
STATE OF NEW MEXICO
Village of Causey
June 30, 2009

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2009
With Independent Auditor's Report Thereon

Sandra Rush
Certified Public Accountant, PC

1101 E Llano Estacado
Clovis, New Mexico 88101

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Official Roster
For the year ended June 30, 2009

Council Members

Kris K King

Mayor

LaVerne Scheller

Council Member

Lawrence K Skelley

Council Member

Darrell Caviness

Council Member

Jimmy R Stokes

Council Member

Administrative Officials

T Ann Clark

Clerk

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STATE OF NEW MEXICO
VILLAGE OF CAUSEY

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VILLAGE OF CAUSEY

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Sandra Rush

Certified Public Accountant PC

1101 E Llano Estacado • Clovis, New Mexico 88101 • 575-763-2245

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Honorable Mayor and Village Council
Village of Causey
Causey, New Mexico

I have audited the accompanying financial statements of the governmental activities, each major fund including budget comparisons, and the aggregate remaining fund information of Village of Causey, as of and for the year ended June 30, 2009, which collectively comprise the agency's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the Village's nonmajor governmental funds and budget comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. *An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I express no such opinion.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my 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 Village, as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor

Mr. Hector Balderas
State Auditor of the State of New Mexico
Honorable Mayor and Village Council
Village of Causey
Causey, New Mexico
Page 2

governmental funds of the Village as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the major capital project fund, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 26, 2009 on my consideration of the District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

For the year ended June 30, 2009 the Village has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

My audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Sandra Rush, CPA PC
October 26, 2009

Financial Section

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STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Statement of Net Assets
June 30, 2009

	Governmental Activities
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 245,998
Accounts receivable	<u>1,091</u>
Total current assets	<u>247,089</u>
Capital assets:	
Land	7,470
Land improvement	163,275
Building	365,710
Vehicle	394,838
Equipment	<u>415,227</u>
Total capital assets	<u>\$ 1,346,520</u>
Less accumulated depreciation	<u>(759,977)</u>
Total capital assets (net of accumulated depreciation)	<u>586,543</u>
Total assets	<u>\$ 833,632</u>
 <u>NET ASSETS</u>	
Invested in capital assets	586,543
Unrestricted	<u>247,089</u>
Total net assets	<u>\$ 833,632</u>

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

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

Statement of Activities
 For the year ended June 30, 2009

Functions / Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 42,139	\$ 39	\$ -	\$ -
Public safety	89,691	10,197	76,369	263,561
Highways and streets	3,158	-	1,344	-
Culture and recreation	5,098	-	5,667	-
Depreciation - unallocated	44,388	-	-	-
Total governmental activities	<u>\$ 184,474</u>	<u>\$ 10,236</u>	<u>\$ 83,380</u>	<u>\$ 263,561</u>

General revenues:
 Property taxes
 Gross receipts taxes
 Gas regular taxes
 Cigarette tax
 Motor vehicle administration fees
 Interest income
 Miscellaneous
 State aid not restricted to special purposes

Total general revenues

Change in net assets

Net assets, beginning

Net assets, ending

The accompanying notes are an integral part of these financial statements

Net (Expense
Revenues and
Change in
Net Assets

Governmental
Activities

\$ (42,100)
260,436
(1,814)
569
(44,388)

\$ 172,703

2,680
4,786
5,005
816
358
491
950
35,000

50,086

222,789

610,843

\$ 833,632

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

Balance Sheet
 Governmental Funds
 June 30, 2009

	General	Fire Protection Fund	Road Fund
ASSETS			
Cash and cash equivalents	\$ 37,102	\$ 48,824	\$ 13,274
Due from grantor		-	-
Accounts receivable	674	-	417
Total assets	<u>\$ 37,776</u>	<u>\$ 48,824</u>	<u>\$ 13,691</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Unreserved reported in:			
General fund	37,776	-	-
Special Revenue Fund	-	48,824	13,691
Capital Project Fund	-	-	-
Total fund balances	<u>37,776</u>	<u>48,824</u>	<u>13,691</u>
Total liabilities and fund balance	<u>\$ 37,776</u>	<u>\$ 48,824</u>	<u>\$ 13,691</u>

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

Fire Reserve Fund	Truck Bay Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ 13,165	\$ 117,879	\$ 15,754	\$ 245,998
-	-	-	1,091
<u>\$ 13,165</u>	<u>\$ 117,879</u>	<u>\$ 15,754</u>	<u>\$ 247,089</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	37,776
13,165	-	-	75,680
-	117,879	15,754	133,633
<u>13,165</u>	<u>117,879</u>	<u>15,754</u>	<u>247,089</u>
<u>\$ 13,165</u>	<u>\$ 117,879</u>	<u>\$ 15,754</u>	<u>\$ 247,089</u>

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

Fund balances - total governmental funds	\$ 247,089
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,346,520
Accumulated depreciation	<u>(759,977)</u>
Net assets of governmental activities	<u>\$ 833,632</u>

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the year ended June 30, 2009

	General	Fire Protection Fund	Road Fund
Revenues:			
Charge for services	\$ 39	\$ -	\$ -
Investment income	419	72	-
Miscellaneous	394	23	-
Local sources	-	-	-
State shared tax	8,331	-	-
State sources	35,000	57,333	6,372
Federal sources	-	-	-
Total revenues	<u>44,183</u>	<u>57,428</u>	<u>6,372</u>
Expenditures:			
Current:			
General government	42,139	-	-
Public safety	-	56,702	-
Highways and streets	-	-	3,158
Culture and recreation	-	-	-
Capital outlay	-	11,012	11,000
Total expenditures	<u>42,139</u>	<u>67,714</u>	<u>14,158</u>
Excess (deficiency) of revenues over expenditures	<u>2,044</u>	<u>(10,286)</u>	<u>(7,786)</u>
Other financing sources (uses)			
Transfer in/(out)	-	1,677	-
Total transfers	<u>-</u>	<u>1,677</u>	<u>-</u>
Net change in fund balance	2,044	(8,609)	(7,786)
Fund balances, beginning of year	<u>35,732</u>	<u>57,433</u>	<u>21,477</u>
Fund balances, end of year	<u>\$ 37,776</u>	<u>\$ 48,824</u>	<u>\$ 13,691</u>

The accompanying notes are an integral part of these financial statements

Fire Reserve Fund	Truck Bay Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,197	\$ 10,236
-	-	-	491
-	-	-	417
-	-	8,002	8,002
4,378	168,235	292	8,623
-	95,326	-	284,168
<u>4,378</u>	<u>263,561</u>	<u>31,341</u>	<u>407,263</u>
-	-	-	42,139
3,425	4,614	24,950	89,691
-	-	-	3,158
-	-	5,098	5,098
-	141,068	-	163,080
<u>3,425</u>	<u>145,682</u>	<u>30,048</u>	<u>303,166</u>
<u>953</u>	<u>117,879</u>	<u>1,293</u>	<u>104,097</u>
<u>(1,677)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,677)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(724)	117,879	1,293	104,097
<u>13,889</u>	<u>-</u>	<u>14,461</u>	<u>142,992</u>
<u>\$ 13,165</u>	<u>\$ 117,879</u>	<u>\$ 15,754</u>	<u>\$ 247,089</u>

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

Net change in fund balances - total governmental funds \$ 104,097

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.

Capital outlay 163,080
Depreciation expense (44,388)

Change in net assets of governmental activities \$ 222,789

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

General Fund - Major Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenue:				
Local effort:				
Charge for services	\$ 50	\$ 50	\$ 39	\$ (11)
Gross receipts - municipal 1.25%	2,590	2,590	1,487	(1,103)
Property tax - current	469	469	2,680	2,211
Total local effort	3,109	3,109	4,206	1,097
Taxes - state shared:				
Gross receipts - tax 1.225%	5,232	5,232	3,276	(1,956)
Cigarette tax	-	-	816	816
Motor vehicle administration fees	432	432	358	(74)
Total state shared taxes	5,664	5,664	4,450	(1,214)
Miscellaneous:				
Contributions	432	432	296	(136)
Interest income	35	35	419	384
Reimbursements / refunds	20	20	98	78
Total miscellaneous	487	487	813	326
Grants:				
State:				
State - Small City Assistance	35,000	35,000	35,000	-
Total grants	35,000	35,000	35,000	-
Total revenues	44,260	44,260	44,469	209
Expenditures:				
Current:				
General government	50,339	50,339	42,139	8,200
Total expenditures	50,339	50,339	42,139	8,200
Excess (deficiency) revenues over expenditures	(6,079)	(6,079)	2,330	(7,991)
Cash balance, beginning of year	34,772	34,772	34,772	-
Cash balance, end of year	\$ 28,693	\$ 28,693	\$ 37,102	\$ (7,991)

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

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

General Fund - Major Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

Revenue - budget basis	
Current year receivable/other credits	\$ 44,469
Prior year receivable/other debits	674
Revenue - GAAP basis	<u>(960)</u>
	<u>44,183</u>
Expenditures - budgetary basis	
Current year payable/other debits	\$ 42,139
Prior year payables/other credits	-
Expenditures - GAAP basis	<u>-</u>
	<u>42,139</u>

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Fire Protection - Special Revenue Fund - Major Fund
Statement of Revenues and Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local source:				
Interest income	\$ 41	\$ 41	\$ 72	\$ 31
Reimbursements / refunds	-	-	23	23
Total local sources	<u>41</u>	<u>41</u>	<u>95</u>	<u>54</u>
State source:				
State - fire allotment	<u>57,214</u>	<u>57,214</u>	<u>57,333</u>	<u>119</u>
Total state source	<u>57,214</u>	<u>57,214</u>	<u>57,333</u>	<u>119</u>
Total revenues	<u>57,255</u>	<u>57,255</u>	<u>57,428</u>	<u>173</u>
Expenditures:				
Current:				
Public safety	73,676	73,676	56,702	16,974
Capital outlay	<u>11,012</u>	<u>11,012</u>	<u>11,012</u>	<u>-</u>
Total expenditures	<u>84,688</u>	<u>84,688</u>	<u>67,714</u>	<u>16,974</u>
Excess (deficiency) revenues over expenditures	(27,433)	(27,433)	(10,286)	17,147
Other financing sources (uses):				
Operating transfer	-	-	1,677	1,677
Total other financing sources (uses)	-	-	1,677	1,677
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(27,433)	(27,433)	(8,609)	18,824
Cash balance, beginning of year	<u>57,433</u>	<u>57,433</u>	<u>57,433</u>	<u>-</u>
Cash balance, end of year	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 48,824</u>	<u>\$ 18,824</u>
Revenue - budget basis			\$ 57,428	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			<u>57,428</u>	
Expenditures - budgetary basis			\$ 67,714	
Current year payable/other debits			-	
Prior year payables/other credits			-	
Expenditures - GAAP basis			<u>67,714</u>	

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

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

Road Fund - Special Revenue Fund - Major Fund
 Statement of Revenues and Expenditures and Changes in
 Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance favorable (unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Gasoline tax	\$ 5,004	\$ 5,004	\$ 5,005	\$ 1
State source	-	-	1,367	1,367
Total revenues	<u>5,004</u>	<u>5,004</u>	<u>6,372</u>	<u>1,368</u>
Expenditures:				
Current:				
Highways and streets	11,088	11,088	3,158	7,930
Capital outlay	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Total expenditures	<u>22,088</u>	<u>22,088</u>	<u>14,158</u>	<u>7,930</u>
Excess (deficiency) revenues over expenditures	(17,084)	(17,084)	(7,786)	(6,562)
Cash balance, beginning of year	<u>21,060</u>	<u>21,060</u>	<u>21,060</u>	<u>-</u>
Cash balance, end of year	<u>\$ 3,976</u>	<u>\$ 3,976</u>	<u>\$ 13,274</u>	<u>\$ (6,562)</u>
Revenue - budget basis			\$ 6,372	
Current year receivable/other credits			417	
Prior year receivable/other debits			(417)	
Revenue - GAAP basis			<u>6,372</u>	
Expenditures - budgetary basis			\$ 14,158	
Current year payable/other debits			-	
Prior year payables/other credits			-	
Expenditures - GAAP basis			<u>14,158</u>	

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

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Fire Reserve - Special Revenue Fund - Major Fund
Statement of Revenues and Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
State source	\$ 7,630	\$ 7,630	\$ 4,378	\$ (3,252)
Total revenues	<u>7,630</u>	<u>7,630</u>	<u>4,378</u>	<u>(3,252)</u>
Expenditures:				
Current:				
Public safety	<u>22,036</u>	<u>22,036</u>	<u>3,425</u>	<u>18,611</u>
Total expenditures	<u>22,036</u>	<u>22,036</u>	<u>3,425</u>	<u>18,611</u>
Excess (deficiency) revenues over expenditures	(14,406)	(14,406)	953	15,359
Other financing sources (uses):				
Operating transfer	<u>-</u>	<u>-</u>	<u>(1,677)</u>	<u>(1,677)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,677)</u>	<u>(1,677)</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	(724)	13,682
Cash balance, beginning of year	<u>13,889</u>	<u>13,889</u>	<u>13,889</u>	<u>-</u>
Cash balance, end of year	<u>\$ 13,889</u>	<u>\$ 13,889</u>	<u>\$ 13,165</u>	<u>\$ 13,682</u>
Revenue - budget basis			\$ 4,378	
Current year receivable/other credits			-	
Prior year receivable/other debits			<u>-</u>	
Revenue - GAAP basis			<u>4,378</u>	
Expenditures - budgetary basis			\$ 3,425	
Current year payable/other debits			-	
Prior year payables/other credits			<u>-</u>	
Expenditures - GAAP basis			<u>3,425</u>	

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

Notes to Financial Statement

Note 1. Summary of Significant Accounting Policies

The financial statements of the Village of Causey (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

Financial Reporting Entity

The Village has a five-member board of trustees; staggered positions expire each election. The financial statements of the Village of Causey include the various departments, agencies, and organizational units under oversight of the Council.

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 Village 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 Village 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 Village has no component units; defined by GASB Statement No. 14 as other legally separate organizations for which the elected Village members are financially accountable. There are no other primary governments with which the Council are financially accountable. There are no other primary governments with which the Village has a significant relationship.

Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 operation 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.

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 in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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. Property tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which taxes are levied. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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.

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

Road Fund (Special Revenue Fund) – This fund was established to account for the maintenance of roads within the Village. Financing is provided by special tax per gallon on gasoline sold within the Village boundaries. Funding is provided by 7-1-6-9 and/or 7-13-1 thru 7-13-18, NMSA 1978 Compilation.

Fire Reserve Fund (Special Revenue Fund) – This fund was established to account for monies received from the Department of Energy, Minerals, and National Resources, State Forestry Division for the suppression of wild fires. Funding is provided by a Joint Powers Agreement with Energy, Minerals, and Natural Resources Department of the State of New Mexico 1983 to help purchase fire equipment, supplies, and fire trucks.

Truck Bay Construction Fund (Capital Project Fund) – This fund was established to account for the construction of a new bay for additional fire trucks. Funding is provided by a Special Appropriation Project, Laws of 2003, Chapter 385 and 429 for \$10,000. Also, a special Appropriation Project Laws of 2004 Chapter 126 for \$20,000 and two Special Appropriation Projects Laws of 2006, Chapter 111 for a total of \$85,000.

The District also reports additional Government funds as non-major. They include:

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

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

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

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

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

Budgets and Budgetary Accounting

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

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

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

1. The Village Clerk submits a proposed operating budget for the fiscal year commencing the following July 1, prior to June 30. The operating budget includes proposed expenditures and the means of financing them. A budget is proposed for the General, Special Revenue Funds, and Capital Projects Fund.
2. Public hearings are conducted to obtain taxpayer comments. The budgets are then submitted to the Department of Finance and Administration for review, adjustments, and approval.
3. Prior to June 30, the budget is legally enacted through passage of a resolution. The Council is authorized to transfer budgeted amounts between series levels within any fund. The Department of Finance and Administration must approve transfers between series and the Department of Finance and Administration must approve any revisions that alter the total expenditures of any fund.

4. Budgets for budgeted funds are adopted on the cash basis, which is not consistent with generally accepted accounting principles. Budgetary comparisons have been presented in this report on the basis of the legally adopted budget.
5. Budgets for all funds are adopted on a regulatory prescribed cash basis. The level of budgetary control is by fund total. Budgetary information is presented as adopted and amended, the amendments being adopted in a legally prescribed manner. Appropriations lapse at year-end with any unspent cash balance being available for expenditure and appropriation in the subsequent year's budget.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Project Fund. Budgets for the Village are adopted on a basis that is not in accordance with accounting principles generally accepted in the United States of America (GAAP). The budgets secure appropriations for only one year. All annual appropriations lapse at fiscal year end. Budgeted amounts are as originally adopted, or as amended by the Village Council. Expenditures of the statutory funds may not legally exceed appropriations for each budget.

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Project Fund. Encumbrances lapse at year-end and therefore are not presented in these financial statements.

Cash and Cash Equivalents

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

Receivables and Payables

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

Property Taxes

The County collects the Village's share of property taxes assessed. Property taxes attach as 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 Village on a monthly basis. The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues for the budget presentation. The information required to report property taxes at full accrual was not available during the year.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, computers, and software, are reported in the applicable governmental-wide financial statements. Such assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). The Village defines capital assets as assets with an initial, individual

STATE OF NEW MEXICO
VILLAGE OF CAUSEY
Notes to Financial Statements
June 30, 2009

cost of more than \$5,000 and an estimated useful life in excess of two years. The Village has no internally developed software to capitalize and depreciate. 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 as constructed. Other costs incurred for repairs and maintenance are expenses as incurred.

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:

<u>Assets</u>	<u>Years</u>
Buildings	40
Land improvements	10-20
Machinery and equipment	10-20
Vehicles	5-15
Office equipment	3-10
Computer equipment	3-7

GASB Statement 34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The Village did not own any infrastructure assets as of June 30, 2009.

Short-Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The Village does not have any activity in short-term debt as of June 30, 2009.

Net Assets

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

Investment in capital assets, – This category reflects the portion of net assets that are associates with capital assets less outstanding capital asset related debt. As of June 30, 2009 the Village had no outstanding debt.

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

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

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets 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 assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity, which has been segregated for specific purposes.

Unreserved fund balance indicates that portion of fund equity, which is available for budgeting in future periods.

Compensated Absences

There is no liability for unpaid accumulated annual leave since the Village does not have a policy to pay any amounts when employees separate from service with the Village. Sick pay does not vest and is recorded as an expenditure when it is paid.

Estimates

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method, if applicable. Bonds payable are reported net of the applicable bond premium or discount, if applicable. The Village has no long-term debt or bonds issued or outstanding as of June 30, 2009.

Risk Management

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

Note 2. Cash and Investments

The following is the Cash on Deposit at each financial institution.

Wells Fargo Bank	Checking	\$ 250,009
Wells Fargo Bank	Checking	3,897
Portales National Bank	Certificate of Deposit	8,930
Total		<u>\$ 262,836</u>
Total amount on deposit		\$ 262,836
Outstanding checks		(16,860)
Petty cash		21
Rounding		1
Total per financial statements		<u>\$ 245,998</u>

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 VILLAGE OF CAUSEY
 Notes to Financial Statements
 June 30, 2009

The Village 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 Portales New Mexico	Portales National Bank Portales New Mexico
Total amount of deposits, June 30, 2009	\$ 253,906	\$ 8,930
Less FDIC coverage	<u>(253,897)</u>	<u>(8,930)</u>
Total uninsured public funds	9	-
50% collateral requirement (as per Section 6-10-17, NMSA 1978)	5	-
Pledged securities	-	-
Over (under) collateralized	<u>\$ (5)</u>	<u>\$ -</u>

Custodial Credit Risk – Deposits

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 Village does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$9 of the Village's bank balance of \$262,836 was exposed to custodial credit risk.

The bank's has no collateral pledged as of June 30, 2009.

Note 3. Accounts Receivable

Receivables as of June 30, 2009 consist of the following:

	General Fund	Road Fund
Gross receipts tax	\$ 609	\$ -
Motor vehicle	32	-
Property tax	33	-
Gasoline tax	<u>-</u>	<u>417</u>
Totals	<u>\$ 674</u>	<u>\$ 417</u>

STATE OF NEW MEXICO
VILLAGE OF CAUSEY
Notes to Financial Statements
June 30, 2009

Note 4. Changes in Capital Assets

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 7,470	\$ -	\$ -	\$ 7,470
Total capital assets not being depreciated	<u>7,470</u>	<u>-</u>	<u>-</u>	<u>7,470</u>
Capital assets being depreciated:				
Land improvements	114,680	48,595	-	163,275
Buildings and improvements	359,188	6,522	-	365,710
Vehicles	394,838	-	-	394,838
Equipment	<u>307,264</u>	<u>107,963</u>	<u>-</u>	<u>415,227</u>
Total capital assets being depreciated	<u>1,175,970</u>	<u>163,080</u>	<u>-</u>	<u>1,339,050</u>
Less accumulated depreciation for:				
Land improvements	(36,958)	(10,128)	-	(47,086)
Buildings and improvements	(128,137)	(10,032)	-	(138,169)
Vehicles	(248,227)	(11,592)	-	(259,819)
Equipment	<u>(302,267)</u>	<u>(12,636)</u>	<u>-</u>	<u>(314,903)</u>
Total depreciation	<u>(715,589)</u>	<u>(44,388)</u>	<u>-</u>	<u>(759,977)</u>
Total capital assets being depreciated, net	<u>460,381</u>	<u>118,692</u>	<u>-</u>	<u>579,073</u>
Governmental activity capital assets, net	<u>\$ 467,851</u>	<u>\$ 118,692</u>	<u>\$ -</u>	<u>\$ 586,543</u>

Note 5. Retirement Plan

The Village of Causey does not participate in the State of New Mexico PERA retirement plan or any other retirement plan.

Note 6. Post-Retirement Health Care Benefits

The Village of Causey does not participate in the State of New Mexico Retiree Health Care Plan.

Note 7. Surety Bond

A surety bond as required by Section 12-6-7 NMSA 1978 Compilation and the New Mexico State Auditor Rule NMAC 2.2.2. covers the officials and certain employees of the Village.

Note 8. Joint Powers Agreement

The Village of Causey entered into a Joint Powers Agreement 93-521-23-149 with the New Mexico Energy, Minerals, and Natural Resources Department, State Forestry Division (EMNRD). EMNRD desires to assist the Village to enhance the organization of its wildfire protection activities and the Village desires to assist EMNRD to enhance the organization of wildfire protection activity on non-municipal lands adjacent to the Village. The Village agrees to develop and maintain a cooperative wildfire protection system including the use of its fire department for the prevention, detection, pre-suppression and suppression of wildfires, and for the procurement and maintenance of forest, brush, and grassland firefighting equipment. EMNRD will reimburse the Village for use of equipment for fire suppression when a Fire Reimbursement Request Form is completed and sent to EMNRD within 30 days after the fire is extinguished. All payments under this agreement are on a reimbursement basis. The agreement was approved by the New Mexico Department of Finance and Administration on January 1, 1993. The agreement shall remain in effect perpetually unless terminated by either party. The Village reports the receipts and disbursements in the Fire Reserve Fund.

A Joint Powers Agreement was entered into on February 11, 2003 between the City of Portales and the Village of Causey to provide a comprehensive emergency management program to achieve the maximum effect in the protection of the public health and safety within Roosevelt County and its municipalities. The agreement commenced on February 11, 2003 and shall remain in force until rescinded or terminated by either party. The administration of funds, which may be appropriated, shall be mutually agreed upon between participating political subdivisions. The Village reports the receipts and disbursements in the Fire Improvement Fund.

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Supplementary Information

Major Capital Project Fund

Truck Bay Construction Fund

This fund was established to account for the construction of a new bay for additional fire trucks. Funding is provided by a Special Appropriation Project, Laws of 2003, Chapter 385 and 429 for \$10,000. Also, a special Appropriation Project Laws of 2004 Chapter 126 for \$20,000 and two Special Appropriation Projects Laws of 2006, Chapter 111 for a total of \$85,000.

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Truck Bay Construction - Capital Project Fund - Major Fund
Statement of Revenues and Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
State sources	\$ 381,985	\$ 381,985	\$ 168,235	\$ (213,750)
Federal sources	-	-	95,326	95,326
Total revenues	<u>381,985</u>	<u>381,985</u>	<u>263,561</u>	<u>(118,424)</u>
Expenditures:				
Current:				
Public safety	5,000	5,000	4,614	386
Capital outlay	<u>376,985</u>	<u>376,985</u>	<u>141,068</u>	<u>235,917</u>
Total expenditures	<u>381,985</u>	<u>381,985</u>	<u>145,682</u>	<u>236,303</u>
Excess (deficiency) revenues over expenditures	-	-	117,879	117,879
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,879</u>	<u>\$ 117,879</u>
Revenue - budget basis			\$ 263,561	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			<u>263,561</u>	
Expenditures - budgetary basis			\$ 145,682	
Current year payable/other debits			-	
Prior year payables/other credits			-	
Expenditures - GAAP basis			<u>145,682</u>	

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

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Non-Major Special Revenue Funds

Emergency Medical Service (EMS) Fund

This fund was established to account for the operation and maintenance of the EMS Department. Financing is provided by a motor vehicle registration fee of one dollar. Funding is provided under State Statute 24-10a-6, NMSA, 1978 Compilation.

Beautification Grant Fund

To account for resources from the State of New Mexico, New Mexico Department of Tourism for the "New Mexico Litter Control and Beautification Act" to eliminate litter from the State of NM to the maximum practical extent through a State coordinated plan of education , control, prevention, and elimination. Authority is Sections 67-16-1 to 67-16-14, NMSA 1978.

Recreation Fund

This fund is to provide for the operation and maintenance of the Village recreational equipment and facilities. The authority is NMSA 1978 Section 5-4-1 to 5-4-9.

Fire Improvement Fund

This fund was established to account for County gross receipts taxes received by the County then remitted to the Village. The funds are only for improvement of fire protection equipment. Funding is provided under Roosevelt County Ordinance 5-83, Section 4.

Ambulance Fund

This fund was established to account for ambulance charges to help purchase medical supplies, conferences, and maintenance on the ambulance.

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2009

	<u>EMS</u>	<u>Beautification</u>	<u>Recreation</u>	<u>Fire Improvement</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 110	\$ 745	\$ 3,226
Total assets	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 745</u>	<u>\$ 3,226</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Unreserved reported in Special revenue	<u>-</u>	<u>110</u>	<u>745</u>	<u>3,226</u>
Total fund balance	<u>-</u>	<u>110</u>	<u>745</u>	<u>3,226</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 745</u>	<u>\$ 3,226</u>

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

<u>Ambulance</u>	<u>Totals</u>
<u>\$ 11,673</u>	<u>\$ 15,754</u>
<u>\$ 11,673</u>	<u>\$ 15,754</u>
<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>
<u>11,673</u>	<u>15,754</u>
<u>11,673</u>	<u>15,754</u>
<u>\$ 11,673</u>	<u>\$ 15,754</u>

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the year ended June 30, 2005

	<u>EMS</u>	<u>Beautification</u>	<u>Recreation</u>	<u>Fire Improvement</u>
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Local sources				7,469
State shared taxes	-	-	292	-
State sources	<u>7,189</u>	<u>710</u>	<u>4,951</u>	<u>-</u>
Total revenues	<u>7,189</u>	<u>710</u>	<u>5,243</u>	<u>7,469</u>
Expenditures:				
Current:				
Public safety	7,189	-		8,661
Culture and recreation	<u>-</u>	<u>600</u>	<u>4,498</u>	<u>-</u>
Total expenditures	<u>7,189</u>	<u>600</u>	<u>4,498</u>	<u>8,661</u>
Net change in fund balance	-	110	745	(1,192)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,418</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 745</u>	<u>\$ 3,226</u>

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

<u>Ambulance</u>	<u>Totals</u>
\$ 10,197	\$ 10,197
533	8,002
-	292
-	12,850
<u>10,730</u>	<u>31,341</u>
9,100	24,950
-	5,098
<u>9,100</u>	<u>30,048</u>
1,630	1,293
<u>10,043</u>	<u>14,461</u>
<u>\$ 11,673</u>	<u>\$ 15,754</u>

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

EMS Fund - Special Revenue Fund - Non Major Fund
 Statement of Revenues and Expenditures and Changes in
 Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 7,202	\$ 7,202	\$ 7,189	\$ (13)
Total revenues	<u>7,202</u>	<u>7,202</u>	<u>7,189</u>	<u>(13)</u>
Expenditures:				
Current:				
Public safety	<u>7,202</u>	<u>7,202</u>	<u>7,189</u>	<u>13</u>
Total expenditures	<u>7,202</u>	<u>7,202</u>	<u>7,189</u>	<u>13</u>
Excess (deficiency) revenues over expenditures	-	-	-	-
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue - budget basis			\$ 7,189	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			<u>7,189</u>	
Expenditures - budgetary basis			\$ 7,189	
Current year payable/other debits			-	
Prior year payables/other credits			-	
Expenditures - GAAP basis			<u>7,189</u>	

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

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Beautification Grant Fund - Special Revenue Fund - Non Major Fund
Statement of Revenues and Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
State sources	\$ -	\$ -	\$ 1,360	\$ 1,360
Total revenues	-	-	1,360	1,360
Expenditures:				
Current:				
Culture and recreation	-	600	600	-
Total expenditures	-	600	600	-
Excess (deficiency) revenues over expenditures	-	(600)	760	1,360
Cash balance, beginning of year	(650)	(650)	(650)	-
Cash balance, end of year	<u>\$ (650)</u>	<u>\$ (1,250)</u>	<u>\$ 110</u>	<u>\$ 1,360</u>
Revenue - budget basis			\$ 1,360	
Current year receivable/other credits				
Prior year receivable/other debits			(650)	
Revenue - GAAP basis			<u>710</u>	
Expenditures - budgetary basis			\$ 600	
Current year payable/other debits			-	
Prior year payables/other credits			-	
Expenditures - GAAP basis			<u>600</u>	

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

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Recreation Fund - Special Revenue Fund - Non Major Fund
Statement of Revenues and Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
State shared taxes	\$ 300	\$ 300	\$ 292	\$ (8)
State sources	<u>11,872</u>	<u>11,872</u>	<u>5,015</u>	<u>(6,857)</u>
Total revenues	<u>12,172</u>	<u>12,172</u>	<u>5,307</u>	<u>(6,865)</u>
Expenditures:				
Current:				
Culture and recreation	<u>12,108</u>	<u>12,108</u>	<u>4,498</u>	<u>7,610</u>
Total expenditures	<u>12,108</u>	<u>12,108</u>	<u>4,498</u>	<u>7,610</u>
Excess (deficiency) revenues over expenditures	64	64	809	745
Cash balance, beginning of year	<u>(64)</u>	<u>(64)</u>	<u>(64)</u>	<u>-</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745</u>	<u>\$ 745</u>

Revenue - budget basis	\$ 5,307
Current year receivable/other credits	-
Prior year receivable/other debits	<u>(64)</u>
Revenue - GAAP basis	<u>5,243</u>
Expenditures - budgetary basis	\$ 4,498
Current year payable/other debits	-
Prior year payables/other credits	<u>-</u>
Expenditures - GAAP basis	<u>4,498</u>

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

STATE OF NEW MEXICO
 VILLAGE OF CAUSEY

Fire Improvements - Special Revenue Fund - Non Major Fund
 Statement of Revenues and Expenditures and Changes in
 Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance favorable (unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources	\$ 6,800	\$ 6,800	\$ 7,469	\$ 669
Total revenues	<u>6,800</u>	<u>6,800</u>	<u>7,469</u>	<u>669</u>
Expenditures:				
Current:				
Public safety	<u>8,800</u>	<u>8,800</u>	<u>8,661</u>	<u>139</u>
Total expenditures	<u>8,800</u>	<u>8,800</u>	<u>8,661</u>	<u>139</u>
Excess (deficiency) revenues over expenditures	(2,000)	(2,000)	(1,192)	808
Cash balance, beginning of year	<u>4,418</u>	<u>4,418</u>	<u>4,418</u>	<u>-</u>
Cash balance, end of year	<u>\$ 2,418</u>	<u>\$ 2,418</u>	<u>\$ 3,226</u>	<u>\$ 808</u>
Revenue - budget basis			\$ 7,469	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			<u>7,469</u>	
Expenditures - budgetary basis			\$ 8,661	
Current year payable/other debits			-	
Prior year payables/other credits			-	
Expenditures - GAAP basis			<u>8,661</u>	

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

STATE OF NEW MEXICO
VILLAGE OF CAUSEY

Ambulance - Special Revenue Fund - Non Major Fund
Statement of Revenues and Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
Local source:				
Charges for service	\$ 9,020	\$ 9,020	\$ 10,197	\$ 1,177
Miscellaneous	-	-	533	533
Total revenues	<u>9,020</u>	<u>9,020</u>	<u>10,730</u>	<u>1,710</u>
Expenditures:				
Current:				
Public safety	<u>19,020</u>	<u>19,020</u>	<u>9,100</u>	<u>9,920</u>
Total expenditures	<u>19,020</u>	<u>19,020</u>	<u>9,100</u>	<u>9,920</u>
Excess (deficiency) revenues over expenditures	(10,000)	(10,000)	1,630	11,630
Cash balance, beginning of year	<u>10,043</u>	<u>10,043</u>	<u>10,043</u>	<u>-</u>
Cash balance, end of year	<u>\$ 43</u>	<u>\$ 43</u>	<u>\$ 11,673</u>	<u>\$ 11,630</u>

Revenue - budget basis	\$ 10,730
Current year receivable/other credits	-
Prior year receivable/other debits	-
Revenue - GAAP basis	<u>10,730</u>
Expenditures - budgetary basis	\$ 9,100
Current year payable/other debits	-
Prior year payables/other credits	-
Expenditures - GAAP basis	<u>9,100</u>

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

Compliance Section

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Sandra Rush

Certified Public Accountant PC

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
Honorable Mayor and Village Council
Village of Causey
Causey, New Mexico

I have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the Village as of and for the year ended June 30, 2009, and have issued my report thereon dated October 26, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Village's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Mr. Hector Balderas
State Auditor of the State of New Mexico
Honorable Mayor and Village Council
Village of Causey
Causey, New Mexico
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as findings 09-1.

I noted certain matters that are required to be reported under Government Auditing Standards January 2007 Revision paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings 09-1.

The Village's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. I did not audit the Village's response and, accordingly, I express no opinion on it.

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


Sandra Rush, CPA
October 26, 2009

STATE OF NEW MEXICO
VILLAGE OF CAUSEY
Schedule of Findings and Exit Conference
June 30, 2009

Prior Year Audit findings

None

Current Year Audit Findings

09-1 Audit Report Late

Condition

The June 30, 2009 audit report was not filed timely as required by the State Auditors Rule NMAC 2.2.2.9.A.

Criteria

In accordance with the State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements and other required documents are due by December 1, annually

Cause

The audited financial statements and the required documents were not submitted by December 1, 2009.

Effect

The Village is not in compliance with State Auditor Rule NMAC 2.2.2.9.A, for the year ended June 30, 2009.

Recommendation

The audit report should be submitted to the State Auditor by the December 1 deadline.

Response

The Village agrees.

Financial Statement Preparation

The financial statements were prepared by Village personnel with assistance from Sandra Rush, CPA. The financial statements remain the responsibility of the Village's management.

Exit Conference

The contents of this report were discussed with T Ann Clark, clerk – treasurer, Mike D Clark, fire chief, Darrell Caviness, council member, Jim Stokes, council member, LaVerne Scheller, council member, and Sandra Rush, CPA, in an exit conference on October 26, 2009.

