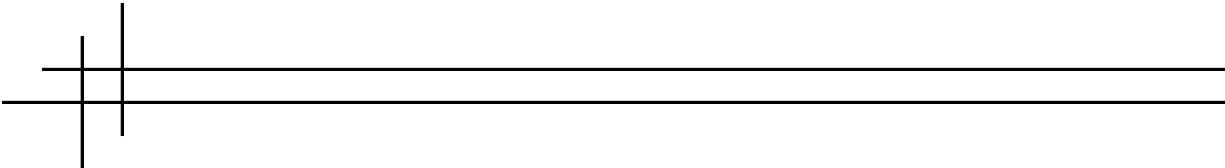


STATE OF NEW MEXICO
TOWN OF CARRIZOZO

ANNUAL FINANCIAL REPORT
June 30, 2014

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



STATE OF NEW MEXICO
TOWN OF CARRIZOZO
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STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Official Roster
June 30, 2014

BOARD OF TRUSTEES

Wesley Lindsay	Mayor
Yovanne Lucero	Mayor Pro-Tem
Chris Ventura	Trustee
Jamie Gieb	Trustee
Ray Dean	Trustee

ADMINISTRATIVE OFFICIAL

Leann Weihbrecht	Clerk/Treasurer
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De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101
(855) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Town of Carrizozo

Mr. Balderas and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparison for the general fund and major special revenue funds of the Town of Carrizozo (Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Town's nonmajor governmental funds, and the budgetary comparisons for the major capital projects and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Town as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison 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 Town as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2014, on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

De'Ann Willoughby CPA PC

Clovis, New Mexico
November 24, 2014

FINANCIAL SECTION

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Government-Wide Statement of Net Position
 June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 496,486	\$ 15,301	\$ 511,787
Receivables			
Accounts	0	81,833	81,833
Taxes	59,564	789	60,353
Due from Grantor	4,330	0	4,330
Total Current Assets	<u>560,380</u>	<u>97,923</u>	<u>658,303</u>
Noncurrent Assets			
Restricted Cash	55,697	36,860	92,557
Capital Assets	8,897,462	4,315,998	13,213,460
Less: Accumulated Depreciation	<u>(5,511,606)</u>	<u>(1,495,339)</u>	<u>(7,006,945)</u>
Total Noncurrent Assets	<u>3,441,553</u>	<u>2,857,519</u>	<u>6,299,072</u>
Total Assets	<u>4,001,933</u>	<u>2,955,442</u>	<u>6,957,375</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	5,126	1,417	6,543
Accrued Salaries & Benefits	13,572	7,793	21,365
Compensated Absences	10,804	3,388	14,192
Accrued Interest	0	8,291	8,291
Current Portion of Long-Term Debt	45,603	5,690	51,293
Total Current Liabilities	<u>75,105</u>	<u>26,579</u>	<u>101,684</u>
Noncurrent Liabilities			
Customer Deposits	0	36,860	36,860
Loans and Leases Payable	350,269	362,790	713,059
Total Noncurrent Liabilities	<u>350,269</u>	<u>399,650</u>	<u>749,919</u>
Total Liabilities	<u>425,374</u>	<u>426,229</u>	<u>851,603</u>
NET POSITION			
Net Investment in Capital Assets	3,045,681	2,452,179	5,497,860
Unrestricted	530,878	77,034	607,912
Total Net Position	<u>\$ 3,576,559</u>	<u>\$ 2,529,213</u>	<u>\$ 6,105,772</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net(Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 325,904	\$ 13,980	\$ 150,970	\$ 0	\$ (160,954)	\$ 0	(160,954)
Public Safety	362,351	0	163,508	0	(198,843)	0	(198,843)
Public Works	209,597	42,374	0	551,460	384,237	0	384,237
Culture & Recreation	91,141	3,815	0	0	(87,326)	0	(87,326)
Interest	7,920	0	0	0	(7,920)	0	(7,920)
Total Governmental Activities	<u>996,913</u>	<u>60,169</u>	<u>314,478</u>	<u>551,460</u>	<u>(70,806)</u>	<u>0</u>	<u>(70,806)</u>
Business-type Activities							
Water & Sewer	450,904	349,798	0	29,568	0	(71,538)	(71,538)
Sanitation	129,560	117,287	0	0	0	(12,273)	(12,273)
Total Business-type Activities	<u>\$ 580,464</u>	<u>\$ 467,085</u>	<u>\$ 0</u>	<u>\$ 29,568</u>	<u>0</u>	<u>(83,811)</u>	<u>(83,811)</u>
General Revenues							
Taxes							
Property					92,847	0	92,847
Franchise					16,510	0	16,510
Gross Receipts					363,127	8,491	371,618
Gasoline					7,910	0	7,910
Other					18,307	0	18,307
Miscellaneous					137	0	137
Total General Revenues					<u>498,838</u>	<u>8,491</u>	<u>507,329</u>
Other Items							
Transfers					<u>(16,550)</u>	<u>16,550</u>	<u>0</u>
Change in Net Position					411,482	(58,770)	352,712
Net Position - Beginning					<u>3,165,077</u>	<u>2,587,983</u>	<u>5,753,060</u>
Net Position - Ending					<u>\$ 3,576,559</u>	<u>\$ 2,529,213</u>	<u>\$ 6,105,772</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	<u>General</u>	<u>Special Revenue Fire</u>	<u>Capital Projects</u>
ASSETS			
Cash and Cash Equivalents	\$ 311,644	\$ 60,912	\$ 0
Receivables (Net of Allowance for Uncollectible if Applicable)			
Taxes	56,466	0	0
Due from Grantors	0	0	0
Restricted Cash	12,530	43,167	0
Total Assets	<u>\$ 380,640</u>	<u>\$ 104,079</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 3,082	\$ 277	\$ 0
Accrued Salaries Payable	13,572	0	0
Total Liabilities	<u>16,654</u>	<u>277</u>	<u>0</u>
Deferred Inflows of Revenue			
Unavailable Revenue	20,612	0	0
Total Deferred Inflows of Resources	<u>20,612</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted for:			
Special Revenue Fund	0	103,802	0
Unassigned	343,374	0	0
Total Fund Balances	<u>343,374</u>	<u>103,802</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 380,640</u>	<u>\$ 104,079</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2014

	Non-Major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 123,930	\$ 496,486
Receivables (Net of Allowance for Uncollectible if Applicable)		
Taxes	3,098	59,564
Due from Grantors	4,330	4,330
Restricted Cash	0	55,697
Total Assets	\$ 131,358	\$ 616,077
 LIABILITIES AND FUND BALANCE		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 1,767	\$ 5,126
Accrued Salaries Payable	0	13,572
Total Liabilities	1,767	18,698
Deferred Inflows of Revenue		
Unavailable Revenue	0	20,612
Total Deferred Inflows of Resources	0	20,612
Fund Balances		
Restricted for:		
Special Revenue Fund	129,591	233,393
Unassigned	0	343,374
Total Fund Balances	129,591	576,767
Total Liabilities, Deferred Inflows and Fund Balances	\$ 131,358	\$ 616,077

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2014

Total Fund Balance - Governmental Funds \$ 576,767

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

Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 20,612

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

	\$	8,897,462	
The cost of capital assets			
Accumulated depreciation is		<u>(5,511,606)</u>	3,385,856

Long-term and certain other liabilities, including notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Loans Payable	(395,872)
---------------	-----------

Compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.

	<u>(10,804)</u>
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Total Net Position - Governmental Activities	\$ <u><u>3,576,559</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	General	Special Revenue Fire	Capital Projects
Revenues			
Taxes			
Property	\$ 72,235	\$ 0	\$ 0
Franchise	16,510	0	0
Gross Receipts	341,969	0	0
Gasoline	0	0	0
Other	12,935	0	0
Charges for Services	15,770	0	0
License, Fees and Fines	3,699	0	0
State Grants	150,970	141,708	52,239
Federal Grants	0	0	494,891
Assessments	0	0	0
Miscellaneous	0	137	0
Total Revenues	<u>614,088</u>	<u>141,845</u>	<u>547,130</u>
Expenditures			
Current			
General Government	316,835	0	0
Public Safety	252,403	42,129	0
Public Works	42,911	0	0
Culture and Recreation	39,359	0	0
Capital Outlay	0	89,839	552,499
Debt Service			
Principal	19,288	36,916	0
Interest	484	7,436	0
Total Expenditures	<u>671,280</u>	<u>176,320</u>	<u>552,499</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(57,192)</u>	<u>(34,475)</u>	<u>(5,369)</u>
Other Financing Sources (Uses)			
Transfers	49,683	0	5,369
Total Other Sources (Uses)	<u>49,683</u>	<u>0</u>	<u>5,369</u>
Net Change in Fund Balance	(7,509)	(34,475)	0
Fund Balance at Beginning of year	<u>350,883</u>	<u>138,277</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 343,374</u>	<u>\$ 103,802</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2014

	Non-Major Governmental Funds	Total Governmental Funds
Revenues		
Taxes		
Property	\$ 0	\$ 72,235
Franchise	0	16,510
Gross Receipts	21,158	363,127
Gasoline	7,910	7,910
Other	5,372	18,307
Charges for Services	0	15,770
License, Fees and Fines	0	3,699
State Grants	21,800	366,717
Federal Grants	4,330	499,221
Assessments	40,700	40,700
Miscellaneous	0	137
Total Revenues	<u>101,270</u>	<u>1,404,333</u>
Expenditures		
Current		
General Government	0	316,835
Public Safety	17,302	311,834
Public Works	9,258	52,169
Culture and Recreation	29,869	69,228
Capital Outlay	4,330	646,668
Debt Service		
Principal	0	56,204
Interest	0	7,920
Total Expenditures	<u>60,759</u>	<u>1,460,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>40,511</u>	<u>(56,525)</u>
Other Financing Sources (Uses)		
Transfers	<u>(71,602)</u>	<u>(16,550)</u>
Total Other Sources (Uses)	<u>(71,602)</u>	<u>(16,550)</u>
Net Change in Fund Balance	(31,091)	(73,075)
Fund Balance at Beginning of year	<u>160,682</u>	<u>649,842</u>
Fund Balance End of Year	<u>\$ 129,591</u>	<u>\$ 576,767</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2014

Net Change in Fund Balance \$ (73,075)

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

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

Property Taxes Receivable, June 30, 2013	\$ 0	
Property Taxes Receivable, June 30, 2014	<u>20,612</u>	20,612

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

Depreciation expense	(240,102)	
Capital Outlays	<u>646,668</u>	406,566

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 56,204

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2013	11,979	
Compensated Absences, June 30, 2014	<u>(10,804)</u>	<u>1,175</u>

Changes in Net Position of Governmental Activities \$ 411,482

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

STATE OF NEW MEXICO

TOWN OF CARRIZOZO

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Property	\$ 82,000	\$ 82,000	\$ 72,235	\$ (9,765)
Franchise	33,000	33,000	26,347	(6,653)
Gross Receipts	336,488	336,488	336,597	109
Motor Vehicle	14,000	14,000	12,935	(1,065)
Charges for Services	19,268	19,268	15,770	(3,498)
License, Fees and Fines	4,200	4,200	3,699	(501)
State Grants	171,074	171,075	150,970	(20,105)
Miscellaneous	6,000	6,000	6,000	0
Total Revenues	<u>666,030</u>	<u>666,031</u>	<u>624,553</u>	<u>(41,478)</u>
Expenditures				
Executive				
Personnel Services	8,400	8,400	8,400	0
Benefits	643	643	643	0
Operating Expense	4,700	4,700	4,385	315
Total Executive	<u>13,743</u>	<u>13,743</u>	<u>13,428</u>	<u>315</u>
Financial				
Personnel Services	105,028	105,028	106,061	(1,033)
Benefits	36,925	36,925	30,228	6,697
Operating Expense	112,925	112,925	142,740	(29,815)
Debt Service				
Principal	20,000	20,000	19,288	712
Interest	0	0	484	(484)
Total Financial	<u>274,878</u>	<u>274,878</u>	<u>298,801</u>	<u>(23,923)</u>
Profession Services				
Legal Fees	18,379	18,379	18,379	0
Audit Fees	11,352	11,352	11,352	0
Total Profession Services	<u>29,731</u>	<u>29,731</u>	<u>29,731</u>	<u>0</u>
Police				
Personnel Services	147,240	147,240	142,371	4,869
Benefits	85,932	85,932	77,898	8,034
Operating Expense	29,499	29,499	31,001	(1,502)
Total Police	<u>262,671</u>	<u>262,671</u>	<u>251,270</u>	<u>11,401</u>
State Forestry Fires				
Operating Expense	2,500	2,500	120	2,380
Total State Forestry Fires	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 120</u>	<u>\$ 2,380</u>

STATE OF NEW MEXICO

TOWN OF CARRIZOZO

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Highway & Streets				
Operating Expense	\$ 20,070	\$ 20,070	\$ 20,070	\$ 0
Total Highway & Streets	<u>20,070</u>	<u>20,070</u>	<u>20,070</u>	<u>0</u>
Airport				
Operating Expense	29,867	29,867	24,485	5,382
Total Airport	<u>29,867</u>	<u>29,867</u>	<u>24,485</u>	<u>5,382</u>
Cemetery				
Operating Expense	500	500	0	500
Total Cemetery	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Parks and Recreation				
Personnel Services	12,960	12,960	7,198	5,762
Benefits	992	992	637	355
Operating Expense	<u>17,052</u>	<u>17,052</u>	<u>17,943</u>	<u>(891)</u>
Total Parks and Recreation	<u>31,004</u>	<u>31,004</u>	<u>25,778</u>	<u>5,226</u>
Golf Course				
Operating Expense	17,862	17,862	12,882	4,980
Total Golf Course	<u>17,862</u>	<u>17,862</u>	<u>12,882</u>	<u>4,980</u>
Total Expenditures	<u>682,826</u>	<u>682,826</u>	<u>676,565</u>	<u>6,261</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,796)	(16,795)	(52,012)	(35,217)
Other Financing Sources (Uses)				
Transfers	0	0	55,052	55,052
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>55,052</u>	<u>55,052</u>
Net Change in Cash Balance	(16,796)	(16,795)	3,040	19,835
Cash Balance Beginning of Year	<u>321,134</u>	<u>321,134</u>	<u>321,134</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 304,338</u>	<u>\$ 304,339</u>	<u>\$ 324,174</u>	<u>\$ 19,835</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 3,040	
Net Change in Taxes Receivable			16,147	
Net Change in Due from Grantor			(6,000)	
Net Change in Accounts Payable			4,131	
Net Change in Salaries & Benefits			(4,215)	
Net Change in Deferred Property Taxes			(20,612)	
Net Change in Fund Balance			<u>\$ (7,509)</u>	

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-FIRE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 145,422	\$ 145,422	\$ 141,708	\$ (3,714)
Interest	0	0	137	137
Total Revenues	<u>145,422</u>	<u>145,422</u>	<u>141,845</u>	<u>(3,577)</u>
Expenditures				
Public Safety				
Operating	92,000	92,000	42,982	49,018
Capital Outlay	95,000	95,000	89,840	5,160
Debt Service				
Principal	54,338	54,338	36,916	17,422
Interest	0	0	7,436	(7,436)
Total Expenditures	<u>241,338</u>	<u>241,338</u>	<u>177,174</u>	<u>64,164</u>
Excess (Deficiency) of Revenues Over Expenditures	(95,916)	(95,916)	(35,329)	60,587
Cash Balance Beginning of Year	<u>139,408</u>	<u>139,408</u>	<u>139,408</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 43,492</u>	<u>\$ 43,492</u>	<u>\$ 104,079</u>	<u>\$ 60,587</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (35,329)	
Net Change in Account Payable			854	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (34,475)</u>	

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 15,301
Receivables (net of allowance for uncollectible accounts)	
Accounts	81,833
Taxes	789
Total Current Assets	<u>97,923</u>

Noncurrent Assets

Restricted Cash	36,860
Capital Assets	4,315,998
Less Accumulated Depreciation	<u>(1,495,339)</u>
Total Noncurrent Assets	<u>2,857,519</u>

Total Assets	<u>2,955,442</u>
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LIABILITIES

Current Liabilities

Accounts Payable	1,417
Accrued Salaries & Benefits	7,793
Accrued Compensated Absences	3,388
Accrued Interest	8,291
Current Portion of Bonds Payable	<u>5,690</u>
Total Current Liabilities	<u>26,579</u>

Noncurrent Liabilities

Customer Deposits	36,860
Revenue Bonds	<u>362,790</u>
Total Noncurrent Liabilities	<u>399,650</u>

Total Liabilities	<u>426,229</u>
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NET POSITION

Net Investment in Capital Assets	2,489,039
Unrestricted	40,174
Total Net Position	<u>\$ 2,529,213</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND
 Statement of Revenue, Expenses and Changes in Net Position
 For the Year Ended June 30, 2014

Operating Revenues	
Sales & Service	\$ 467,085
Total Operating Revenues	<u>467,085</u>
Operating Expenses	
Salaries & Benefits	228,090
Operating	116,102
Contract Services	129,560
Bad Debts	4,891
Depreciation	85,351
Total Operating Expenses	<u>563,994</u>
Operating Income (Loss)	<u>(96,909)</u>
Nonoperating Revenue (Expenses)	
Environmental Taxes	8,491
State Capital Grant	29,568
Transfer In	16,550
Interest Expense	<u>(16,470)</u>
Total Nonoperating Revenue (Expense)	<u>38,139</u>
Change in Net Position	(58,770)
Total Net Position - Beginning	<u>2,587,983</u>
Total Net Position - Ending	<u>\$ 2,529,213</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND
 Combined Statement of Cash Flows
 For the Year Ended June 30, 2014

Cash Flows from Operating Activities	
Cash Received From Customers	\$ 477,682
Cash Paid to Suppliers and Employees	(524,479)
Net Cash Provided by Operating Activities	<u>(46,797)</u>
Cash Flows from Noncapital Financing Activities	
Environmental Gross Receipt Tax	8,491
Transfer In	16,550
Net Cash Provided by Noncapital Financing Activities	<u>25,041</u>
Cash Flows from Capital & Related Financing Activities	
Acquisition and Construction of Capital Assets	(29,568)
State Capital Grant	29,568
Principal Paid	(5,450)
Interest Paid	(16,470)
Net Cash Provided by Capital & Related Financing Activities	<u>(21,920)</u>
Net Increase (Decrease) in Cash	(43,676)
Cash, Beginning of Year	<u>95,837</u>
Cash, End of Year	<u>\$ 52,161</u>
Cash and Cash Equivalents	\$ 15,301
Restricted Cash	36,860
Total Cash	<u>\$ 52,161</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (96,909)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	85,351
Change in Assets and Liabilities	
Net Change in Accounts Receivable	(7,400)
Net Change in Taxes Receivable	(116)
Net Change in Accounts Payable	(13,804)
Net Change in Accrued Salaries	1,725
Net Change in Accrued Interest	(357)
Net Change in Compensated Absences	(232)
Net Change in Customer Deposits	(15,055)
Net Cash Provided by Operating Activities	<u>\$ (46,797)</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Carrizozo (Town) have been prepared in accordance with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant of the Town's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. In addition, in June 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statement No. 21 and No. 34 and Statement No. 38, Certain Financial Note Disclosures*. These two statements clarify, modify, establish and rescind certain disclosure requirements under GASB No. 34. Both statements are being implemented in conjunction with GASB Statement No. 34. These statements do not have an impact on the results of operations or the financial position of the Town.

Financial Reporting Entity

The Town of Carrizozo was incorporated under the laws of the State of New Mexico. The Town operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The Town has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected town members are financially accountable. There are no other primary governments with which the Town Board Members are financially accountable or which the Town has a significant relationship.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Town are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the activities of the Town. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. 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 Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program and 3) capital grants or contributions restricted to meeting capital requirements of a particular program. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the government-wide financial statements.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider.
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other Financing Sources (Uses)

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

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Town has presented the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town and accounts for all revenues and expenditures of the Town not encompassed within other funds.

Fire Fund - To account for the operation and maintenance of the Town Fire department. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

Capital Projects - To account for capital projects funded by state and federal grants with a local match. The project was an addition to the airport runway.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

Additionally, the Town reports the following non-major funds types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary Fund - The Fiduciary funds account for assets held by the Town in a trustee or agent capacity.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Derived tax revenue, such as franchise and sales tax revenue, is recognized when the underlying exchange transaction occurs.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Town's taxpayer or citizenry, as a whole; program revenues reduced the cost of the function to be financed from the Town's general revenues. Program revenues include charges for services or applicants who purchase, use or directly benefit from the goods or services provided by the given function. Program revenues include fees and fines for public service and charges for recreational activities. Grants include small cities assistance and fire protection and law enforcements grants and a subsidy from the county for animal control.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Budgetary Control

1. Prior to June 1, the Town's Clerk-Treasurer submits the budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to July 1, the budget is legally enacted through passage of an ordinance and then must be approved by Local Government Division of the State Department of Finance and Administration.
3. The Town treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Trustees and the State Department of Finance and Administration.

4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. The level of budget authority is at the fund level.

The Proprietary Funds group accounts for funds received in the course of the operation of self-supporting functions which receive their revenues from providing goods or services to internal or external customers. The two types of funds that make up this category are:

1. Enterprise Funds. Enterprise Funds account for operations carried out and financed like a business operation, usually designated to be self-supporting through fees for services and generating revenues from outside sources. The Town has two of these funds , including the Water, Sewer and Sanitation. Enterprise Funds are budgeted as separate cost centers but as integral parts of the work programs.
2. Internal Service Fund (ISF). An ISF accounts for financing goods or services provided by an organizational unit of the Town to other units of the Town, on a self-liquidating, fee-for-service basis. The Town of Carrizozo does not have an ISF Fund.

Cash and Cash Equivalents

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

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

Investments

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

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or Town which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Receivables and Payables

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

Capital Assets

Capital assets, which includes property, plant, equipment (including software), and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The construction period interest is not capitalized in the proprietary funds.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings, Improvements and Infrastructure	40-50 Years
Infrastructure	5-50 Years
Equipment and Vehicles	3-20 Years

Use of Restricted Funds

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

Revenue

The policy for defining the proprietary fund's operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally are not reported as components of operating income.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Waste Water and the Solid Waste Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. Expenditures in the fund financial statements are classified by character and proprietary fund by operating and non-operating.

Compensated Absences

All full-time employees are entitled to five to twenty vacation days (depending on employment) a maximum of 20 days can be accrued. Earned but unused vacation is paid out upon separation of employment.

Each permanent employee of the Town accrues sick leave as working days with full pay on the basis of three hours (3) hours per pay period. Sick leave may be granted only from duty because of personal illness, legal quarantine, or medical, dental, or optical appointments. In case of an extended sickness in excess of the accumulated sick leave, annual leave may be applied to sick leave. Employee's can accrue up to 240 hours of sick leave and may be eligible to receive 50% of sick leave upon leaving the Town if they have 25 years of service or leaves after turning the age of 66.

Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net Position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Restricted Net Position

For the government-wide statement of net position, net positions are reported as restricted when constraints placed on net positions use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

- Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance indicates that portion of fund equity is not spendable such as inventory.

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual amount that is not restricted or committed.

NOTE B: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

NOTE C: CASH AND INVESTMENTS

The Town is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Wells Fargo Bank

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	<u>Type</u>
Water Dept./Utility	\$ 372,269	\$ 351,802	Checking Interest Bearing
TOTAL Deposited	372,269	<u>351,802</u>	
Less: FDIC Coverage	(250,000)		
Uninsured Amount	122,269		
50% collateral requirement	61,135		
Pledged securities	137,975		
Over (Under) requirement	\$ <u>76,841</u>		

The following securities are pledged:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA	3138X3XU1	\$ 35,565	09/01/2043	Bank of NY Melon
FNMA	31417EKV2	9,076	01/01/2043	Bank of NY Melon
FNMA	31418AXC7	93,334	09/01/2043	Bank of NY Melon
		\$ <u>137,975</u>		

City Bank

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	<u>Type</u>
General Fund	\$ 11,231	\$ 11,231	Checking Interest Bearing
General Fund	21,876	21,876	Checking Interest Bearing
Veterans Memorial Park	751	751	Checking Non-Interest Bearing
Town of Carrizozo-RUS	22,796	22,796	Checking Non-Interest Bearing
CDBG	50	50	Checking Non-Interest Bearing
TOTAL Deposited	56,704	<u>56,704</u>	
Less: FDIC Coverage	(56,704)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ <u>0</u>		

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Notes to the Financial Statements
June 30, 2014

First Savings Bank

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	Type
Operating Account	\$ 140,141	\$ 140,141	Checking Interest Bearing
TOTAL Deposited	140,141	\$ 140,141	
Less: FDIC Coverage	(140,141)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

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

Bank of America

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	Type
Fire Pumper Truck-IV PP-2164	\$ 28,597	\$ 28,597	Savings
Construct Town Hall-KMD PP-1758	12,530	12,530	Savings
New Service Truck Fire Depart-DC/CM RPL-2559	14,570	14,570	Savings
TOTAL Deposited	\$ 55,697	\$ 55,697	

The Bank of America is the agent for New Mexico Finance Authority (Authority). The Authority is responsible for FDIC coverage and pledged securities.

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 502,542
Collateralized:	
Collateral held by the pledging bank in Town's name	122,269
Uninsured and uncollateralized	0
Total Deposits	\$ 624,811

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2014 none of the Town's bank balance of \$624,811 was exposed to custodial credit risk.

NOTE D: RESTRICTED CASH

There was \$12,530 in restricted cash in the General Fund and \$43,167 in the Fire Fund for debt retirement for a loan for the construction of Town Hall and fire trucks financed by New Mexico Finance Authority. The restricted cash in the Utility fund is the customer deposits held by the Town of \$36,860.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Notes to the Financial Statements
June 30, 2014

NOTE E: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2014, is as follows:

	Balance 6/30/13	Additions	Deletions	Balance 6/30/14
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 127,102	\$ 0	\$ 0	\$ 127,102
Construction in Progress	0	0	0	0
Total Capital Assets, not being Depreciated	<u>127,102</u>	<u>0</u>	<u>0</u>	<u>127,102</u>
Capital Assets, being Depreciated				
Infrastructure	3,425,775	556,829	0	3,982,604
Buildings & Improvements	3,335,868	89,838	0	3,425,706
Equipment	1,362,050	0	0	1,362,050
Total Capital Assets, being Depreciated	<u>8,123,692</u>	<u>646,667</u>	<u>0</u>	<u>8,770,360</u>
Total Capital Assets	<u>\$ 8,250,794</u>	<u>\$ 646,667</u>	<u>\$ 0</u>	<u>\$ 8,897,462</u>
Less Accumulated Depreciation				
Infrastructure	\$ 2,938,052	\$ 137,002	\$ 0	\$ 3,075,054
Buildings & Improvements	1,998,936	47,718	0	2,046,654
Equipment	334,517	55,381	0	389,898
Total Accumulated Depreciation	<u>5,271,505</u>	<u>240,101</u>	<u>0</u>	<u>5,511,606</u>
Capital Assets, net	<u>\$ 2,979,289</u>	<u>\$ 406,566</u>	<u>\$ 0</u>	<u>\$ 3,385,856</u>

Depreciation expense was charged to governmental activities as follows:

General	\$ 10,000
Public Safety	50,760
Public Works	157,428
Culture & Recreation	21,913
Total depreciation expenses	<u>\$ 240,101</u>

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
Business-Type Activities				
Capital Assets not being Depreciated				
Land	\$ 8,000	\$ 0	\$ 0	\$ 8,000
Total Capital Assets not being Depreciated	8,000	0	0	8,000
Capital Assets, being Depreciated				
Utility System	4,175,925	29,568	0	4,205,493
Equipment	102,505	0	0	102,505
Total Capital Assets at Historical Cost	<u>4,286,430</u>	<u>29,568</u>	<u>0</u>	<u>4,315,998</u>
Less Accumulated Depreciation				
Utility System	1,320,435	81,495	0	1,401,930
Equipment	89,552	3,857	0	93,409
Total Accumulated Depreciation	<u>1,409,987</u>	<u>85,352</u>	<u>0</u>	<u>1,495,339</u>
Capital Assets, net	<u>\$ 2,876,443</u>	<u>\$ (55,784)</u>	<u>\$ 0</u>	<u>\$ 2,820,659</u>

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Notes to the Financial Statements
June 30, 2014

NOTE F: LONG TERM DEBT

Notes Payable

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

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Amounts Due Within One Year
Governmental Activities					
Notes Payable					
NMFA-Town Hall	\$ 95,854	\$ 0	\$ 7,878	\$ 87,976	7,898
NMFA-Fire Truck	196,209	0	8,614	187,595	8,753
NMFA-Fire Truck	148,603	0	28,309	120,294	28,952
Total Notes Payable	\$ 440,666	\$ 0	\$ 44,801	\$ 395,865	45,603
Other Liabilities					
Compensated Absences					
Absences	\$ 11,978	\$ 9,495	\$ 10,669	\$ 10,804	10,804
Total Other Liabilities	\$ 11,978	\$ 9,495	\$ 10,669	\$ 10,804	10,804

Description	Maturity	Annual Payments	Interest Rate	Balance
NMFA-Town Hall	2025	\$ 8,117	3-4%	\$ 87,976
NMFA-Fire Truck	2021	12,979	3-4%	187,595
NMFA-Fire Truck	2017	\$ 31,767	2%	120,294
				\$ 395,865

The annual requirements to amortize the loans as of June 30, 2014, including interest payments are as follows:

	Principal	Interest	Total
2015	\$ 45,603	\$ 6,875	\$ 52,478
2016	46,499	5,979	52,478
2017	47,490	4,989	52,479
2018	48,582	3,898	52,480
2019	50,255	2,707	52,962
2020-2024	149,338	1,599	150,937
2025	8,098	20	8,118
	\$ 395,865	\$ 26,067	\$ 421,932

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Notes to the Financial Statements
June 30, 2014

Business-Type Activities

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

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Amounts Due Within One Year
USDA Bonds	\$ 373,930	\$ 0	\$ 5,450	\$ 368,480	\$ 5,690
Other Liabilities Compensated Absences	\$ 3,621	\$ 5,881	\$ 6,114	\$ 3,388	\$ 3,388
Total Other Liabilities	\$ 3,621	\$ 5,881	\$ 6,114	\$ 3,388	\$ 3,388

Description	Maturity	Annual Payments	Interest Rate	Balance
USDA Bonds	2044	\$ 22,273	4.50%	\$ 368,480

The annual requirements to amortize the loans as of June 30, 2014, including interest payments are as follows:

	Principal	Interest	Total
2015	\$ 5,690	\$ 16,582	\$ 22,272
2016	5,950	16,326	22,276
2017	6,220	16,058	22,278
2018	6,500	15,778	22,278
2019	6,790	15,485	22,275
2020-2024	38,820	72,559	111,379
2025-2029	48,370	63,003	111,373
2030-2034	60,270	51,096	111,366
2035-2039	75,110	36,257	111,367
2040-2044	93,620	17,766	111,386
2,045	21,140	951	22,091
	\$ 368,480	\$ 321,861	\$ 556,864

Computer and Software Lease

The Town is obligated under a lease for a computer system and accounting software acquired in December 2008 at a cost of \$73,000. During the year ended June 30, 2010, it was discovered the Town owed the computer vendor another \$19,409 for the initial installation. The lease was increased by this amount. The remaining monthly payment were increase to \$1,942.59. This lease is accounted for as a capital lease. The leased asset and the related obligation are accounted for in the Capital Assets and the Long-Term Debt of the government-wide financial statements. The leasing company is DivLend Equipment Leasing, LLC. The lease was assigned to American State Bank Lubbock, Texas.

A summary of activity in the lease purchase is as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Amounts Due Within One Year
	\$ 11,410	\$ 0	\$ 11,410	\$ 0	\$ 0

NOTE G: PROPERTY TAXES

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

NOTE H: DEFINED BENEFIT PENSION PLAN

Plan Description. Substantially all of the municipality's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at <http://www.pera.state.nm.us>.

Funding Policy. The Town is in the Municipal Plan 1 for regular employees and Municipal Police Plan 3 for police officers. Municipal plan members are required to contribute 8.5% of the gross salary. The Town is required to contribute 7% for all employee's with the exception of police officers which require the Town to contribute 18.5% of the gross covered salary. The contribution requirements of the plan members and the municipality are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The municipality's contributions to PERA for the fiscal years ending June 30, 2014, 2013 and 2012 were \$26,590, \$18,652, and \$18,318, respectively, which equal the amount of the required for each fiscal year.

NOTE I: POST-EMPLOYMENT BENEFITS

The Retiree Health Care Act (10-7C-1 to 10-7C-16 NMSA 1978 provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 9D. Of Chapter 6 Laws of 1990, the Town has elected not to participate in the program.

NOTE J: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfer from		Transfer to	
Valle Del Sol	\$ 16,550	Utilities	\$ 16,550
Corrections	55,052	General	55,052
	<u>\$ 71,602</u>		<u>\$ 71,602</u>

Transfers are made from the sub-division, Valle Del Sol to the utility fund as more houses are added to the utility system. Costs are financed by assessments to the residence of the sub-division.

NOTE K: RECEIVABLES

Receivables as of June 30, 2014, were as follows:

	General	Non-Major Funds
Franchise Taxes	\$ 419	\$ 0
Gross Receipts Taxes	35,435	0
Property Taxes	20,612	0
Gasoline Taxes	0	2,480
Other Taxes	0	618
Due from Grantor	0	4,330
	<u>\$ 56,466</u>	<u>\$ 7,428</u>

All receivable balances are expected to be collected within one year.

NOTE L: COMMITMENTS

The Town is involved in small renovations and repairs throughout the Town.

NOTE M: SUBSEQUENT EVENTS

Subsequent events were evaluated through November 24, 2014, which is the date the financial statements were available to be issued.

NOTE N: RISK MANAGEMENT

The Town participates in the New Mexico Self-Insurers Fund for medical insurance coverage for their employees. Commercial Insurance covers all other losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There are no claim liabilities at year end. The officials and certain employees of the Town are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE O: JOINT POWERS AGREEMENTS

The Lincoln County Solid Waste Authority (Authority) was established in 1991 and has no stated termination date. It acts as its own fiscal agent as do other such cooperative organizations and provides an independent audit. All powers rest with the Authority including budgetary, finance and bonded debt. The participants in the Authority have also entered into a joint powers agreement with Otero County, Alamogordo, Tularosa and Cloudcroft for the purpose of forming the Otero/Lincoln County Regional Landfill. The financial information for this venture is included in the fiscal agent's (Alamogordo) audit report. The Town of Carrizozo has committed the Environmental Gross Receipts Tax collected (current year's amount was \$7,172) to service bonds issued by Alamogordo to construct the facility. The bonds matured during this fiscal year. The Town represents approximately 1/6 of the total JPA.

There are no required capital contributions to the joint power entities and the only financial transactions are for charges for services in the normal course of business.

NOTE P: SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

Statement No. 68, Accounting and Financial Reporting for Pensions. The statement replaces the requirements of GASBS 27, Accounting for Pensions by State and Local Governmental Employers, and the requirements of GASBS 50, Pension Disclosures, as they related to pensions that are provided through pension plans administered as trusts. The requirements of Statements 27 and 50 remain applicable for pensions that are covered by GASBS 68. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. The Town is reviewing the effects of the implementation of this statement and expects it will result in a material liability for pension participation in future years.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 CAPITAL PROJECTS FUND
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 540,000	\$ 540,000	\$ 52,239	\$ (487,761)
Federal Grants	54,000	54,000	494,891	440,891
Local Match	6,000	6,000	5,369	(631)
Total Revenues	<u>600,000</u>	<u>600,000</u>	<u>552,499</u>	<u>(487,761)</u>
Expenditures				
Public Works				
Capital Outlay	600,000	600,000	552,499	47,501
Total Expenditures	<u>600,000</u>	<u>600,000</u>	<u>552,499</u>	<u>47,501</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Law Enforcement Fund -To account for funds received from the State of New Mexico for law enforcement purposes. The fund was created by the authority of state grant provisions. (NMSA 29-13-3)

Correction Fund - To account for the collection of fines which are used to supplement the cost of prisoner housing. The fund was created by the authority of state statute. (Section 29-1301 NASA 1978)

Municipal Streets Fund - To account for the receipts and expenditures of special gasoline tax which is restricted for use in repairing and maintaining roads and streets within the municipality. Authority for this fund is NMSA 7-1-6.9 and 7-13-1 to 18.

Lodgers Tax Fund - To account for a Lodger's Tax which is to be used for cultural and recreational purposes. The fund was created by the authority of state statute. (NMSA 3-38-13 to 24)

Valle Del Sol Fund - To account for a reserve account used to improvements to roads, sewer system, and the water system. The fund was created by the authority of state statute.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2014

	<u>Law</u> <u>Enforcement</u>	<u>Corrections</u>	<u>Lodgers Tax</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,794	\$ 9,226	\$ 9,434
Receivables			
Taxes	0	0	618
Due from Grantor	0	0	0
Total Assets	<u>\$ 4,794</u>	<u>\$ 9,226</u>	<u>\$ 10,052</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 138
Total Liabilities	<u>0</u>	<u>0</u>	<u>138</u>
Fund Balance			
Restricted for:			
Special Revenue	<u>4,794</u>	<u>9,226</u>	<u>9,914</u>
Total Fund Balance	<u>4,794</u>	<u>9,226</u>	<u>9,914</u>
Total Liabilities and Fund Balance	<u>\$ 4,794</u>	<u>\$ 9,226</u>	<u>\$ 10,052</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2014

	<u>Municipal Streets</u>	<u>Valle Del Sol</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,985	\$ 82,491	\$ 123,930
Receivables			
Taxes	2,480	0	3,098
Due from Grantor	4,330	0	4,330
Total Assets	<u>\$ 24,795</u>	<u>\$ 82,491</u>	<u>\$ 131,358</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 1,629	\$ 0	\$ 1,767
Total Liabilities	<u>1,629</u>	<u>0</u>	<u>1,767</u>
Fund Balance			
Restricted for:			
Special Revenue	<u>23,166</u>	<u>82,491</u>	<u>129,591</u>
Total Fund Balance	<u>23,166</u>	<u>82,491</u>	<u>129,591</u>
Total Liabilities and Fund Balance	<u>\$ 24,795</u>	<u>\$ 82,491</u>	<u>\$ 131,358</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Law Enforcement	Corrections	Lodgers Tax
Revenues			
Taxes			
Gasoline	\$ 0	\$ 0	\$ 0
Gross Receipts	0	0	0
Other	0	0	5,372
State Grant	21,800	0	0
Federal Grant	0	0	0
Assessments	0	0	0
Total Revenues	<u>21,800</u>	<u>0</u>	<u>5,372</u>
Expenditures			
Current			
Public Safety	17,302	0	0
Public Works	0	0	0
Culture & Recreation	0	0	7,430
Capital Outlay	0	0	0
Total Expenditures	<u>17,302</u>	<u>0</u>	<u>7,430</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,498</u>	<u>0</u>	<u>(2,058)</u>
Other Financing Sources (Uses)			
Transfers In (Out)	0	(55,052)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(55,052)</u>	<u>0</u>
Net Change in Fund Balance	4,498	(55,052)	(2,058)
Fund Balances at Beginning of Year	<u>296</u>	<u>64,278</u>	<u>11,972</u>
Fund Balance End of Year	<u>\$ 4,794</u>	<u>\$ 9,226</u>	<u>\$ 9,914</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2014

	Municipal Streets	Valle Del Sol	Total
Revenues			
Taxes			
Gasoline	\$ 7,910	\$ 0	\$ 7,910
Gross Receipts	21,158	0	21,158
Other	0	0	5,372
State Grant	0	0	21,800
Federal Grant	4,330	0	4,330
Assessments	0	40,700	40,700
Total Revenues	<u>33,398</u>	<u>40,700</u>	<u>101,270</u>
Expenditures			
Current			
Public Safety	0	0	17,302
Public Works	0	9,258	9,258
Culture & Recreation	22,439	0	29,869
Capital Outlay	4,330	0	4,330
Total Expenditures	<u>26,769</u>	<u>9,258</u>	<u>60,759</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,629</u>	<u>31,442</u>	<u>40,511</u>
Other Financing Sources (Uses)			
Transfers In (Out)	0	(16,550)	(71,602)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(16,550)</u>	<u>(71,602)</u>
Net Change in Fund Balance	6,629	14,892	(31,091)
Fund Balances at Beginning of Year	<u>16,537</u>	<u>67,599</u>	<u>160,682</u>
Fund Balance End of Year	<u>\$ 23,166</u>	<u>\$ 82,491</u>	<u>\$ 129,591</u>

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-LAW ENFORCEMENT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 21,800	\$ 21,800	\$ 21,800	\$ 0
Total Revenues	<u>21,800</u>	<u>21,800</u>	<u>21,800</u>	<u>0</u>
Expenditures				
Public Safety				
Operating	<u>22,096</u>	<u>22,096</u>	<u>17,302</u>	<u>4,794</u>
Total Expenditures	<u>22,096</u>	<u>22,096</u>	<u>17,302</u>	<u>4,794</u>
Excess (Deficiency) of Revenues Over Expenditures	(296)	(296)	4,498	4,794
Cash Balance Beginning of Year	<u>296</u>	<u>296</u>	<u>296</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,794</u>	<u>\$ 4,794</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>4,498</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,498</u>	

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-CORRECTION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Correction Fees	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Safety				
Fees	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer to General	(60,000)	(60,000)	(55,052)	4,948
Total Other Sources (Uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(55,052)</u>	<u>4,948</u>
Net Change in Cash Balance	(60,000)	(60,000)	(55,052)	4,948
Cash Balance Beginning of Year	<u>64,278</u>	<u>64,278</u>	<u>64,278</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,278</u>	<u>\$ 4,278</u>	<u>\$ 9,226</u>	<u>\$ 4,948</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (55,052)	
Net Change in Fund Balance			<u>\$ (55,052)</u>	

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-MUNICIPAL STREETS FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 30,000	\$ 30,000	\$ 21,158	\$ (8,842)
Gas Tax	7,000	7,000	7,987	987
Total Revenues	<u>37,000</u>	<u>37,000</u>	<u>29,145</u>	<u>(7,855)</u>
Expenditures				
Public Works				
Operating Expense	23,000	23,000	20,810	2,190
Capital Outlay	9,200	9,200	4,331	4,869
Total Expenditures	<u>32,200</u>	<u>32,200</u>	<u>25,141</u>	<u>7,059</u>
Excess (Deficiency) of Revenues Over Expenditures	4,800	4,800	4,004	(796)
Cash Balance Beginning of Year	<u>13,981</u>	<u>13,981</u>	<u>13,981</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 18,781</u>	<u>\$ 18,781</u>	<u>\$ 17,985</u>	<u>\$ (796)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,004	
Net Change in Taxes Receivable			(76)	
Net Change in Due from Grantor			4,330	
Net Change in Accounts Payable			<u>(1,629)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,629</u>	

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-LODGERS TAX FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Lodgers Tax	\$ 8,000	\$ 8,000	\$ 5,178	\$ (2,822)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>5,178</u>	<u>(2,822)</u>
Expenditures				
Culture & Recreation				
Operating Expense	9,250	9,250	7,313	1,937
Total Expenditures	<u>9,250</u>	<u>9,250</u>	<u>7,313</u>	<u>1,937</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,250)	(1,250)	(2,135)	(885)
Cash Balance Beginning of Year	<u>11,569</u>	<u>11,569</u>	<u>11,569</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,319</u>	<u>\$ 10,319</u>	<u>\$ 9,434</u>	<u>\$ (885)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,135)	
Net Change in Taxes Receivable			194	
Net Change in Accounts Payable			<u>(117)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,058)</u>	

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

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-VALLE DEL SOL-INFRASTRUCTURE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Assessments	\$ 40,000	\$ 40,000	\$ 40,700	\$ 700
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>40,700</u>	<u>700</u>
Expenditures				
Public Works				
Operating Expense	12,938	12,938	11,927	1,011
Total Expenditures	<u>12,938</u>	<u>12,938</u>	<u>11,927</u>	<u>1,011</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,062</u>	<u>27,062</u>	<u>28,773</u>	<u>1,711</u>
Other Financing Sources (Uses)				
Transfer to Utilities	(16,550)	(16,550)	(16,550)	0
Total Other Sources (Uses)	<u>(16,550)</u>	<u>(16,550)</u>	<u>(16,550)</u>	<u>0</u>
Net Change in Cash Balance	10,512	10,512	12,223	1,711
Cash Balance Beginning of Year	<u>70,268</u>	<u>70,268</u>	<u>70,268</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 80,780</u>	<u>\$ 80,780</u>	<u>\$ 82,491</u>	<u>\$ 1,711</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 12,223	
Net Change in Account Payables			<u>2,669</u>	
Net Change in Fund Balance			<u>\$ 14,892</u>	

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

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND-UTILITY
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service				
Water & Sewer	\$ 379,050	\$ 379,050	\$ 322,452	\$ (56,598)
Sanitation	108,000	108,000	117,287	9,287
Environmental Gross Receipt Tax	0	0	8,375	8,375
State Grant	450,000	450,000	29,568	(420,432)
Total Revenues	<u>937,050</u>	<u>937,050</u>	<u>477,682</u>	<u>(459,368)</u>
Expenditures				
Water & Sewer				
Personal Services	159,398	159,398	161,315	(1,917)
Benefits	56,820	56,820	65,283	(8,463)
Operating Expenses	175,000	175,000	119,756	55,244
Capital Outlay	450,000	450,000	29,568	420,432
Debt Service				
Principal	0	0	5,450	(5,450)
Interest	0	0	16,827	(16,827)
Sanitation				
Contract Services	113,000	113,000	139,709	(26,709)
Total Expenditures	<u>954,218</u>	<u>954,218</u>	<u>537,908</u>	<u>416,310</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,168)</u>	<u>(17,168)</u>	<u>(60,226)</u>	<u>(43,058)</u>
Other Financing Sources (Uses)				
Transfer from Valle Del Sol	0	0	16,550	16,550
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>16,550</u>	<u>16,550</u>
Net Change in Cash Balance	(17,168)	(17,168)	(43,676)	(26,508)
Cash Balance Beginning of Year	<u>95,837</u>	<u>95,837</u>	<u>95,837</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 78,669</u>	<u>\$ 78,669</u>	<u>\$ 52,161</u>	<u>\$ (26,508)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (43,676)	
Principal Paid			5,450	
Depreciation			(85,351)	
Capital Outlay			29,568	
Net Change in Accounts Receivable			7,400	
Net Change in Taxes Receivable			116	
Net Change in Accounts Payable			13,804	
Net Change in Accrued Salaries			(1,725)	
Net Change in Accrued Interest			357	
Net Change in Compensated Absences			232	
Net Change in Customer Deposits			15,055	
Net Change in Net Position			<u>\$ (58,770)</u>	

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

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

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Town of Carrizozo

Mr. Balderas and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Town of Carrizozo (Town) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Town, presented as supplemental information, and have issued our report thereon dated November 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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.

 CPA PC

Clovis, New Mexico

November 24, 2014

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Schedule of Findings and Responses
For the Year Ended June 30, 2014

	<u>Status</u>
Prior Year Audit Findings	
2010-005 Customer Utility Deposits	Resolved
2012-003 Late Audit Report	Resolved

Current Year Audit Findings
None

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on November 24, 2014 in attendance was Wesley Lindsay-Mayor, Yovanne Lucero-Mayor Pro-Tem, Leann Weihbrecht-Town Clerk, and De'Aun Willoughby, CPA.