>\$ 275,410</u>	<u>21,548</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>(155,108)</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>120,302</u>	<u>21,548</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>158,576</u>	<u>-</u>	<u>(1,341)</u>
Fund Balance , Modified Accrual Basis	<u>278,878</u>	<u>21,548</u>	<u>(1,341)</u>

See Notes to Financial Statements.

INSTRUCTIONAL MATERIALS 14000	FOOD SERVICES 21000	ATHLETICS 22000	IMPACT AID FEDERAL FLOW-THROUGH 24000
13,938	(22,694)	20,742	(29,016)
12,802	117,828	9,737	147,524
-	-	-	-
26,740	95,134	30,479	118,508
(13,488)	(122,563)	(8,216)	(153,115)
-	-	-	-
-	-	-	-
<u>13,252</u>	<u>(27,429)</u>	<u>22,263</u>	<u>(34,607)</u>
-	27,429	-	36,532
<u>13,252</u>	<u>-</u>	<u>22,263</u>	<u>1,925</u>
-	(25,020)	-	(1,924)
<u>13,252</u>	<u>(25,020)</u>	<u>22,263</u>	<u>1</u>

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
CASH RECONCILIATION
JUNE 30, 2016**

	IMPACT AID FEDERAL DIRECT 25000	TITLE XIX STATE FLOW-THROUGH 27000	CAPITAL OUTLAY 20% 32100
Cash, June 30, 2015	\$ 742	(18,912)	208
Add:			-
2015-16 revenues	17,735	90,108	-
Less:			
Prior Year Warrants Voided	-	-	-
Total cash available	18,477	71,196	208
Less:			
2015-16 expenditures	(21,362)	(112,091)	-
Transfers to/from other funds	(45)	-	-
Outstanding Loans	-	-	-
Cash, June 30, 2016	\$ <u>(2,930)</u>	<u>(40,895)</u>	<u>208</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	2,930	40,895	-
Cash per Books	-	-	208
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	-	8,550	12,000
Fund Balance , Modified Accrual Basis	-	8,550	12,208

See Notes to Financial Statements.

SPECIAL CAPITAL OUTLAY STATE 31400	CAPITAL IMPROVEMENT SB9 31700	TOTAL
(75,000)	36,337	65,322
75,000	160,870	3,382,698
-	-	(1,128)
-	197,207	3,446,892
(50,000)	(52,300)	(3,125,165)
-	-	-
-	-	-
<u>(50,000)</u>	<u>144,907</u>	<u>321,727</u>
50,000	-	2,678
<u>-</u>	<u>144,907</u>	<u>324,405</u>
(12,000)	410	139,251
<u>(12,000)</u>	<u>145,317</u>	<u>463,656</u>

Floyd Municipal Schools
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2016

Prepared by Agency Staff Name: Margie Plummer Title: Business Manager Date 8/29/2016

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
------------------	----------------------------	-----------------------	--------------------------------------	--------------------------------------	---	---	---	---

The School did not have any purchases exceeding \$60,000 for the year ended June 30, 2016.

COMPLIANCE SECTION

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

To Timothy Keller
New Mexico State Auditor

The Board of Education
Floyd Municipal Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Floyd Municipal Schools (the “District”), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and the combining and individual funds and budgetary comparisons of the District, presented as supplementary information, and have issued our report thereon dated October 31, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. 2008-009, and 2014-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2015-001.

The District's Response to Findings

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

Purpose of this Report

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



Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
October 31, 2016

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016**

A. FINANCIAL STATEMENT FINDINGS

2008-009: PREPARATION OF FINANCIAL STATEMENTS (Significant Deficiency) - Repeated

CONDITION: The financial statements and related disclosures are not being prepared by the District, but by the auditor. There were significant audit adjustments made by the auditor in order to properly state the financial statements. Management has demonstrated a lack of progress in implementing the prior year corrective action plan. In the current year, the District has attempted to attract an individual who has the necessary knowledge, skills, and experience to prepare the District's financial statements. However, the cost of attracting an individual with the necessary knowledge, skill, and experience would be too costly to the District. Further, management is not aware of anyone in the community that would be able to satisfy this requirement.

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.

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.

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.

RECOMMENDATION: We recommend 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 pronouncements produced by GASB, GAS, and FASB and the requirements of the Office of the State Auditor and PED.

RESPONSE: Management concurs with the recommendation. During fiscal year 2017, the Superintendent and the Business Manager will continue to seek additional support from the local community for someone who has the ability to review the financial statements to ensure that they are in accordance with GAAP.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016**

A. FINANCIAL STATEMENT FINDINGS (CONTINUED)

2014-001: JOURNAL ENTRY PROCESS (Significant Deficiency) – Revised and Repeated

CONDITION: Through testing procedures performed over internal controls, we noted that one out of five manual journal entries tested did not have an approval signature. In the current year, the Superintendent has improved communications with the Business Manager and is now physically signing each of the journal entries that are made to show approval. It appears that management has made progress in implementing a review process from the previous year for manual journal entries; however, the review process is not consistently applied.

CRITERIA: Per NMAC 6.20.2.11 Internal Control Structure Standards, each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions.

EFFECT: Lack of review and proper approval over journal entries may result in accounting errors, which could further result in unreliable financial information generated from the accounting system.

CAUSE: The District lacks controls over the journal entry review and approval process.

RECOMMENDATION: The District should appoint an individual separate from the Business Manager to review all journal entries along with documentation that supports the entry and why it is necessary. The individual should sign the entries, indicating that they have been reviewed and are approved. The District should establish a policy to determine the frequency of review of journal entries, for example, the Board could review entries at monthly board meetings.

RESPONSE: Effective immediately, the Superintendent will review and sign each journal entry that is prepared by the Business Manager.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016**

A. FINANCIAL STATEMENT FINDINGS (CONTINUED)

2015-001: CONTROLS OVER CASH DISBURSEMENTS (Other Matter) – Revised and Repeated

CONDITION: Through testing procedures performed, we noted the following:

- In a sample of 40 disbursements tested, we noted one instance where the invoice was dated prior to the purchase order. The disbursement totaled \$99.

In the current year, the Business Manager has given additional training to emphasize each purchase must be have an approved purchase order before the purchase of goods or services can be made. It appears that management has made progress in making sure all purchase requisitions have been approved, but the purchase order approval process appears to have lacked progress.

CRITERIA: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and main an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

EFFECT: Without proper approval, purchases for unauthorized goods or services may occur.

CAUSE: Processes and procedures in place were by-passed by those involved in the purchasing process.

RECOMMENDATION: We recommend the District develop and implement internal controls over purchasing procedures to ensure that all purchases are approved in accordance with District policies and procedures. Goods and/or services should not be ordered by the Finance Department until all required authorizing signatures are obtained.

RESPONSE: The Business Manager will ensure all cash disbursements are preceded by a purchase requisition and purchase order. During fiscal year 2017, the Superintendent will notify all personnel of the importance of the internal controls relating to cash disbursements and train new employees.

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016**

STATUS OF PRIOR YEAR FINDINGS

2008-009 – Preparation of Financial Statements – Repeated

2014-001 – Journal Entry Process – Revised and Repeated

2014-002 – New Mexico Educational Retirement Board Contributions – Resolved

2015-001 – Controls over Cash Disbursements – Revised and Repeated

2015-002 – Per Diem and Mileage Act – Resolved

2015-003 – Expenditures Exceed Budget – Resolved

**STATE OF NEW MEXICO
FLOYD MUNICIPAL SCHOOLS,
EXIT CONFERENCE
JUNE 30, 2016**

An exit conference was conducted on November 14, 2016 with the following individuals:

Floyd Municipal Schools:

Damon Terry, Superintendent
Margie Plummer, Business Manager
Leon Nall, Board of Education President

Axiom Certified Public Accountants and Business Advisors, LLC:

Chris Garner, CPA, Partner

Axiom Certified Public Accountants and Business Advisors, LLC prepared the GAAP-basis financial statements and footnotes of Floyd Municipal Schools from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.