

STATE OF NEW MEXICO

VILLAGE OF CIMARRON

AUDIT REPORT

For the Year Ended June 30, 2011

(with Auditor's Report Thereon)

RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

STATE OF NEW MEXICO

VILLAGE OF CIMARRON

AUDIT REPORT

For The Year Ended June 30, 2011

(with Auditor's Report Thereon)

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
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STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Official Roster
Year Ended June 30, 2011

Village Council

<u>Name</u>	<u>Title</u>
Ms. Mary Alice Tracy-Boyce	Mayor
Mr. Todd Smith	Mayor Pro-Tem
Ms. Denise Sanchez	Council Member
Mr. Eddie Carter	Council Member
Ms. Anita LeDoux	Council Member
Ms. Judy LeDoux	Council Member

Village Administration

Ms. Mindy Cahill	Clerk
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Public Housing Administration

Ms. Teresita Gruver	Executive Director
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Rice and Associates, C.P.A.

AUDITING
BOOKKEEPING
(505) 292-8275

CERTIFIED PUBLIC ACCOUNTANTS
11805 Menaul NE
Albuquerque, NM 87112

TAX PLANNING
TAX PREPARATION
FAX (505) 294-8904

INDEPENDENT AUDITOR'S REPORT

Mr. Hector H. Balderas
New Mexico State Auditor
and
Honorable Mayor and Village Council
Village of Cimarron
Cimarron, New Mexico

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, Fire Protection and Correction Fees Funds of the Village of Cimarron, as of and for the year ended June 30, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's non-major governmental funds and enterprise funds and the budgetary comparisons for all non-major governmental and enterprise funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011 as listed in the table of contents. We did not audit the financial statements of the Village of Cimarron Public Housing Authority, a component unit of the Village of Cimarron which statements reflect total assets of \$545,609 as of June 30, 2011, and net operating revenues of \$144,054 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for the Village of Cimarron, is based solely on the report of the other auditors. These financial statements are the responsibility of the Village of Cimarron's management. Our responsibility is to express opinions on these financial statements based on our audit.

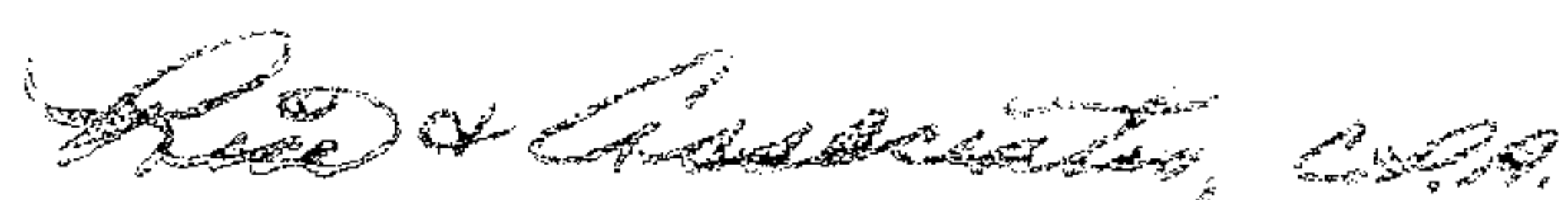
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 Village of Cimarron's internal control over financial reporting. According, we 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. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Cimarron, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, Fire Protection and Correction Fees Funds for the year then ended in conformity 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 non-major governmental fund and enterprise funds of the Village of Cimarron, as of June 30, 2011, and the respective changes in financial position, thereof and the budgetary comparisons for the non-major governmental funds and enterprise 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*, we have also issued our report dated July 23, 2012 on our consideration of the Village of Cimarron's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Village has not presented the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements and the combining and individual fund financial statements and the budgetary comparisons of Village of Cimarron. The accompanying financial information listed as Schedule of Changes in Assets and Liabilities - All Agency Funds is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic, combining and individual fund financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds taken as a whole.



July 23, 2012

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Statement of Net Assets
June 30, 2011

Statement 1

	Governmental Activities	Business-Type Activities	Housing Authority Component Unit
ASSETS			
Current Assets			
Cash	\$ 567,648	\$ 242,191	\$ 73,176
Accounts receivable (net)	51,977	31,530	722
Prepaid assets	-	-	2,586
Due from other funds	87,224	7,870	-
Inventory	-	-	946
Total current assets	<u>706,849</u>	<u>281,591</u>	<u>77,430</u>
Restricted Assets			
Cash	-	43,415	2,961
Total restricted assets	<u>-</u>	<u>43,415</u>	<u>2,961</u>
Capital Assets			
Land (non-depreciable)	117,880	58,000	18,600
Capital assets, net of depreciation	<u>2,221,999</u>	<u>2,870,752</u>	<u>446,618</u>
Total capital assets	<u>2,339,879</u>	<u>2,928,752</u>	<u>465,218</u>
Total assets	<u>\$ 3,046,728</u>	<u>\$ 3,253,758</u>	<u>\$ 545,609</u>
Current Liabilities			
Interst payable	\$ 2,488	\$ -	\$ -
Accounts payable	13,110	30,069	2,503
Deposits payable	-	32,741	3,202
Loan (current portion)	12,477	26,551	-
Revenue bonds payable (current portion)	-	5,000	-
RUS bonds payable	-	2,100	-
Due to other funds	<u>7,870</u>	<u>87,224</u>	<u>-</u>
Total current liabilities	<u>35,945</u>	<u>183,685</u>	<u>5,705</u>
Non-Current Liabilities			
Compensated absences payable	12,632	8,500	1,559
Loan (non-current portion)	41,022	74,444	-
Revenue bonds payable	-	88,000	-
RUS bonds payable	<u>-</u>	<u>175,125</u>	<u>-</u>
Total non-current liabilities	<u>53,654</u>	<u>346,069</u>	<u>1,559</u>
Total liabilities	<u>89,599</u>	<u>529,754</u>	<u>1,559</u>
Net Assets			
Invested in capital assets, net of related debt	2,283,892	2,557,532	465,218
Restricted for Debt Service	-	9,540	-
Unrestricted	<u>673,237</u>	<u>156,932</u>	<u>73,127</u>
Total net assets	<u>2,957,129</u>	<u>2,724,004</u>	<u>538,345</u>
Total liabilities and net assets	<u>\$ 3,046,728</u>	<u>\$ 3,253,758</u>	<u>\$ 545,609</u>

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Statement of Activities
Year Ended June 30, 2011

Statement 2

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 306,109	\$ 26,008	\$ -	\$ 386,000	\$ 105,899	\$ -	\$ 105,899	\$ -
Highways and streets	72,470	-	-	-	(72,470)	-	(72,470)	-
Public safety	212,054	45,213	100,668	-	(66,173)	-	(66,173)	-
Culture and recreation	32,106	-	-	-	(32,106)	-	(32,106)	-
Health and welfare	156	913	-	-	757	-	757	-
Depreciation - unallocated	198,278	-	-	-	(198,278)	-	(198,278)	-
Total governmental activities	821,173	72,134	100,668	386,000	(262,371)	-	(262,371)	-
Business-type activities:								
Water/Sewer services	447,455	207,440	14,929	-	-	(225,086)	(225,086)	-
Solid waste services	163,155	135,249	-	-	-	(27,906)	(27,906)	-
Ambulance services	53,587	80,553	14,876	-	-	41,842	41,842	-
Total business-type activities	664,197	423,242	29,805	-	-	(211,150)	(211,150)	-
Total all activities	\$ 1,485,370	\$ 495,376	\$ 130,473	\$ 386,000	(262,371)	(211,150)	(473,521)	-
Component Unit:								
Housing Authority	\$ 115,266	\$ 27,452	\$ 1,011	\$ 115,318	-	-	-	28,515
General Revenues:								
Property taxes					64,894	-	64,894	-
Gross receipts taxes					483,508	10,830	494,338	-
Franchise taxes					24,212	-	24,212	-
Gas tax					15,610	-	15,610	-
MVD fees					2,896	-	2,896	-
Cigarette taxes					218	-	218	-
Lodgers taxes					17,144	-	17,144	-
State aid not restricted to special purpose								
General					107,462	-	107,462	-
Transfers					(49,580)	49,580	-	-
Investment earnings					759	362	1,121	273
Total general revenues and transfers					667,123	60,772	727,895	273
Change in net assets					404,752	(150,378)	254,374	28,788
Net assets - beginning of year					2,552,377	2,874,382	5,426,759	509,557
Net assets - end of year					\$ 2,957,129	\$ 2,724,004	\$ 5,681,133	\$ 538,345

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Balance Sheet
 Governmental Funds
 June 30, 2011

Statement 3

	General	Fire Protection Fund	Correction Fees Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash on deposit	\$ 326,215	\$ 127,697	\$ 93,575	\$ 20,161	\$ 567,648
Accounts receivable	47,778	-	1,445	2,754	51,977
Due from other funds	87,224	-	-	-	87,224
Total assets	<u>\$ 461,217</u>	<u>\$ 127,697</u>	<u>\$ 95,020</u>	<u>\$ 22,915</u>	<u>\$ 706,849</u>
LIABILITIES					
Accounts payable	\$ 13,110	\$ -	\$ -	\$ -	\$ 13,110
Due to other funds	7,870	-	-	-	7,870
Total liabilities	<u>20,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,980</u>
FUND BALANCE					
Restricted	-	127,697	95,020	22,915	245,632
Unassigned	440,237	-	-	-	440,237
Total fund balance	<u>440,237</u>	<u>127,697</u>	<u>95,020</u>	<u>22,915</u>	<u>685,869</u>
Total liabilities and fund balance	<u>\$ 461,217</u>	<u>\$ 127,697</u>	<u>\$ 95,020</u>	<u>-</u>	<u>\$ 706,849</u>

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

STATE OF NEW MEXICO

Statement 4

VILLAGE OF CIMARRON

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
June 30, 2011

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

Total fund balances - governmental funds		\$ 685,869
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds</p>		
The cost of capital assets	4,813,651	
Accumulated depreciation	<u>(2,473,772)</u>	
		2,339,879
<p>Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year-end consist of:</p>		
Interest payable	(2,488)	
Wells Fargo loan payable	(53,499)	
Compensated absences	<u>(12,632)</u>	
		<u>(68,619)</u>
Net assets of governmental activities		<u><u>\$ 2,957,129</u></u>

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Governmental Funds

Statement 5

Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2011

	General Fund	Fire Protection Fund	Correction Fees Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 64,894	\$ -	\$ -	\$ -	\$ 64,894
Lodgers taxes	-	-	-	17,144	17,144
Franchise taxes	24,212	-	-	-	24,212
Gross receipts taxes	244,214	-	-	-	244,214
Cigarette taxes	145	-	-	73	218
Gas tax	15,610	-	-	-	15,610
Rent	5,500	-	-	-	5,500
MVD fees	2,896	-	-	-	2,896
Charges for services	2,954	-	-	913	3,867
Licenses and permits	4,810	-	-	-	4,810
Fines and forfeitures	35,968	-	9,245	-	45,213
Local sources	9,944	2,300	-	500	12,744
State sources	368,462	79,468	-	21,200	469,130
Federal sources	125,000	-	-	-	125,000
State shared taxes	239,294	-	-	-	239,294
Earnings from investments	759	-	-	-	759
Total revenues	<u>1,144,662</u>	<u>81,768</u>	<u>9,245</u>	<u>39,830</u>	<u>1,275,505</u>
EXPENDITURES					
Current:					
General government	304,507	-	-	-	304,507
Highways and streets	72,470	-	-	-	72,470
Public safety	170,396	31,562	-	7,608	209,566
Culture and recreation	11,251	-	-	20,855	32,106
Health & welfare	-	-	-	156	156
Capital outlay	349,275	-	-	-	349,275
Debt service:	-	-	-	-	-
Loan principal	-	-	-	12,501	12,501
Loan interest	-	-	-	2,464	2,464
Total expenditures	<u>907,899</u>	<u>31,562</u>	<u>-</u>	<u>43,584</u>	<u>983,045</u>
Excess (deficiency) revenues over expenditures	236,763	50,206	9,245	(3,754)	292,460
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers (out)	(49,580)	-	-	-	(49,580)
Loan proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>(49,580)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,580)</u>
Net change in fund balances	187,183	50,206	9,245	(3,754)	242,880
Fund balance beginning of year	<u>253,054</u>	<u>77,491</u>	<u>85,775</u>	<u>26,669</u>	<u>442,989</u>
Fund balance end of year	<u>\$ 440,237</u>	<u>\$ 127,697</u>	<u>\$ 95,020</u>	<u>\$ 22,915</u>	<u>\$ 685,869</u>

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON

Statement 6

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2011

Net change in fund balances - total governmental funds	\$	242,880
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlays	349,275	
Depreciation expense	<u>(198,278)</u>	

Excess of capital outlay over depreciation expense		150,997
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In the Statement of Activities, certain operating expenses are measured by the amount incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Accrued interest payable		(24)
Compensated absences payable		(1,602)

The issuance of long-term debt (e.g. loans) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Proceeds of loan	-	
Repayment of long-term debt	<u>12,501</u>	

12,501

Change in net assets of governmental activities	\$	<u><u>404,752</u></u>
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The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
General Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 56,000	\$ 56,000	\$ 65,117	\$ 9,117
Franchise taxes	22,000	22,000	19,514	(2,486)
Gross receipts taxes	138,500	138,500	236,106	97,606
Cigarette tax	-	-	256	256
Gas tax	14,600	14,600	15,311	711
Rent	6,600	6,600	5,500	(1,100)
MVD fees	1,600	1,600	2,024	424
Charges for services	1,500	1,500	2,954	1,454
Licenses and permits	4,250	4,250	4,810	560
Fines and forfeitures	127,580	127,580	35,968	(91,612)
Local sources	5,000	5,000	12,244	7,244
State sources	1,054,000	1,054,000	368,462	(685,538)
Federal sources	125,000	125,000	125,000	-
State shared taxes	126,000	126,000	239,294	113,294
Earnings from investments	5,300	5,300	759	(4,541)
Total revenues	<u>\$ 1,687,930</u>	<u>\$ 1,687,930</u>	<u>\$ 1,133,319</u>	<u>\$ (554,611)</u>
EXPENDITURES				
General government	\$ 328,678	\$ 328,678	\$ 311,528	\$ 17,150
Highways and streets	80,752	80,752	72,470	8,282
Public safety	261,311	261,311	170,396	90,915
Culture and recreation	10,000	10,000	11,251	(1,251)
Capital outlay	1,000,000	1,000,000	349,275	650,725
Total expenditures	<u>\$ 1,680,741</u>	<u>\$ 1,680,741</u>	<u>\$ 914,920</u>	<u>\$ 765,821</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	(49,580)	(49,580)	-
Total expenditures	<u>\$ -</u>	<u>\$ (49,580)</u>	<u>\$ (49,580)</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Fire Protection Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 2,300	\$ 2,300
State sources	79,468	79,468	79,468	-
Total revenues	<u>\$ 79,468</u>	<u>\$ 79,468</u>	<u>\$ 81,768</u>	<u>\$ 2,300</u>
EXPENDITURES				
Public safety	\$ 61,150	\$ 61,150	\$ 31,562	\$ 29,588
Total expenditures	<u>\$ 61,150</u>	<u>\$ 61,150</u>	<u>\$ 31,562</u>	<u>\$ 29,588</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Correction Fees Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fines and forfeitures	\$ 24,000	\$ 24,000	\$ 8,880	\$ 15,120
Total revenues	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 8,880</u>	<u>\$ 15,120</u>
EXPENDITURES				
Public safety	\$ 24,000	\$ 24,000	-	\$ 24,000
Total expenditures	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ 24,000</u>

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Enterprise Funds
Statement of Net Assets
June 30, 2011

Statement 10

	Enterprise Fund
ASSETS	
Current Assets	
Cash on deposit	\$ 242,191
Accounts receivable (net)	31,530
Due from other funds	7,870
Total Current Assets	281,591
Restricted Assets (Cash)	
Customer meter deposits	33,875
Debt service	9,540
Total Restricted Assets (Cash)	43,415
Property, Plant and Equipment	
Land	58,000
Equipment	486,275
Heavy equipment	59,800
Vehicles	216,723
Plant	5,881,651
Accumulated depreciation	(3,773,697)
Total Property, Plant and Equipment	2,928,752
Total Assets	\$ 3,253,758
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 30,069
Due to other funds	87,224
Customer meter deposits payable from Restricted Assets	32,741
Revenue bonds payable	5,000
RUS Bonds payable	2,100
Loans payable	26,551
Total Current Liabilities	183,685
Long-Term Liabilities	
Compensated absences	8,500
Revenue bonds payable	88,000
RUS Bonds payable	175,125
Loan payable	74,444
Total Long-Term Liabilities	346,069
NET ASSETS	
Invested in Capital Assets, net of related debt	2,557,532
Restricted for debt service	9,540
Unrestricted	156,932
Total Net Assets	2,724,004
Total Liabilities and Net Assets	\$ 3,253,758

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Enterprise Funds
 Statement of Revenues, Expenses and
 Changes in Fund Net Assets
 For the Year Ended June 30, 2011

	Enterprise Fund
OPERATING REVENUES	
Sales and services	\$ 423,242
Environmental gross receipts taxes	10,830
Intergovernmental	7,909
Miscellaneous	21,896
Total operating revenue	463,877
OPERATING EXPENSES	
Personal services	134,403
Maintenance and operations	290,978
Depreciation	218,890
Total operating expenses	644,271
Operating income (loss)	(180,394)
NON-OPERATING REVENUE (EXPENSE)	
Investment income	362
Investment expense	(19,926)
Total Non-Operating Revenue (Expense)	(19,564)
Income (loss) before transfers	(199,958)
Operating transfers in	49,580
Operating transfers out	-
Net transfers	49,580
Change in Net Assets	(150,378)
Total Net Assets, beginning of year	2,874,382
Total Net Assets, end of year	\$ 2,724,004

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Enterprise Funds
Statement of Cash Flows
For the Year Ended June 30, 2011

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 434,733
Cash received from intergovernmental	10,679
Cash received from miscellaneous sources	21,896
Cash payments to employees and to suppliers for goods and services	(433,277)
Net cash provided by operating activities	34,031
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	(7,255)
Principal paid	(46,271)
Investment expense	(19,926)
Transferred from/to other funds	49,580
Net cash provided (used) by capital and related financing activities	(23,872)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Security deposits (returned)	(2,960)
Investment income	361
Net cash provided by investing activities	(2,599)
Net increase (decrease) in cash	7,560
Cash, beginning of year	278,046
Cash, end of year	\$ 285,606
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (180,394)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	218,890
Changes in assets and liabilities:	
(Increase) decrease in receivables	11,301
Increase (decrease) in accounts payable	(6,283)
Increase (decrease) in compensated absences	(1,613)
(Increase) decrease in due to/from other funds	(7,870)
Total	214,425
Net cash provided (used) by operating activities	\$ 34,031

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 400
Total Assets	<u>\$ 400</u>
LIABILITIES	
Due to bond holders	\$ 400
Due to other agencies	<u>-</u>
Total Liabilities	<u>\$ 400</u>

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Notes to Financial Statements
Year Ended June 30, 2011

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Cimarron was incorporated in 1980 as a municipality in the State of New Mexico under the provisions to amend 1608 compiled laws 1884, House Bill 88 approved February 10, 1981. The Village of Cimarron operates under the direction of a Mayor-Council form of government. The Village provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include water and sewer services, solid waste disposal, ambulance and public housing.

The summary of significant accounting policies of the Village of Cimarron is presented to assist in the understanding of the Village of Cimarron's financial statements. The financial statements and notes are the representation of the Village of Cimarron's management who is responsible for their integrity and objectivity. The financial statements of the 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 financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basis - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each component unit addressed in defining the governments reporting entity.

Village of Cimarron Housing Authority

Based upon the application of these criteria, the Village has a Housing Authority that will be considered a component unit, however, the Village was not a component unit of another governmental agency during the fiscal year ended June 30, 2010. The primary goal of the Low Income Housing Program is the provision of a decent home in a suitable living environment for families that cannot afford standard private housing. Questions concerning any of the information regarding the Village of Cimarron Housing Authority audit report (portions included herein), requests for additional information or to review a copy of the financial statements should be addressed to the Executive Director, Village of Cimarron Housing Authority, PO Box 654, Cimarron, NM 87714.

B. 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 nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which is normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year for which they are levied.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the 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 - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Fire Protection Fund - To account for the operations and maintenance of the Department. Financing provided by a specific allotment from the State Fire Marshall's Office. Authority is NMSA 59A-53-1.

Notes to Financial Statements (continued)

Special Revenue Fund - Correction Fees Fund - To account for fines collected by the Village Courts and designated to be used for the operation and maintenance of the Village jail. Authority is Section 35-14-11 NMSA.

The Village reports the following as Proprietary Funds.

Proprietary Funds - Enterprise Funds

Enterprise Fund - Water and Sewer Fund - To account for the operations of the Village's Water and Sewer Department, for meter deposits and payment of Joint Utility Revenue Bonds.

Enterprise Fund - Solid Waste Fund - To account for the operations of the (contracted) solid waste services.

Enterprise Fund - Ambulance Fund - To account for the operations of the emergency ambulance services.

Additionally, the Village reports the following fund types:

Fiduciary Funds - Agency Funds

Agency Funds - To account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Village.

The Village 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.

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. Taxes and other items not properly included among program revenue are reported instead as *general revenues*.

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 wastewater, solid waste, and sewer funds are charges to customers for sales and services. The wastewater fund also recognized as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Village does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

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. For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments including restricted cash assets to be cash equivalents.

Notes to Financial Statements (continued)

State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Village are reported at cost.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances".

Advances between funds, as reported in the fund financial statement, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are not recorded as revenue until received.

Inventories

Inventories in governmental funds consist of expendable supplies held for consumption, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are reported at cost, and expenditures are recorded at the time individual inventory items are purchased. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as expenditures when purchased.

Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their payment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) per Section 12-6-10 NMSA 1978 and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The Village does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the Village does not capitalize library books unless they exceed the \$5,000 threshold.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	33
Building improvements	33
Public domain infrastructure	33
System infrastructure	33
Vehicles	3 to 5
Office equipment	3 to 10
Heavy equipment	3 to 10

Deferred Revenues

Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues.

Compensated Absences

Vested or accumulated vacation and compensation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount.

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, net of related debt - This category reflects the portion of net assets that are associates with capital assets less outstanding capital asset related 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.

Fund Balance

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

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

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

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

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

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

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

E. Budgetary Information

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

1. The Village Clerk-Treasurer submits to the Village Council a proposed operating budget for the fiscal year commencing July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Village offices to obtain taxpayer comments. The budget is legally enacted through passage of a resolution.
3. The Village Mayor and Clerk-Treasurer are authorized to transfer budget amounts between departments within any fund; however, the Local-Government Division of the State Department of Finance and Administration must approve any revisions that alter the total expenditures of any fund.
4. Formal budgetary integration is to be employed as a management control device during the year for all of the governmental fund types.
5. Encumbrances are not considered in budget preparation.
6. The level of classifications detail in which expenditures may not legally exceed appropriations for each budget is in fund total. Appropriates lapse at year-end.
7. All budgets are adopted on a cash basis.
8. Budgets have been adopted for all funds of the Village, except for the Housing Authority. HUD controls the Budget of the Housing Authority. The budgetary comparison for the Housing Authority appears in the Authority's separate audit report.

F. Property Taxes

Property taxes are collected by the County Treasurer and remitted to the Village monthly. Delinquent property taxes payable to the County Treasurer are not recognized until actually collected and remitted by the Guadalupe County Treasurer to the Village. Property taxes are payable to the County Treasurer in two equal installments, due on November 10th of each year in which the tax bill was prepared and mailed and on April 10th of the following year. Pursuant to Section 7-38-46, NMSA 1978, property taxes are delinquent if not paid within thirty days after the date on which they are due. Taxes on real property may be collected by selling the real property on which the taxes are delinquent.

G. Interfund Transactions

Transactions that constitute material reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

H. Risk Management

The City 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 City carries commercial insurance of these risks of loss, including workers' compensation and employee health and accident insurance.

I. Encumbrances

The Village does not utilize encumbrance accounting.

2. DEPOSITORY COLLATERAL

New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage (for each financial institution).

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

Notes to Financial Statements (continued)

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

International State Bank	Checking-Municipal Bond Account	\$	400
International State Bank	Checking-Municipal Court Account		7,523
International State Bank	Checking-Water Meter Account		21,190
International State Bank	Checking-General Account		774,029
International State Bank	Checking-Solid Waste Account		13,678
International State Bank	Checking-Sewer Operating Account		4,838
International State Bank	Checking-Water Income Account		9,750
International State Bank	Checking-Payroll Account		6,503
International State Bank	Checking-RUS		48
International State Bank	Certificate of Deposit- Bond Reserve		9,492
International State Bank	Certificate of Deposit- Water Meter		12,779
International State Bank	Certificate of Deposit- General Account		<u>22,410</u>
	Total	\$	<u>882,640</u>
Total amount on deposit		\$	882,640
Outstanding checks			(29,386)
Deposits in transit			<u>-</u>
Total per financial statements		\$	<u>853,254</u>

The following schedule details the public money held by International State Bank and pledged collateral held by the Village follows:

	<u>International State Bank</u>
Cash on deposit at June 30, 2011	\$ 882,640
Less F.D.I.C.	<u>(250,000)</u>
Uninsured funds	632,640
50% Collateral requirement	316,320
Pledged collateral at June 30, 2011	<u>325,000</u>
Excess of pledged collateral	<u>\$ 8,680</u>

Notes to Financial Statements (continued)

Custodial Credit Risk - Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2011, \$632,640 of the Village's bank balance of \$882,640 was exposed to custodial credit risk as follows:

A. Uninsured and Uncollateralized	\$ 307,640
B. Uninsured and collateralized with securities held by the pledging banks trust department, but not in the Villages name	<u>325,000</u>
Total	<u>\$ 632,640</u>

Pledged collateral of the International State Bank consists of the following at June 30:

<u>Federal Reserve Bank, Denver, Colorado</u>	<u>Maturity Date</u>	<u>Fair Market Value</u>
FHLB #3133XDTB7	12-14-2012	\$ 150,000
FFCB #31331X2Q4	9-04-2013	125,000
FHLB #3133XKTV7	6-13-2014	<u>50,000</u>
		<u>\$ 325,000</u>

3. ACCOUNTS RECEIVABLE

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

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Receivables from customers	\$ -	\$ 33,530
Less allowance for uncollectible accounts	<u>-</u>	<u>(2,000)</u>
Subtotal	-	31,530
Franchise taxes	9,013	-
Property taxes	1,893	-
Gas taxes	1,410	-
Gross receipts tax	29,176	-
Lodgers tax	2,754	-
MVD fees	6,286	-
Fines & forfeitures	<u>1,445</u>	<u>-</u>
Total	<u>\$ 51,977</u>	<u>\$ 31,530</u>

Notes to Financial Statements (continued)

4. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

During the year ended June 30, the following changes occurred in the liabilities reported in the Statement of Net Assets:

	<u>Balance 6-30-2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-2011</u>	<u>Due Within One Year</u>
Compensated absences	\$ 11,030	\$ 1,602	\$ -	\$ 12,632	\$ -
NMFA Loan	<u>66,000</u>	<u>-</u>	<u>12,501</u>	<u>53,499</u>	<u>12,477</u>
Total	<u>\$ 77,030</u>	<u>\$ 1,602</u>	<u>\$ 12,501</u>	<u>\$ 66,131</u>	<u>\$ 12,477</u>

The General and Road Funds normally pay for all compensated absences.

The Village entered into a loan agreement with the Wells Fargo Bank to pay principal in the amount of \$66,000 and interest for the purpose of defraying the cost of acquiring three police vehicles for the Villages police department. The interest rate is 4.650%. The maturity date is August 15, 2014.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 12,477	\$ 2,488	\$ 14,965
2013	13,057	1,908	14,965
2014	13,665	1,300	14,965
2015	<u>14,300</u>	<u>665</u>	<u>14,965</u>
	<u>\$ 53,499</u>	<u>\$ 6,361</u>	<u>\$ 59,860</u>

5. LONG-TERM DEBT OBLIGATIONS - ENTERPRISE FUNDS

The following is a summary of changes in long-term obligations for the enterprise Fund for the year ended June 30:

	<u>Balance 6-30-2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-2011</u>	<u>Due Within One Year</u>
Water/Sewer Bonds	\$ 97,000	\$ -	\$ 4,000	\$ 93,000	\$ 5,000
Water Loan	96,466	-	10,848	85,618	11,174
Compensated absences	10,114	-	1,614	8,500	-
RUS Bonds	179,225	-	2,000	177,225	2,100
RIP Loan	<u>44,800</u>	<u>-</u>	<u>29,423</u>	<u>15,377</u>	<u>15,377</u>
Total	<u>\$427,605</u>	<u>\$ -</u>	<u>\$ 47,885</u>	<u>\$ 379,720</u>	<u>\$ 33,651</u>

Notes to Financial Statements (continued)

1985 Water and Sewer Revenue Bonds

Original amount \$140,000 payable in annual installments each January 1st through the year 2025. Interest is 5% per annum. The annual requirements to amortize the amounts outstanding are as follows.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 5,000	\$ 4,650	\$ 9,650
2013	5,000	4,400	9,400
2014	5,000	4,150	9,150
2015	5,000	3,900	8,900
2016	6,000	3,650	9,650
2017	6,000	3,350	9,350
2018	6,000	3,050	9,050
2019	7,000	2,750	9,750
2020	7,000	2,400	9,400
2021	7,000	2,050	9,050
2022	8,000	1,700	9,700
2023	8,000	1,300	9,300
2024	9,000	900	9,900
2025	9,000	450	9,450
	<u>\$ 93,000</u>	<u>\$ 38,900</u>	<u>\$ 131,700</u>

Water System Loan

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 11,174	\$ 2,569	\$ 13,743
2013	11,509	2,233	13,742
2014	11,854	1,888	13,742
2015	12,210	1,532	13,742
2016	12,576	1,167	13,743
2017	12,953	789	13,742
2018	13,342	401	13,743
	<u>\$ 85,618</u>	<u>\$ 10,579</u>	<u>\$ 96,197</u>

2004 Water System Revenue Bonds (RUS)

Original amount \$188,125 payable in annual installments each September 28 through the year 2045. Interest is 4.375% per annum. The annual requirements to amortize the amounts outstanding are as follows.

Notes to Financial Statements (continued)

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,100	\$ 7,662	\$ 9,762
2013	2,200	7,565	9,765
2014	2,300	7,465	9,765
2015	2,400	7,360	9,760
2016	2,600	7,246	9,846
2017-21	14,700	34,358	49,058
2022-26	18,600	30,652	49,252
2027-31	23,500	25,949	49,449
2032-36	29,600	20,043	49,643
2037-41	37,300	12,588	49,888
2042-45	<u>41,925</u>	<u>3,175</u>	<u>45,100</u>
	<u>\$ 177,225</u>	<u>\$ 164,063</u>	<u>\$ 341,288</u>

RIP LOAN

Original amount \$44,800 payable in annual installments each June 1 through the year 2013. Interest is 3.00% per annum. The annual requirements to amortize the amounts outstanding are as follows.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>\$ 15,377</u>	<u>\$ 461</u>	<u>\$ 15,838</u>

6. DEPOSITS HELD FOR OTHERS , ENTERPRISE FUND

Deposits in the Water and Wastewater Utility Enterprise Fund consist of the following:

Hydrant Meter deposits **\$33,875**

Water meter deposits are charged to new customers and consist of the following:

Residential properties	\$ 60
Commercial properties	\$ 120

Notes to Financial Statements (continued)

7. CAPITAL ASSETS

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

	Balances June 30, 2010	Additions	Deletions	Balances June 30, 2011
Land	\$ 117,880	\$ -	\$ -	\$ 117,880
Buildings	1,720,371	-	-	1,720,371
Infrastructure	1,700,387	349,275	-	2,049,662
Vehicles	542,231	-	-	542,231
Equipment	383,507	-	-	383,507
Sub-total	<u>4,464,376</u>	<u>349,275</u>	<u>-</u>	<u>4,813,651</u>
Less: accumulated depreciation	<u>(2,275,494)</u>	<u>(198,278)</u>	<u>-</u>	<u>(2,473,772)</u>
Net capital assets	<u>\$ 2,188,882</u>	<u>\$ 150,997</u>	<u>\$ -</u>	<u>\$ 2,339,879</u>

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

	Balances June 30, 2010	Additions	Deletions	Balances June 30, 2011
Land	\$ 58,000	\$ -	\$ -	\$ 58,000
Equipment	484,663	7,255	(5,643)	486,275
Heavy equipment	59,800	-	-	59,800
Vehicles	216,723	-	-	216,723
Plant	5,881,651	-	-	5,881,651
Sub-total	<u>6,700,837</u>	<u>7,255</u>	<u>(5,643)</u>	<u>6,702,449</u>
Less: accumulated depreciation	<u>(3,560,450)</u>	<u>(218,890)</u>	<u>5,643</u>	<u>(3,773,697)</u>
Net capital assets	<u>\$ 3,140,387</u>	<u>\$ (211,635)</u>	<u>\$ -</u>	<u>\$ 2,928,752</u>

8. PROPERTY TAXES

The Village of Cimarron receives property taxes from the Colfax County Treasurer for operational purposes. Property taxes are assessed on January 1st of each year, except on livestock, and are payable in two equal installments on November 10th of the year in which the tax bill is prepared and April 10th of the following year. In addition, tax levies are authorized by statute to service payments due on general obligation bonds which have been authorized pursuant to state law. The full faith and credit of the necessary

Notes to Financial Statements (continued)

to pay the interest and on the principal of the negotiable bonds as the interest and principal become due, without limitation as to rate or amount. The Village may pay the principal or interest on any general obligation bonds from any available revenues, and the levy or levies of taxes may be diminished to the extent such other revenues are available for the payment of such principal and interest.

Proceeds from the issuance of general obligation bonds are restricted in usage.

1. Erecting and operating natural or artificial gas works;
2. Erecting and operating electric works;
3. Constructing, purchasing, rehabilitating or remodeling, or any combination thereof, public buildings, including additions and improvements thereto;
4. Building, beautifying and improving public parks within or without the municipal boundary, but not beyond the planning and platting jurisdiction of the municipality;
5. Acquiring land or buildings for playgrounds, recreation centers, zoos, and other recreational purposes and the equipment thereof, or any combination thereof;
6. Providing proper means for protecting from fire including but not limited to purchasing apparatus for fire protection and providing, enlarging and improving fire equipment and facilities;
7. Laying off, opening, constructing, repairing, and otherwise improving municipal alleys, streets, public roads, and bridges or any combination thereof;
8. Providing apparatus for the collection and disposal of garbage and refuse; acquiring, constructing and maintaining garbage and refuse;
9. Constructing or purchasing a system for supplying water or constructing and purchasing such a system, for the municipality, including without limiting the generality of the foregoing, the enlargement, improvement, extension or acquisition of the system, and acquisition of water or water rights, necessary real estate or rights of way, bridges and easements, and necessary apparatus for a water system, or any combination of the foregoing;
10. Construction or purchasing a sewer system or the construction and purchase of a sewer system, including without limiting the generality of the foregoing, acquiring, enlarging, improving, or extending, or any combination of the foregoing, said system;
11. Flood control purposes are provided in Section 3-41-1 NMSA 1978;

Notes to Financial Statements (continued)

12. Constructing, purchasing, rehabilitating or remodeling, or any combination thereof, hospital, including additions and improvements thereto;
13. Purchasing, improving, or erecting public auditoriums or public buildings of a similar nature for a general civic purposes, or for authorizing the improvement or erection of public auditoriums or buildings of similar nature by agreement, with officers of the county in which the municipality is located; and
14. Acquiring, purchasing, constructing, improving, rehabilitating, or remodeling, or any combination thereof, of cemeteries or mausoleums.

9. BUDGET TO GAAP RECONCILIATION

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Correction Fees Fund</u>	<u>Non- Major Special Revenue Fund</u>
<u>Revenues</u>				
Modified accrual basis	\$1,144,662	\$ 81,768	\$ 9,245	\$ 39,830
Budgetary basis	<u>1,133,319</u>	<u>81,768</u>	<u>8,880</u>	<u>40,041</u>
Increase (decrease) in receivables	<u>\$ 11,343</u>	<u>\$ -</u>	<u>\$ 365</u>	<u>\$ (211)</u>
<u>Expenditures</u>				
Modified accrual basis	\$ 907,899	\$ 31,562	\$ -	\$ 43,584
Budgetary basis	<u>914,920</u>	<u>31,562</u>	<u>-</u>	<u>43,584</u>
Increase (decrease) in payables	<u>\$ 7,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

10. BUDGET VIOLATIONS

The Special Revenue Law Enforcement Fund had a budget overrun of \$1,973. The Special Revenue Lodgers Tax Fund had a budget overrun of \$3,855.

11. RETIREMENT PLAN

Plan Description. Substantially all of Village of Cimarron'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 Board (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits and

Notes to Financial Statements (continued)

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. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy. Plan members are required to contribute 7% for policemen 9.15% for all other members (range from 4% to 16.3% depending upon the division, i.e., state general, state hazardous duty, state police, municipal general, municipal police, municipal fire) of their gross salary. The Village of Cimarron is required to contribute 10% for policemen and 9.15% for all other plan members (range from 7% to 25.72% depending upon the division) of the gross covered salary. The contribution requirements of plan members and the Village of Cimarron are established in Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of legislature. The Village of Cimarron's contributions to PERA for the years ending June 30, 2011, 2010 and 2009 were \$21,924, \$25,991 and \$26,128 respectively equal to the amount of the required contributions for the year.

12. RETIREE HEALTH CARE ACT

The Village has elected not to participate in the Retiree Health Care Act of New Mexico's retiree health care program.

13. RISK MANAGEMENT

The Village is exposed to various risks for loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the Village carries insurance with the New Mexico Self Insurer's Fund for a shared premium cost. The Village established a limited risk management program for general and auto liability, workman's compensation, employer's liability, and property. Premiums are paid by the General, Fire and Enterprise Funds.

14. TRANSFERS

The composition of interfund transfers for the Village during the year ended June 30 are as follows:

<u>Transfers Out</u> <u>General Fund</u>	<u>Transfers In</u> <u>Water/Sewer Fund</u>	<u>Transfers In</u> <u>Solid Waste Fund</u>
<u>\$ (49,580)</u>	<u>\$ 48,580</u>	<u>\$ 1,000</u>

This one time transfer from the General Fund to the Water/Sewer and Solid Waste Fund are to cover one-time expenditures.

Notes to Financial Statements (continued)

15. FUND BALANCES CLASSIFIED

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Correction Fees Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total</u>
Nonspendable:					
Interfund loans	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-
Total nonspendable	-	-	-	-	-
Restricted for:					
Fire Protection	-	127,697	-	-	127,697
Law Enforcement	-	-	95,020	10,590	105,610
Culture and recreation	-	-	-	3,938	3,938
Cemetery improvements	-	-	-	8,387	8,387
Total restricted	-	127,697	95,020	22,915	245,632
Committed to:					
Other purposes	-	-	-	-	-
Total committed	-	-	-	-	-
Unassigned:	440,237	-	-	-	440,237
Total Fund Balances	<u>\$ 440,237</u>	<u>\$ 127,697</u>	<u>\$ 95,020</u>	<u>\$ 22,915</u>	<u>\$ 685,869</u>

16. COMPONENT UNIT

The Village of Cimarron Housing Authority is a discrete component unit of the Village. The Housing Authority issues a separate, publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Village of Cimarron Housing Authority, PO Box 654, Cimarron, NM 87714.

The following are summarized details of the Housing Authority's balances and transactions as of June 30, 2011 and for the year then ended:

A. Depository Collateral

The Housing Authority held only short term certificates of deposit and therefore, they were shown as cash equivalents.

Restricted cash is cash from tenants being held as security deposits.

Notes to Financial Statements (continued)

Cash on Deposit

International State Bank - Checking	\$ 60,570
International State Bank - Checking	2,230
International State Bank - Checking	261
International State Bank - Checking	1
International State Bank - Certificate of Deposit	2,591
International State Bank - Certificate of Deposit	<u>10,484</u>

\$ 76,137

Total amount on deposit \$ 76,137

Outstanding checks -0-

Total per financial statements **\$ 76,137**

International
State Bank

Cash on deposit	\$ 76,137
Less FDIC	<u>(76,137)</u>

Amount uninsured **\$ -0-**

B. Capital Assets

	Balances <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>June 30, 2011</u>
Land	\$ 18,600	\$ -	\$ -	\$ 18,600
Construction in progress	1,000	-	-	1,000
Building	668,754	-	-	668,754
Non-dwelling structures	116,815	50,053	-	166,868
Machinery & equipment	<u>72,542</u>	<u>-</u>	<u>-</u>	<u>72,542</u>
Sub-total	<u>877,711</u>	<u>50,053</u>	<u>-</u>	<u>927,764</u>
Less: accumulated depreciation	<u>(431,919)</u>	<u>(30,627)</u>	<u>-</u>	<u>(462,546)</u>
Net capital assets	<u>\$ 445,792</u>	<u>\$ 19,426</u>	<u>\$ -</u>	<u>\$ 465,218</u>

C. Retirement Plan

The Authority's contributions to PERA for the fiscal years ending June 30, 2011, 2010 and 2009 are included with the figures shown in Note 11.

D. Retiree Health Care Act

The Housing Authority has elected not to participate in the Retiree Health Care Act of New Mexico's retiree health care program.

NON-MAJOR FUNDS

NON-MAJOR SPECIAL REVENUE FUNDS

LAW ENFORCEMENT PROTECTION FUND (LEPF) - To account for funds allotted by the Law Enforcement Protection Fund , Section 29-13-5, NMSA 1978, to "enhance the efficiency and effectiveness of law enforcement service."

RECREATION FUND - To account for the operation and maintenance of all Village-owned recreational facilities. Financing is provided by a specific annual cigarette tax levy. Authority is NMSA 7-12-1 and 7-12-15.

CEMETERY FUND - To account for the operations and maintenance of the cemetery. Financing is provided by the sale of burial permits. Authority is NMSA 3-45-1.

LODGER'S TAX FUND - To account for the operations of promoting tourism in the Village. Financing is provided by a special lodger's tax charged on transient lodging in the Village. Authority is NMSA 3-38-15.

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Non-Major Special Revenue Funds
 Combining Balance Sheet
 June 30, 2011

	Law Enforcement Protection Fund	Recreation Fund	Cemetery Fund	Lodgers Tax Fund	Total
ASSETS					
Cash on deposit	\$ 10,590	\$ 684	\$ 8,387	\$ 500	\$ 20,161
Accounts receivable	-	-	-	2,754	2,754
Total assets	<u>\$ 10,590</u>	<u>\$ 684</u>	<u>\$ 8,387</u>	<u>\$ 3,254</u>	<u>\$ 22,915</u>
FUND BALANCE					
Restricted	\$ 10,590	\$ 684	\$ 8,387	\$ 3,254	\$ 22,915
Unassigned	-	-	-	-	-
Total fund balance	<u>\$ 10,590</u>	<u>\$ 684</u>	<u>\$ 8,387</u>	<u>\$ 3,254</u>	<u>\$ 22,915</u>

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2011

Statement A-2

	Law Enforcement Protection Fund	Recreation Fund	Cemetery Fund	Lodgers Tax Fund	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 17,144	\$ 17,144
Charges for services	-	-	913	-	913
Fines and forfeitures	-	-	-	-	-
Local sources	-	500	-	-	500
State sources	21,200	-	-	-	21,200
State shared taxes	-	73	-	-	73
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	21,200	573	913	17,144	39,830
EXPENDITURES					
Current:					
Public safety	22,573	-	-	-	22,573
Culture and recreation	-	-	-	20,855	20,855
Health and welfare	-	-	156	-	156
Capital outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	22,573	-	156	20,855	43,584
Net change in fund balance	(1,373)	573	757	(3,711)	(3,754)
Fund balance, beginning of year	11,963	111	7,630	6,965	26,669
Fund balance, end of year	<u>\$ 10,590</u>	<u>\$ 684</u>	<u>\$ 8,387</u>	<u>\$ 3,254</u>	<u>\$ 22,915</u>

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Non-Major Special Revenue - Law Enforcement Protection Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 20,600	\$ 20,600	\$ 21,200	\$ 600
Total revenues	<u>\$ 20,600</u>	<u>\$ 20,600</u>	<u>\$ 21,200</u>	<u>\$ 600</u>
EXPENDITURES				
Public safety	\$ 20,600	\$ 20,600	\$ 22,573	\$ (1,973)
Total expenditures	<u>\$ 20,600</u>	<u>\$ 20,600</u>	<u>\$ 22,573</u>	<u>\$ (1,973)</u>

accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Non-Major Special Revenue - Recreation Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 500	\$ 500
State shared taxes	-	-	129	129
	<u>-</u>	<u>-</u>	<u>629</u>	<u>629</u>
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629</u>	<u>\$ 629</u>
EXPENDITURES				
Culture & recreation	\$ -	\$ -	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 629	
(Decrease) in accounts receivable			(56)	
			<u>573</u>	
Modified accrual basis			<u>\$ 573</u>	

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Non-Major Special Revenue - Cemetery Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 2,500	\$ 2,500	\$ 913	\$ (1,587)
Total revenues	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 913</u>	<u>\$ (1,587)</u>
EXPENDITURES				
Health and welfare	\$ 2,200	\$ 2,200	\$ 156	\$ 2,044
Total expenditures	<u>\$ 2,200</u>	<u>\$ 2,200</u>	<u>\$ 156</u>	<u>\$ 2,044</u>

accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Non-Major Special Revenue - Lodgers Tax Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 17,000	\$ 17,000	\$ 17,299	\$ 299
Total revenues	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 17,299</u>	<u>\$ 299</u>
EXPENDITURES				
Culture & recreation	\$ 17,000	\$ 17,000	\$ 20,855	\$ (3,855)
Total expenditures	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 20,855</u>	<u>\$ (3,855)</u>
REVENUES				
Budgetary basis			\$ 17,299	
(Decrease) in accounts receivable			<u>(155)</u>	
Modified accrual basis			<u>\$ 17,144</u>	

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

ENTERPRISE FUNDS

WATER AND SEWER FUND - To account for the operations of the Village's Water and Sewer Department, for meter deposits and payment of Joint Utility Revenue Bonds.

SOLID WASTE FUND - To account for the operations of the (contracted) solid waste services.

AMBULANCE FUND - To account for the operations of the emergency ambulance services.

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Enterprise Funds
Combining Statement of Net Assets
June 30, 2011

Statement B-1

	Water/Sewer Fund	Solid Waste Fund	Ambulance Fund	Total
ASSETS				
Current Assets				
Cash on deposit	\$ 12,566	\$ 13,678	\$ 215,947	\$ 242,191
Accounts receivable (net)	17,959	13,571	-	31,530
Due from other funds	-	17,019	1,120	18,139
Total Current Assets	30,525	44,268	217,067	291,860
Restricted Assets (Cash)				
Customer meter deposits	33,875	-	-	33,875
Debt service	9,540	-	-	9,540
Total Restricted Assets (Cash)	43,415	-	-	43,415
Property, Plant and Equipment				
Land	58,000	-	-	58,000
Equipment	380,161	-	106,114	486,275
Heavy equipment	59,800	-	-	59,800
Vehicles	-	-	216,723	216,723
Plant	5,881,651	-	-	5,881,651
Accumulated depreciation	(3,452,910)	-	(320,787)	(3,773,697)
Total Property, Plant and Equipment	2,926,702	-	2,050	2,928,752
Total Assets	\$ 3,000,642	\$ 44,268	\$ 219,117	\$ 3,264,027
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 1,037	\$ 29,032	\$ -	\$ 30,069
Due to other funds	97,493	-	-	97,493
Customer meter deposits payable from Restricted Assets	32,741	-	-	32,741
Revenue bonds payable	5,000	-	-	5,000
RUS bonds payable	2,100	-	-	2,100
Loans payable	26,551	-	-	26,551
Total Current Liabilities	164,922	29,032	-	193,954
Long-Term Liabilities				
Compensated absences	3,020	5,480	-	8,500
Revenue bonds payable	88,000	-	-	88,000
RUS bonds payable	175,125	-	-	175,125
Loan payable	74,444	-	-	74,444
Total Long-Term Liabilities	340,589	5,480	-	346,069
NET ASSETS				
Invested in Capital Assets, net of related debt	2,555,482	-	2,050	2,557,532
Restricted for debt service	9,540	-	-	9,540
Unrestricted	(69,891)	9,756	217,067	156,932
Total Net Assets	2,495,131	9,756	219,117	2,724,004
Total Liabilities and Net Assets	\$ 3,000,642	\$ 44,268	\$ 219,117	\$ 3,264,027

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Enterprise Funds
Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
For the Year Ended June 30, 2011

	Water/Sewer Fund	Solid Waste Fund	Ambulance Fund	Totals
OPERATING REVENUES				
Sales and services	\$ 207,440	\$ 135,249	\$ 80,553	\$ 423,242
Environmental gross receipts taxes	-	10,830	-	10,830
Intergovernmental	-	-	7,909	7,909
Miscellaneous	14,929	-	6,967	21,896
	<u>222,369</u>	<u>146,079</u>	<u>95,429</u>	<u>463,877</u>
OPERATING EXPENSES				
Personal services	128,923	5,480	-	134,403
Maintenance and operations	82,115	157,675	51,188	290,978
Depreciation	216,491	-	2,399	218,890
	<u>427,529</u>	<u>163,155</u>	<u>53,587</u>	<u>644,271</u>
Operating income (loss)	<u>(205,160)</u>	<u>(17,076)</u>	<u>41,842</u>	<u>(180,394)</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment income	362	-	-	362
Investment expense	(19,926)	-	-	(19,926)
	<u>(19,564)</u>	<u>-</u>	<u>-</u>	<u>(19,564)</u>
Total Non-Operating Revenue (Expense)	<u>(19,564)</u>	<u>-</u>	<u>-</u>	<u>(19,564)</u>
Income (loss) before transfers	<u>(224,724)</u>	<u>(17,076)</u>	<u>41,842</u>	<u>(199,958)</u>
Operating transfers in	48,580	1,000	-	49,580
Operating transfers out	-	-	-	-
	<u>48,580</u>	<u>1,000</u>	<u>-</u>	<u>49,580</u>
Change in Net Assets	(176,144)	(16,076)	41,842	(150,378)
Total Net Assets, beginning of year	<u>2,671,275</u>	<u>25,832</u>	<u>177,275</u>	<u>2,874,382</u>
Total Net Assets, end of year	<u><u>\$ 2,495,131</u></u>	<u><u>\$ 9,756</u></u>	<u><u>\$ 219,117</u></u>	<u><u>\$ 2,724,004</u></u>

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

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2011

	Water/Sewer Fund	Solid Waste Fund	Ambulance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 221,728	\$ 132,452	\$ 80,553	\$ 434,733
Cash received from intergovernmental	-	2,770	7,909	10,679
Cash received from miscellaneous sources	14,929	-	6,967	21,896
Cash payments to employees and to suppliers for goods and services	<u>(217,617)</u>	<u>(164,472)</u>	<u>(51,188)</u>	<u>(433,277)</u>
Net cash provided by operating activities	<u>19,040</u>	<u>(29,250)</u>	<u>44,241</u>	<u>34,031</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(7,255)	-	-	(7,255)
Principal paid	(46,271)	-	-	(46,271)
Interest expense	(19,926)	-	-	(19,926)
Transferred from/to other funds	48,580	1,000	-	49,580
Loan proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(24,872)</u>	<u>1,000</u>	<u>-</u>	<u>(23,872)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Security deposits (returned)	(2,960)	-	-	(2,960)
Investment income	<u>361</u>	<u>-</u>	<u>-</u>	<u>361</u>
Net cash provided by investing activities	<u>(2,599)</u>	<u>-</u>	<u>-</u>	<u>(2,599)</u>
Net increase (decrease) in cash	(8,431)	(28,250)	44,241	7,560
Cash, beginning of year	<u>64,412</u>	<u>41,928</u>	<u>171,706</u>	<u>278,046</u>
Cash, end of year	<u>\$ 55,981</u>	<u>\$ 13,678</u>	<u>\$ 215,947</u>	<u>\$ 285,606</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (205,160)	\$ (17,076)	\$ 41,842	\$ (180,394)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	216,491	-	2,399	218,890
Changes in assets and liabilities:				
(Increase) decrease in receivables	11,663	(362)	-	11,301
Increase (decrease) in accounts payable	515	(6,798)	-	(6,283)
(Increase) decrease in due to/from other funds	2,624	(10,494)	-	(7,870)
Increase (decrease) in compensated absences	<u>(7,093)</u>	<u>5,480</u>	<u>-</u>	<u>(1,613)</u>
Total	<u>224,200</u>	<u>(12,174)</u>	<u>2,399</u>	<u>214,425</u>
Net cash provided (used) by operating activities	<u>\$ 19,040</u>	<u>\$ (29,250)</u>	<u>\$ 44,241</u>	<u>\$ 34,031</u>

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Proprietary Funds
 Water/Sewer Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales and services	\$ 261,711	\$ 208,557	\$ 221,728	\$ 13,171
Local sources	-	-	14,929	14,929
State sources	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>\$ 261,711</u>	<u>\$ 208,557</u>	<u>\$ 236,657</u>	<u>\$ 28,100</u>
EXPENDITURES				
Personal services	\$ 149,135	\$ 149,135	\$ 107,045	\$ 42,090
Maintenance and operations	48,557	76,550	110,572	(34,022)
Capital outlay	-	-	7,255	(7,255)
Revenue bonds principle	6,000	6,000	6,000	-
Loan principle	70,146	70,146	40,271	29,875
Interest expense	5,000	5,000	19,926	(14,926)
Total expenditures	<u>\$ 278,838</u>	<u>\$ 306,831</u>	<u>\$ 291,069</u>	<u>\$ 15,762</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 61,984</u>	<u>\$ 75,726</u>	<u>\$ 48,580</u>	<u>\$ (27,146)</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ 52,128</u>		
REVENUES				
Budgetary basis			\$ 236,657	
Decrease in receivables			(14,288)	
Modified accrual basis			<u>\$ 222,369</u>	
EXPENDITURES				
Budgetary Basis			\$ 291,069	
Depreciation			216,491	
Principal paid			(46,271)	
Capital assets reclassified			(7,255)	
Increase in accounts payable			515	
(Decrease) in compensated absences			(7,093)	
Modified accrual basis			<u>\$ 447,456</u>	

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Proprietary Funds
 Solid Waste Funds
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales and services	\$ 127,000	\$ 127,000	\$ 132,452	\$ 5,452
Environmental gross receipts tax	-	-	2,770	2,770
Total revenues	<u>\$ 127,000</u>	<u>\$ 127,000</u>	<u>\$ 135,222</u>	<u>\$ 8,222</u>
EXPENDITURES				
Maintenance and operations	\$ 118,600	\$ 118,600	\$ 164,472	\$ (45,872)
Total expenditures	<u>\$ 118,600</u>	<u>\$ 118,600</u>	<u>\$ 164,472</u>	<u>\$ (45,872)</u>
REVENUES				
Budgetary basis			\$ 135,222	
Increase in due from other funds			10,494	
Increase in receivables			362	
Modified accrual basis			<u>\$ 146,078</u>	
EXPENDITURES				
Budgetary basis			\$ 164,472	
(Decrease) in payables			(6,798)	
Increase in Compensated Absences			5,480	
Modified accrual basis			<u>\$ 163,154</u>	

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Proprietary Funds
 Ambulance Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales and services	\$ 62,000	\$ 62,000	\$ 80,553	\$ 18,553
Local sources	3,500	3,500	6,967	3,467
State sources	5,000	5,000	7,909	2,909
Total revenues	<u>\$ 70,500</u>	<u>\$ 70,500</u>	<u>\$ 95,429</u>	<u>\$ 24,929</u>
EXPENDITURES				
Maintenance and operations	\$ 107,300	\$ 107,300	\$ 51,188	\$ 56,112
Capital outlay	21,000	21,000	-	21,000
Total expenditures	<u>\$ 128,300</u>	<u>\$ 128,300</u>	<u>\$ 51,188</u>	<u>\$ 77,112</u>
BUDGETED CASH BALANCE	<u>\$ 57,800</u>	<u>\$ 57,800</u>		
REVENUES				
Budgetary basis			\$ 95,429	
Difference			-	
Modified accrual basis			<u>\$ 95,429</u>	
EXPENDITURES				
Budgetary basis			\$ 51,188	
Depreciation			2,399	
Modified accrual basis			<u>\$ 53,587</u>	

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

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
VILLAGE OF CIMARRON
Schedule of Changes in
Assets and Liabilities -
Agency Funds
Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS				
Cash	\$ 740	\$ 51,263	\$ 51,603	\$ 400
Total assets	<u>\$ 740</u>	<u>\$ 51,263</u>	<u>\$ 51,603</u>	<u>\$ 400</u>
LIABILITIES				
Due to bond holders	\$ 400	\$ 977	\$ 977	\$ 400
Due to other agencies	<u>340</u>	<u>50,286</u>	<u>50,626</u>	<u>-</u>
Total liabilities	<u>\$ 740</u>	<u>\$ 51,263</u>	<u>\$ 51,603</u>	<u>\$ 400</u>

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

STATE OF NEW MEXICO
 VILLAGE OF CIMARRON
 Component Unit
 Housing Authority
 Statement of Cash Flows
 For the Year Ended June 30, 2011

	Component Unit
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 29,581
Cash payments to employees	(41,951)
Cash payments to suppliers for goods and services	(41,212)
Net cash provided by operating activities	(53,582)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Subsidy from federal grant	115,318
Acquisition of capital assets	(50,053)
Net cash provided (used) by capital and related financing activities	65,265
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	276
Net increase (decrease) in cash	11,959
Cash, beginning of year	64,178
Cash, end of year	\$ 76,137
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ (86,803)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	30,627
Collection loss	176
Changes in assets and liabilities:	
Accounts receivable	869
Prepaid rent	8
Prepaid items	(1,044)
Accounts payable	3,290
Customer deposits	241
Inventory	(946)
Total	33,221
Net cash (used) by operating activities	\$ (53,582)

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

Rice and Associates, C.P.A.

AUDITING
BOOKKEEPING
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Albuquerque, NM 87112

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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 H. Balderas
New Mexico State Auditor
and
Honorable Mayor and Village Council
Village of Cimarron
Cimarron, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the General, Fire Protection and Correction Fees Funds of the Village of Cimarron, as of and for the year ended June 30, 2011, and have issued our report thereon dated July 23, 2012. We also have audited the financial statements of each of the Village's non-major governmental and proprietary funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Status of Comments that we consider to be significant deficiencies in internal control over financial reporting. It is listed as (03-06) Imprest Bank Account. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

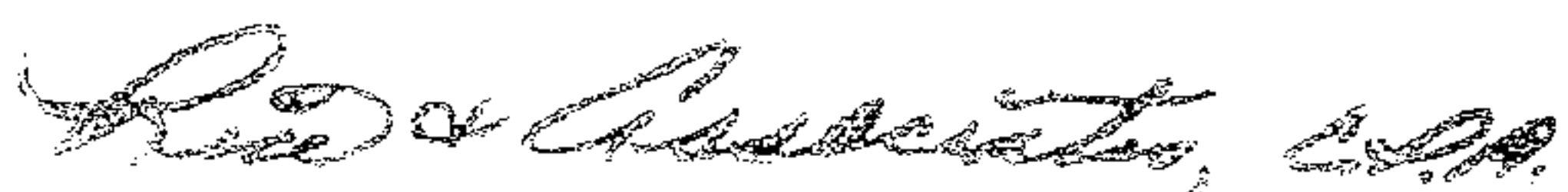
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Cimarron's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which were described in the accompanying Status of Comments as 02-02 Late Audit Report and 03-03 Budget Overruns.

We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying Status of Comments as 08-03 Enterprise Fund Debt, 10-05 Interest Earned from Certificates of Deposit Not Posted and 10-06 Interest Earned From Meter Deposits Not Transferred.

The Village of Cimarron's responses to the findings identified in our audit are described in the accompanying Status of Comments and Responses. We did not audit the Village of Cimarron's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Mayor, the Village Council, the Office of the State Auditor, the New Mexico State Legislature, applicable federal grantors and the New Mexico Department of Finance and Administration and is not intended to be used by anyone other than these specified parties.



July 23, 2012

STATUS OF COMMENTS

Prior Year Village Audit Findings

1. Late Audit Report (02-02) - Repeated.
2. Budget Overruns (03-03) - Repeated.
3. Imprest Bank Account (03-06) - Repeated.
4. Enterprise Fund Debt (08-03) - Repeated.
5. Mayor Accepting Receipts (10-01) - Resolved.
6. Mayor Circumventing a Village Ordinance (10-02) - Resolved.
7. Mayor and Village Council Not Following Village Ordinance (10-03) - Resolved.
8. Contract Not Dated (10-04) - Resolved.
9. Interest Earned From Certificates of Deposit Not Posted (10-05) - Repeated.
10. Interest Earned From Meter Deposits Not Transferred (10-06) - Repeated.
11. Bills Not Paid on Time (10-07) - Resolved.
12. Council Member Directing Staff to Violate Ordinance (10-08) - Resolved.
13. Owners Signatures Not Required (10-09) - Resolved.
14. Grant Not Utilized (10-10) - Resolved.

Current Year

NONE

Component Unit Audit Findings

Prior Year

1. Lack of Complete Capital Assets Schedule (06-03) - Repeated.
2. Audit Report Not Submitted Timely (10-01) - Resolved.

Current Year

NONE

Late Audit Report
(02-02)

CONDITION The audit report was submitted to the State Auditor after the required deadline of December 1, 2011.

CRITERIA Village audits are required to be submitted to the State Auditor by December 1 as required by NMAC 2.2.2.9A(1)(d).

CAUSE The component unit audit report was due to the State Auditors Office the same day as the Village audit report. This did not provide enough time to ensure the component unit figures could be included in the Village audit report. Also, since the audit report would be late the Village used some of this time to reconstruct and verify its Capital Asset and Depreciation worksheets.

EFFECT NMAC 2.2.2.9A(1)(d) was not followed.

RECOMMENDATION The Village has contacted the State Auditors Office to see if the due dates for both entities could be changed.

RESPONSE The Village will work with Cimarron Housing Authority on audit schedules to comply with NMAC 2.2.2.9A(1)(d).

Budget Overruns
(03-03)

CONDITION	The Village had a budget overrun in the Non-Major Special Law Enforcement Protection Fund in the amount of \$1,973. The Non-Major Special Revenue Lodgers Tax Fund overrun was in the amount of \$3,855.
CRITERIA	According to State Statute 6-6-2 and 6-6-6 NMSA 1978 all expenditures may not exceed approved budgets. Also, DFA's Local Government Division regulations address budget requirements needed by the Village.
CAUSE	Budgetary adjustments did not occur to correct budget deficits.
EFFECT	Department of Finance and Administration regulations have not been adhered to.
RECOMMENDATION	Review financial statements periodically for possible overruns and request the appropriate budgetary increases before expenditures exceed budget.
RESPONSE	The Village will review financial statements monthly for overruns and will request budget adjustments by resolution from DFA.

Imprest Bank Account
(03-06)

CONDITION	The Payroll imprest bank account is not being reconciled correctly. The monthly reconciled balance is not the same each month.
CRITERIA	All imprest accounts should be reconciled correctly monthly, resulting in a zero balance. This complies with good accounting practices.
CAUSE	Prior management was not reconciling this account at all. Current management understands that it should be reconciled and is trying diligently to do so.
EFFECT	The General Fund would have to cover any cash deficiencies that might occur.
RECOMMENDATION	Management has obtained guidance from outside sources on how to reconcile this account. However, management should continue to ensure this account is reconciled correctly.
RESPONSE	The Village will leave a set balance in the account for \$2,000.00 and balance to that amount every month starting August 1, 2012.

Enterprise Fund Debt
(08-03)

CONDITION	The Enterprise Fund (Water/Sewer Fund and Solid Waste Fund) have been borrowing monies from the General Fund to pay debt for the past three years. There are not enough monies from the user charges to pay these monies back to the General Fund. This means that the Village needs to increase user rates so as to keep up with the expenses associated with these services.
CRITERIA	Enterprise Funds need to charge a user rate adequate to cover all expenses and to cover any future repairs and maintenance of the capital assets.
CAUSE	The Village has not increased user rates adequately over the years.
EFFECT	The General Fund is being used to cover Enterprise Fund expenses at amounts that appear excessive.
RECOMMENDATION	The Village should increase user rates immediately and reimburse the General Fund for all monies borrowed.
RESPONSE	The Village increased rates as of 10-31-2011, Resolution 2012-16 and on 6-30-2012 Resolution 2012-36. Rates will continue to be reviewed during the budget workshops and raised as needed.

Interest Earned From Certificates of Deposit Not Posted
(10-05)

CONDITION	Management is not posting the interest earned from the Certificates of Deposit on the books of record.
CRITERIA	All transactions of the Village should be posted and included on the Village's books and records.
CAUSE	Management does not have enough staff to ensure all transactions are posted correctly to the books of record.
EFFECT	The books of record are understating interest earned and cash (Certificates of Deposit).
RECOMMENDATION	Management should hire additional staff to ensure all transactions are posted to the books of record.
RESPONSE	Additional staff was hired on 7-10-2012.

Interest Earned From Meter Deposits Not Transferred
(10-06)

CONDITION	The Water Meter Deposit bank account is earning interest each month. This amount has not been transferred and budgeted for use in over two years.
CRITERIA	When the interest is earned each month it should be transferred in the subsequent month so the Water Fund can budget and spend the amount.
CAUSE	Management does not have enough staff to ensure all transactions are transferred and budgeted.
EFFECT	The Water Fund has monies that could be budgeted and spent however Management is not utilizing these funds.
RECOMMENDATION	Management should hire additional staff and this procedure would be done as part of their duties.
RESPONSE	Additional staff was hired on 7-10-2012.

COMPONENT UNIT
AUDIT FINDINGS

Component Unit Finding

Lack of Complete Capital Assets Schedule
(06-03)

CONDITION Client does not maintain a detailed listing of capital asset schedules for assets purchased prior to July 1, 2005.

CRITERIA Good internal controls require that subsidiary ledgers be maintained to support general ledger entries. New Mexico State Auditor Rule 2.2.2.10 NMAC requires a schedule of capital assets to be maintained.

CAUSE Inconsistency of management personnel and fee accountant changes.

EFFECT Although a summary depreciation schedule by asset type is maintained, there is no schedule to support capital asset balances recorded in the financial statements prior to July 1, 2005. Noncompliance with New Mexico State Auditor Rule 2.2.2.10 NMAC.

RECOMMENDATION Detailed subsidiary ledgers should be kept to support general ledger entries.

RESPONSE The Cimarron Housing Authority (CHA) has purchased computer software to keep a current listing of its capital assets. The detail of fixed assets purchased prior to July 1, 2005 cannot be located in client records. Management of Cimarron Housing Authority will continue to explore resources to reconstruct the details of these fixed assets.

FINANCIAL STATEMENT PREPARATION

The combining and individual fund financial statements and notes to the financial statements for the year ended, June 30, 2011 were prepared by Rice & Associates, CPA, based on managements chart of accounts and trial balances including any adjusting, correcting or closing entries approved by management. These services are allowable under SAS 115. However, these financial statements are the responsibility of the Village of Cimarron's management.

EXIT CONFERENCE

An exit conference was held at the Village on July 23, 2012, to discuss the current audit report and auditors' comments. In attendance were Ms. Sherry Bennett, Chairman, Cimarron Housing Authority, Mr. Eddie Carter, Cimarron Governing Body Councilor, Ms. Stephanie Pacheco, Cimarron Utility Deputy Clerk, Ms. Mindy Cahill, Village Clerk/Administrator and Ms. Pamela A. Rice, CPA, Contract Auditor.