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STATE OF NEW MEXICO  
Town of Elida  
June 30, 2013

Financial Statements and Supplementary Information  
As Of And For The Year Ended June 30, 2013  
With Independent Auditor's Report Thereon

*Sandra Rush*  
*Certified Public Accountant, PC*

*1101 E Llano Estacado*  
*Clovis, New Mexico 88101*

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## Introductory Section

STATE OF NEW MEXICO  
TOWN OF ELIDA

Official Roster  
For the year ended June 30, 2013

Board of Trustees

Durward Dixon

Mayor

Steve Barron

Trustee / Mayor Pro

Kay Nuckols

Trustee

Andy Jasso

Trustee

Eddie Manis

Trustee

Administrative Officials

Kimberly Summers

Clerk-Treasurer

STATE OF NEW MEXICO  
TOWN OF ELIDA  
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June 30, 2013

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## Financial Section

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# *Sandra Rush*

*Certified Public Accountant PC*

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

## Independent Auditor's Report

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Town of Elida  
Elida, New Mexico

### **Report on Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Town of Elida (the Town), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the Town's nonmajor governmental funds and the budgetary comparisons for the major capital project fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Town as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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


### *Other Information*

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated November 19, 2013 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Town's internal control over financial reporting and compliance.

  
Sandra Rush CPA PC  
Clovis, New Mexico  
November 19, 2013

## Basic Financial Statements

## Government-wide Financial Statements

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Statement of Net Position  
June 30, 2013

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 403,731	\$ 49,645	\$ 453,376
Accounts receivable	20,744	8,621	29,365
Due from grantor	35,712	-	35,712
	<u>460,187</u>	<u>58,266</u>	<u>518,453</u>
Total current assets			
Noncurrent assets:			
Restricted cash, customer meter deposits	-	7,780	7,780
Capital assets	4,099,730	2,137,754	6,237,484
Less: accumulated depreciation	<u>(1,889,551)</u>	<u>(846,800)</u>	<u>(2,736,351)</u>
	<u>2,210,179</u>	<u>1,298,734</u>	<u>3,508,913</u>
Total noncurrent assets			
	<u>\$ 2,670,366</u>	<u>\$ 1,357,000</u>	<u>\$ 4,027,366</u>
Total assets			
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	\$ 43,450	\$ 4,076	\$ 47,526
Accrued compensated absences	7,163	2,011	9,174
	<u>50,613</u>	<u>6,087</u>	<u>56,700</u>
Total current liabilities			
Non-current liabilities:			
Customer meter deposits	-	7,780	7,780
	<u>50,613</u>	<u>13,867</u>	<u>64,480</u>
Total liabilities			
<u>NET POSITION</u>			
Invested in capital assets	2,210,179	1,290,954	3,501,133
Restricted:			
Special revenue fund	255,565	-	255,565
Unrestricted	154,009	52,179	206,188
	<u>2,619,753</u>	<u>1,343,133</u>	<u>3,962,886</u>
Total net position			
	<u>\$ 2,670,366</u>	<u>\$ 1,357,000</u>	<u>\$ 4,027,366</u>
Total liabilities and net position			

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

STATE OF NEW MEXICO  
TOWN OF ELIDA

Statement of Activities  
For the year ended June 30, 2013

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 110,790	\$ 17,224	\$ 37,177	\$ -
Public safety	226,961	110,586	140,781	-
Public works	23,120	-	-	-
Health and welfare	1,297	513	-	-
Culture and recreation	9,940	-	9,570	-
Capital outlay	-	-	-	449,252
Depreciation expense	181,945	-	-	-
<b>Total governmental activities</b>	<b>554,053</b>	<b>128,323</b>	<b>187,528</b>	<b>449,252</b>
<b>Business-type activities:</b>				
Water	117,284	59,529	150	-
Solid waste	12,439	19,701	-	-
<b>Total business-type activities</b>	<b>129,723</b>	<b>79,230</b>	<b>150</b>	<b>-</b>
<b>Total governmental and business-type activities</b>	<b>\$ 683,776</b>	<b>\$ 207,553</b>	<b>\$ 187,678</b>	<b>\$ 449,252</b>

General Revenues:

Taxes:

Property taxes  
Gain (loss) sale of capital asset  
Miscellaneous  
Contributions  
Interest income  
State sources  
State shared taxes  
Transfers (net)

Total general revenues

Change in net position

Net position, beginning  
Restatement

Net position, beginning restated

Net position, ending

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



Net (Expenses) Revenues		
Governmental Activities	Business-type Activities	Total
\$ (56,389)	\$ -	\$ (56,389)
24,406	-	24,406
(23,120)	-	(23,120)
(784)	-	(784)
(370)	-	(370)
449,252	-	449,252
(181,945)	-	(181,945)
<u>211,050</u>	<u>-</u>	<u>211,050</u>
-	(57,605)	(57,605)
<u>-</u>	<u>7,262</u>	<u>7,262</u>
<u>-</u>	<u>(50,343)</u>	<u>(50,343)</u>
<u>\$ 211,050</u>	<u>\$ (50,343)</u>	<u>\$ 160,707</u>
3,307	-	3,307
8,501	3,870	12,371
131	-	131
23,879	-	23,879
57	-	57
638	-	638
114,929	-	114,929
(34,006)	34,006	-
<u>117,436</u>	<u>37,876</u>	<u>40,383</u>
328,486	(12,467)	316,019
2,289,756	1,352,807	3,642,563
<u>1,511</u>	<u>2,793</u>	<u>4,304</u>
<u>2,291,267</u>	<u>1,355,600</u>	<u>3,646,867</u>
<u>\$ 2,619,753</u>	<u>\$ 1,343,133</u>	<u>\$ 3,962,886</u>

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## Fund Financial Statements

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General 101	Correction 201	Fire Protection 209
	<u>          </u>	<u>          </u>	<u>          </u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 147,273	\$ 51,831	\$ 106,757
Accounts receivable	20,744	-	-
Due from grantor	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 168,017</u>	<u>\$ 51,831</u>	<u>\$ 106,757</u>
<u>LIABILITIES</u>			
Accounts payables	<u>\$ 6,845</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>6,845</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>			
Unassigned, reported in:			
Special revenue funds	-	51,831	106,757
Capital project fund	-	-	-
General government fund	<u>161,172</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>161,172</u>	<u>51,831</u>	<u>106,757</u>
Total liabilities and fund balance	<u>\$ 168,017</u>	<u>\$ 51,831</u>	<u>\$ 106,757</u>

Reconciliation of Total Fund Balance from Balance Sheet Governmental Funds to the Total Net Position on the Statement of Net Position

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

Fund balances - total governmental funds

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds financial statement, but are reported in the governmental activities of the statement of net position

Capital assets  
Accumulated depreciation

Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements reflected as liability on statement of net position

Compensated absences

Net position of governmental activities

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

<u>Capital Project 300</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 97,870	\$ 403,731
-	-	20,744
<u>35,712</u>	<u>-</u>	<u>35,712</u>
<u>\$ 35,712</u>	<u>\$ 97,870</u>	<u>\$ 460,187</u>
<u>\$ 35,712</u>	<u>\$ 893</u>	<u>\$ 43,450</u>
<u>35,712</u>	<u>893</u>	<u>43,450</u>
-	96,977	255,565
-	-	-
<u>-</u>	<u>-</u>	<u>161,172</u>
<u>-</u>	<u>96,977</u>	<u>416,737</u>
<u>\$ 35,712</u>	<u>\$ 97,870</u>	<u>\$ 460,187</u>

\$ 416,737

\$ 4,099,730  
(1,889,551)      2,210,179

(7,163)

\$ 2,619,753

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the year ended June 30, 2013

	General 101	Correction 201	Fire Protection 209
Revenue:			
Local sources	\$ 40,248	\$ -	\$ 503
Taxes	3,307	-	-
Licenses and permits	311	-	-
Charges for services	8,001	-	-
Fines and forfeits	110,275	30,100	-
Interest	9	25	-
State sources	40,794	-	79,826
State shared taxes	114,929	-	-
Federal sources	-	-	-
	<u>317,874</u>	<u>30,125</u>	<u>80,329</u>
Expenditures:			
Current:			
General government	112,242	-	-
Public safety	154,030	210	52,698
Public works	36,253	-	-
Health and welfare	-	-	-
Culture and recreation	2,129	-	-
Capital outlay	-	-	-
	<u>304,654</u>	<u>210</u>	<u>52,698</u>
Excess (deficiency) of revenues over expenditures	13,220	29,915	27,631
Other financing sources (uses):			
Operating transfers (net)	<u>(1,008)</u>	<u>(10)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,008)</u>	<u>(10)</u>	<u>-</u>
Net change in fund balances	12,212	29,905	27,631
Fund balances, beginning of year	141,027	21,862	80,659
Restatement	<u>7,933</u>	<u>64</u>	<u>(1,533)</u>
Fund balances, beginning of year restated	<u>148,960</u>	<u>21,926</u>	<u>79,126</u>
Fund balances, end of year	<u>\$ 161,172</u>	<u>\$ 51,831</u>	<u>\$ 106,757</u>

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

Capital Project 300	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 14,482	\$ 55,233
-	24	3,331
-	-	311
-	489	8,490
-	-	140,375
-	23	57
140,901	33,671	295,192
-	-	114,929
<u>308,351</u>	<u>1,275</u>	<u>309,626</u>
<u>449,252</u>	<u>49,964</u>	<u>927,544</u>
-	-	112,242
-	20,023	226,961
-	-	36,253
-	1,297	1,297
-	7,811	9,940
<u>450,270</u>	<u>-</u>	<u>450,270</u>
<u>450,270</u>	<u>29,131</u>	<u>836,963</u>
(1,018)	20,833	90,581
<u>1,018</u>	<u>(34,006)</u>	<u>(34,006)</u>
<u>1,018</u>	<u>(34,006)</u>	<u>(34,006)</u>
-	(13,173)	56,575
-	110,187	353,735
-	(37)	6,427
-	<u>110,150</u>	<u>360,162</u>
<u>\$ -</u>	<u>\$ 96,977</u>	<u>\$ 416,737</u>

STATE OF NEW MEXICO

TOWN OF ELIDA

Reconciliation of the Statement of Revenue, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2013

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

Net change in fund balances - total governmental funds \$ 56,575

Governmental funds report capital outlay as expenditures.  
However, in the statement of activities the cost of those assets  
are allocated over their estimated useful lives and reported as  
depreciation expense.

Capital expenditures:

Current year capital expenditures capitalized	\$ 463,402	
Depreciation	(181,945)	
Gain (loss) on sale of asset	<u>(10,999)</u>	
		270,458

Compensated absences expensed as paid in governmental fund  
statements and expensed as incurred in entity wide statements  
and reflected as liability on statement of net position

Compensated absences		<u>1,453</u>
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Change in Net Position of governmental activities.		<u>\$ 328,486</u>
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The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
TOWN OF ELIDA  
General Fund - 101  
Statement of Revenue, Expenditures, and Changes in Cash Balance  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local sources	\$ 22,450	\$ 22,450	\$ 40,245	\$ 17,795
Taxes	2,968	2,968	2,992	24
Licenses and permits	600	600	311	(289)
Charges for services	750	750	8,001	7,251
Fines and forfeits	144,000	144,000	110,275	(33,725)
Interest	16	16	9	(7)
State sources	35,550	35,550	54,593	19,043
State shared taxes	78,254	78,254	112,232	33,978
Total revenue	<u>284,588</u>	<u>284,588</u>	<u>328,658</u>	<u>44,070</u>
		274,986		
Expenditures:				
Current:				
General government	112,127	122,127	112,127	10,000
Public safety	130,553	151,294	149,534	1,760
Public works	36,101	39,310	36,101	3,209
Health and welfare	-	-	-	-
Culture and recreation	2,104	2,104	2,104	-
Capital outlay	-	-	-	-
Total expenditures	<u>280,885</u>	<u>314,835</u>	<u>299,866</u>	<u>14,969</u>
Excess (deficiency) revenues over (under) expenditures	3,703	(30,247)	28,792	59,039
Other financing sources (uses):				
Operating transfers net	9,725	(2,000)	(1,008)	992
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>9,725</u>	<u>(2,000)</u>	<u>(1,008)</u>	<u>992</u>
Net change in fund balances	13,428	(32,247)	27,784	60,031
Cash balance, beginning of year	-	-	117,493	117,493
Prior period adjustment	-	-	1,996	1,996
Cash balance, beg. of year restated	-	-	119,489	119,489
Cash balance, end of year	<u>\$ 13,428</u>	<u>\$ (32,247)</u>	<u>\$ 147,273</u>	<u>\$ 179,520</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 27,784	
Adjustment to revenues for accruals and other deferrals			(10,784)	
Adjustment to expenditures for payables, prepaids and other accruals			(4,788)	
Net change in fund balance (GAAP Basis)			<u>\$ 12,212</u>	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Major Special Revenue Fund - Correction Fund - 201  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	35,005	35,005	30,100	(4,905)
Interest	50	50	25	(25)
State sources	-	-	-	-
State shared taxes	-	-	-	-
<b>Total revenues</b>	<b>35,055</b>	<b>35,055</b>	<b>30,125</b>	<b>(4,930)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	40,000	40,000	210	39,790
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>40,000</b>	<b>40,000</b>	<b>210</b>	<b>39,790</b>
Excess (deficiency) revenues over (under) expenditures	(4,945)	(4,945)	29,915	34,860
<b>Other financing sources (uses):</b>				
Operating transfers (net)	-	-	(10)	(10)
Designated cash	4,945	4,945	-	(4,945)
<b>Total other financing sources (uses)</b>	<b>4,945</b>	<b>4,945</b>	<b>(10)</b>	<b>(4,955)</b>
Net change in fund balances	-	-	29,905	29,905
Cash balance, beginning of year	-	-	21,862	21,862
Prior period adjustment	-	-	64	64
Cash balance, beginning of year restated	-	-	21,926	21,926
Cash balance, end of year	\$ -	\$ -	\$ 51,831	\$ 51,831
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 29,905	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			\$ 29,905	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Major Special Revenue Fund - Fire Protection Fund - 209  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ 1,000	\$ 510	\$ 503	\$ (7)
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	89,711	76,074	79,826	3,752
State shared taxes	-	-	-	-
<b>Total revenues</b>	<b>90,711</b>	<b>76,584</b>	<b>80,329</b>	<b>3,745</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	0
Public safety	150,000	136,584	54,199	82,385
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>150,000</b>	<b>136,584</b>	<b>54,199</b>	<b>82,385</b>
Excess (deficiency) revenues over (under) expenditures	(59,289)	(60,000)	26,130	86,130
<b>Other financing sources (uses):</b>				
Operating transfers	-	-	-	-
Designated cash	59,289	60,000	-	(60,000)
<b>Total other financing sources (uses)</b>	<b>59,289</b>	<b>60,000</b>	<b>-</b>	<b>(60,000)</b>
Net change in fund balances	-	-	26,130	26,130
Cash balance, beginning of year	-	-	80,659	80,659
Prior period adjustment	-	-	(32)	(32)
Cash balance, beg of year restated	-	-	80,627	80,627
Cash balance, end of year	\$ -	\$ -	\$ 106,757	\$ 106,757
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 26,130	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			1,501	
Net change in fund balance (GAAP Basis)			\$ 27,631	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Proprietary Funds  
Statement of Net Position  
June 30, 2013

	Business-type Activities <u>Water Fund 501</u>	Business-type Activities <u>Solid Waste 502</u>	Business-type Activities <u>Totals</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 28,922	\$ 20,723	\$ 49,645
Accounts receivable	7,907	1,890	9,797
Allowance for uncollectable accounts receivable	<u>(949)</u>	<u>(227)</u>	<u>(1,176)</u>
Total current assets	<u>35,880</u>	<u>22,386</u>	<u>58,266</u>
Noncurrent assets			
Restricted cash, customer meter deposits	7,780	-	7,780
Capital assets, being depreciated	2,113,452	24,302	2,137,754
Less: accumulated depreciation	<u>(822,686)</u>	<u>(24,114)</u>	<u>(846,800)</u>
Total noncurrent assets	<u>1,298,546</u>	<u>188</u>	<u>1,298,734</u>
Total assets	<u>\$ 1,334,426</u>	<u>\$ 22,574</u>	<u>\$ 1,357,000</u>
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	\$ 3,750	\$ 326	\$ 4,076
Compensated absences	<u>2,011</u>	<u>-</u>	<u>2,011</u>
Total current liabilities	<u>5,761</u>	<u>326</u>	<u>6,087</u>
Noncurrent liabilities			
Customer meter deposits	<u>7,780</u>	<u>-</u>	<u>7,780</u>
Total liabilities	13,541	326	13,867
Net position:			
Invested in capital assets	1,290,766	188	1,290,954
Unrestricted	<u>30,119</u>	<u>22,060</u>	<u>52,179</u>
Total net position	<u>1,320,885</u>	<u>22,248</u>	<u>1,343,133</u>
Total liabilities and net position	<u>\$ 1,334,426</u>	<u>\$ 22,574</u>	<u>\$ 1,357,000</u>

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

STATE OF NEW MEXICO  
TOWN OF ELIDA

Proprietary Funds  
Statement of Revenue, Expenses and Changes in Net Position  
For the year ended June 30, 2013

	Business-type Activities <u>Water Fund 501</u>	Business-type Activities <u>Solid Waste 502</u>	Business-type Activities <u>Totals</u>
Operating revenues:			
Sales and services	\$ 59,529	\$ 19,701	\$ 79,230
Miscellaneous	150	-	150
Total operating revenues	<u>59,679</u>	<u>19,701</u>	<u>79,380</u>
Operating expenses:			
Public works	42,058	7,239	49,297
Personnel	18,387	5,071	23,458
Depreciation	56,839	129	56,968
Total operating expenses	<u>117,284</u>	<u>12,439</u>	<u>129,723</u>
Operating income (loss)	(57,605)	7,262	(50,343)
Non-operating revenues (expenses):			
Taxes - gross receipts	-	-	-
Meter deposits	-	-	-
Disposal of capital asset	-	3,870	3,870
Total non-operating revenue (expenses)	<u>-</u>	<u>3,870</u>	<u>3,870</u>
Net income (loss)	(57,605)	11,132	(46,473)
Operating transfers (net)	<u>34,006</u>	<u>-</u>	<u>34,006</u>
Change in net position	(23,599)	11,132	(12,467)
Net position, beginning of year	1,341,932	10,875	1,352,807
Prior period adjustment	2,552	241	2,793
Net position, beginning of year, restated	<u>1,344,484</u>	<u>11,116</u>	<u>1,355,600</u>
Net position, end of year	<u>\$ 1,320,885</u>	<u>\$ 22,248</u>	<u>\$ 1,343,133</u>

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Proprietary Funds  
Statement of Cash Flows  
For the year ended June 30, 2013

	Business-type Activities Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$ 80,868
Payments to suppliers and contractors	(46,750)
Payments to and on behalf of employees	<u>(23,163)</u>
Net cash provided (used) by operating activities	<u>10,955</u>
Cash flows from non capital financing activities:	
Taxes - gross receipts	1,102
Change in meter deposits	300
Transfers (net)	<u>34,006</u>
Net cash provided (used) by non capital financing activities	<u>35,408</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(34,006)
Disposal of capital asset	<u>3,870</u>
Net cash provided (used) by capital and related financing activities	<u>(30,136)</u>
Net increase (decrease) in cash and cash equivalents	16,227
Cash and cash equivalents, beginning of year	41,201
Prior period adjustment	<u>(3)</u>
Cash and cash equivalents, restated	<u>41,198</u>
Total cash and cash equivalents, end of year	<u>\$ 57,425</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (50,344)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	56,968
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	1,488
Increase (Decrease) in accounts payable	<u>2,843</u>
Net cash provided (used) by operating activities	<u>\$ 10,955</u>

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Agency Fund - Correction Fees  
Statement of Fiduciary Assets and Liabilities  
June 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ -</u>
Total assets	<u><u>\$ -</u></u>
<u>LIABILITIES</u>	
Deposits held for others	<u>\$ -</u>
Total liabilities	<u><u>\$ -</u></u>

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

## Notes to Financial Statements



## 1. Summary Of Significant Accounting Policies

The financial statements of the Town of Elida (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and proprietary funds, the Town has not chosen to do so.

### A. Reporting Entity

The Town of Elida is a political subdivision of the state of New Mexico and was incorporated under provisions of Chapter 3, Article 2, NMSA 1978 as amended. The Town operates under the mayor-trustee form of government. The Town provides the following authorized services: public safety, police and fire, highways and streets, water, sanitation, health and welfare, social services, culture and recreation, public improvements, and general administrative services. The Town's basic financial statements include all activities and accounts of the Town's *financial reporting entity*.

The financial reporting entity consists of the primary government, and any another organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, there are no component units of the Town. The Town is not considered a component unit of another governmental agency during the fiscal year ended June 30, 2013.

### B. Government-Wide Financial Statements

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on a significant extent on fees and charges for support. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in

accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

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

The net cost (by function of governmental-type activity) is normally covered by general revenues (property, sales, franchise, public service taxes, interest income, etc.). The Town does not allocate indirect costs. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term is considered an indirect expense and is reported separately on the Statement of Activities.

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

The Town's fiduciary funds (which have been refined and narrowed in scope) are presented in the fund financial statements by type. Since, by definition, the assets are being held for the benefit of a third party, and cannot be used to address activities or obligations of the municipality; these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund level financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income. 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. For this purpose, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Generally, intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures

generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property, franchise, sales and public service tax revenues associated with the current fiscal period are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is immaterial.

Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases and decreases (e.g., revenues and expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town's water, sewer, and sanitary landfill funds are charges to customers for sales and services. Operating expenses for the 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 non-operating revenues and expenses.

The Town reports the following major governmental funds:

#### General Fund

The Town's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property, sales and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenues. Expenditures include all costs associated with the daily operation of the Town, except for items included in other funds.

#### Special Revenue Funds

##### Correction Fee Fund

To account for fines collected by the Town Court and designated to be used to pay for the contract with Roosevelt County for the use of their jail. Authority is Section 35-14-11 NMSA.

##### Fire Protection Fund

To accounts for the proceeds of the state fire allotment, and the expenditures for public safety there from. New Mexico state law requires that these funds be used to help maintain the fire department. The fund was established by local ordinance and in accordance with Section 59A-53-1, of the New Mexico State Insurance Code. Section 59A-53-8 of the code restricts the use of the funds for only the maintenance of the Town's fire department.

#### Capital Project Fund

##### Capital Project Fund

To account for resources received from a state grant 12-L-G-1465 to design and reconstruct streets within the Town limits. Also to account for resources from a federal grant CDBG 11-C-RS-1-03-G-44 to construct a community senior citizens center. Authority is 67-3-28 NMSA 19787 and 67-3-28.2 NMSA. as amended, and Commission Policy No. 44-92.

The Town reports the following major business-type funds:

##### Water Fund

This fund is used to account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

##### Solid Waste

This fund is used to account for the provision of solid waste services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

#### D. Budgets

Budgets for all funds are prepared by management and approved by the Board of Trustees and the New Mexico Department of Finance and Administration. The clerk-treasurer is responsible for preparing the budget from requests submitted by department heads. The appropriated budget is prepared by line item within object class, program, department and fund; revenues expected to be available are estimated to provide for balanced budgeting. The comprehensive budget package is brought before the Board of Trustees for approval by resolution.

The proposed budget is then submitted by June 1st to the New Mexico Department of Finance and Administration Local Government Division (DFA) for approval. DFA certifies a pending budget by July 1st with final certification of the budget by the first Monday of September. The expenditure section of the budget, once adopted, is legally binding. Based on the final certified budget submitted, DFA certifies the allowable tax rates for property taxes in September.

These budgets are prepared on the non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds are reappropriated in the budget of the subsequent fiscal year. The budget process in the state of New Mexico requires that the beginning cash balance be utilized to fund deficit budgets appropriated in the budget of the subsequent fiscal year. Such appropriated balance is presented as a committed portion of fund balance.

Actual expenditures may not exceed the budget on a fund basis. Budgets may be amended in two ways. If a budget transfer is necessary within a fund, this may be accomplished with only local board approval. If a transfer between "funds" or a budget increase is required, approval must be obtained from the Department of Finance and Administration.

#### E. Assets, Liabilities, and Net Position or Equity

##### Deposits and Investments

Investments in the Town's cash and certificates of deposit are stated at cost, which approximates fair value. All other investments are carried at fair market value using quoted market prices. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

### Inventory

The cost of inventories are recorded as expenditures/expenses when purchased rather than when consumed.  
Interfund Receivables and Payables

Activities between funds, that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, are referred to as interfund balance. Long term advances between funds, reported in the fund financial statements as noncurrent, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### Restricted Assets

Certain long-term assets are classified as restricted assets on the balance sheet because their use is limited to payments for debt service or other purposes such as deposits held in trust for others.

### Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund balance as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

### Capital Assets

Property, plant, and equipment purchased or acquired is carried at historical cost or estimated cost. Contributed capital assets are recorded at estimated fair market value at the time received. The Town defines capital assets as assets with an initial, individual cost or donated value of \$5,000 or more and an estimated useful life in excess of one year. The Town does not capitalize computer software or software developed for internal use (if applicable) unless it exceeds the \$5,000 threshold.

Infrastructure fixed assets consisting of roads, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. 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.

Net revenue bond interest cost incurred during construction is capitalized when material.

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

Assets	Years
Buildings	5 - 50
Building Improvements	5 - 50
Public Domain Infrastructure	20
System Infrastructure	10 - 50
Vehicles	5 - 15
Equipment	5 - 40
Heavy Equipment	10

Compensated Absences

All full-time regular employees are entitled to paid vacation time. Part time employees are entitled to paid vacation time on a basis prorated to the full-time (40 hour) work week. Unused sick leave is not paid upon termination.

Full-time regular employees accrue vacation time as follows:

- One or more years of service: 12 days per year (8 hours per month).
- Five or more years of service: 15 days per year (10 hours per month).
- Ten or more years of service: 20 days per year (13.3 hours per month).

Annual leave must be requested and approved in advance and must be used within one year of employment anniversary date.

Deferred Revenues

Within the government-wide financial statements, deferred revenues represent unearned revenues advanced to the Town. Such advances are reported as deferred revenue until the earnings process is complete. Deferred revenues may include grant awards not recognized as revenues since all criteria have not been met.

Within the governmental funds, revenues must be available in order to be recognized. Revenues such as property taxes that are not available are recorded as deferred revenues and reflected as a liability within the balance sheet.

Short-Term Obligations

No short-term debt occurred during the current fiscal year.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

For the fiscal year ended June 30, 2013, the only long-term obligation is the compensated absences liability.

### Taxes

#### *Motor Vehicle Registration Fees*

Under the provision of Chapter 66, Article 6, NMSA 1978, the State of New Mexico collects various fees for the registration and regulation of motor vehicles in the state. Of the amount collected, certain specified amounts are distributed to various governmental agencies within the state, including: the Motor Vehicle Division, State Road Fund, municipalities, and counties. After certain priority payments, as detailed in 66-6-23 NMSA 1978 have been made, a portion of the remaining fees held in the motor vehicle suspense fund are distributed as required in 66-6-23 B(4) and 66-6-23 B(5). These distributions are commonly referred to as the 10% and 15% motor vehicle tax distribution.

#### *Gasoline Tax*

The State of New Mexico, by authority of Chapter 7, Article 13 NMSA 1978, imposed an \$0.17 excise tax on each gallon of gasoline sold in New Mexico. Of the total gasoline tax received, a portion is distributed to the various municipalities within the state pursuant to Chapter 7, Article 1-6.9 NMSA 1978 and Chapter 7, Article 1-6.27 NMSA 1978.

#### *Municipal Gross Receipts Tax*

Under authority of Chapter 7, Article 19 and 19D, NMSA 1978, the Town adopted gross receipts taxing through ordinance. Said ordinance provide for the imposition of gross receipts taxes on all non-exempt persons engaging in business in the municipality. The tax is collected by the state of New Mexico and remitted to the Town after deducting certain administrative costs.

#### *State Gross Receipts Tax*

Under authority of Chapter 7, Article 1 NMSA 1978, the State of New Mexico imposes a gross receipts tax on all businesses within the State. Of the total state gross receipts taxes collected, 1.225% of the collected gross receipts tax is distributed to the municipality reporting the taxable receipts.

### Restricted Assets

Certain long-term assets in the proprietary funds are classified as restricted assets on the balance sheet because the use is limited to payments for debt service or other purposes such as "deposits held in trust for others".

### Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

*Investment in capital assets* – This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

*Restricted net position* – This category reflects the portion of net position that have third party limitations on their use.

*Unrestricted net position* – This category reflects net position of the Town, not restricted for any project or other purpose.

### Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

*Nonspendable*

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

*Spendable*

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance*

This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance*

These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the board of trustees—the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board of trustees removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance*

This classification reflects the amounts constrained by the Town’s “intent” to be used for specific purposes, but are neither restricted nor committed. The board of trustees and town clerk-treasurer has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance*

This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Town’s policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

F. Other Matters

Cash Flows

For the purpose of the statement of cash flows, the Town considers all highly liquid investments, including restricted cash with maturity of three months or less when purchased, to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



**2. Cash And Deposits With Financial Institutions**

Cash

New Mexico State Statutes provide authoritative guidance regarding the deposit of cash and idle cash. Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more bank or savings and loan associations within the geographical boundaries of the Town. Deposits may be made to the extent that they are insured by an agency of the United States of America or by collateral deposited as security or by bond given by the financial institution.

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

Idle cash may be invested in a wide variety of instruments, including money market accounts, certificates of deposit, the New Mexico State Treasurer’s investment pool, or in securities that are issued by the state or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States, or are backed by the full faith and credit of those governments.

Cash Deposited with Financial Institutions

The Town maintains cash in a financial institutions located in Roosevelt County. The Town’s deposits are carried at cost. The Federal Depository Insurance Corporation (FDIC) insures the cash accounts at the financial institution.

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the Town. All deposits are collateralized with eligible securities, as described by New Mexico State Statute, in amounts equal to at least 50% of the Town carrying value of the deposits (demand and certificates of deposit). Such collateral, as permitted by state statutes, is held in each respective depository bank’s collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds with the exception of deposit insurance provided by the Federal Deposit Insurance Corporation.

	JP Stone Community Bank		
	Portales, NM	Type	
Total amount on deposit on June 30, 2013			
Operating	\$ 411,816	Checking	
Correction	45,269	Savings	
Fire and rescue	13,789	Savings	
Cemetery	13,000	CD	
Total deposited	483,874		
Less FDIC coverage	(322,058)		
Total uninsured public funds	161,816		
50% collateral requirement			
as per Section 6-10-17, NMSA 1978	80,908		
Pledged securities			
	137,056		
Over (under)	\$ 56,148		

According to the Federal Deposit Insurance Corporation, public unit deposits are owned by the public unit. Time deposits, savings deposits and interest bearing money market accounts at 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.

Pledged Collateral: Carlsbad NM School Dist. BQ NONC pledge receipt no. 161033420, CUI SP 142735DE6, maturity date 8/1/2014, market value \$137,056 held at Texas Independent Bank, Dallas Texas, not in the Town's name.

*Custodial Credit Risk – Deposits* – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$24,760 of the Town's bank balance of \$483,874 was exposed to custodial credit risk as follows:

### 3. Receivables, Net

Receivables as of June 30, 2013 are as follows:

	General Fund	Capital Project Fund	Totals
Governmental Activities			
Property tax receivable			
Current	\$ 360	\$ -	\$ 360
Other receivables			
Environmental GRT	473	-	473
Municipal Economic Development	473	-	473
Municipal Equivalent Distb. GRT	58	-	58
Municipal GRT	9,575	-	9,575
MVD Fees	102	-	102
State GRT	9,696	-	9,696
Telephone GRT	7	-	7
Due from grantor			
Capital Projects Fund	-	35,712	35,712
Totals	<u>\$ 20,744</u>	<u>\$ 35,712</u>	<u>\$ 56,456</u>

	Water Fund	Solid Waste Fund	Totals
Business-type Activities			
Receivable from customers	\$ 7,907	\$ 1,890	\$ 9,797
Less allowance for uncollectible	<u>(949)</u>	<u>(227)</u>	<u>(1,176)</u>
Totals	<u>\$ 6,958</u>	<u>\$ 1,663</u>	<u>\$ 8,621</u>

The Town's policy is to provide for uncollectible accounts based upon expected defaults.

#### 4. Property Tax

Property taxes attached as an enforceable lien on property as of January 1st. Property tax rates for the year are set no later than September 1st each year by the New Mexico Secretary of Finance and Administration. The rates of tax are then used by the County Assessor to develop the property tax schedule by October 1st. Tax notices are sent by the County Treasurer to property owners by November 1st of each year. Taxes are payable in equal semiannual installments by November 10th and April 10th of the subsequent year. Thirty days later the bill becomes delinquent and the County Treasurer assesses penalties and interest. Taxes are collected on behalf of the Town by the County Treasurer, and are remitted to the Town in the month following collection. The County Treasurer is statutorily required to collect taxes as an intermediary agency for all forms of government. Distribution of taxes collected is made through the County Treasurer's office.

The Town is permitted to levy taxes for general operating purposes up to an amount determined by a formula based upon each \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the Town is allowed to levy taxes for payments of bonds principal and interest in amounts approved by voters of the Town.

#### 5. Capital Assets

The amount of property, plant and equipment in the Governmental-Type Activities are as follows

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 13,707	\$ -	\$ -	\$ 13,707
Capital assets being depreciated				
Buildings and improvements	433,986	409,368	-	843,354
Infrastructure	1,875,559	40,901		1,916,460
Vehicles	292,198	-	(40,765)	251,433
Equipment	1,060,270	13,132	1,374	1,074,776
	-			
Total assets	<u>3,675,720</u>	<u>463,401</u>	<u>(39,391)</u>	<u>4,099,730</u>
Less accumulated depreciation				
Buildings and improvements	(206,821)	(26,127)	-	(232,948)
Infrastructure	(587,914)	(87,769)	-	(675,683)
Vehicles	(113,623)	(24,220)	12,990	(124,853)
Equipment	(822,725)	(43,828)	10,486	(856,067)
Total accumulated depreciation	<u>(1,731,083)</u>	<u>(181,944)</u>	<u>23,476</u>	<u>(1,889,551)</u>
				-
Governmental activity capital assets, net	<u>\$ 1,944,637</u>	<u>\$ 281,457</u>	<u>\$ (15,915)</u>	<u>\$ 2,210,179</u>

The amount of property, plant and equipment in the Business-Type Activities are as follows

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 104,994	\$ -	\$ -	\$ 104,994
Capital assets being depreciated				
Infrastructure	1,886,103	34,006	-	1,920,109
Heavy equipment	22,500	-	-	22,500
Vehicles	35,086	-	-	35,086
Equipment	55,065	-	-	55,065
	-			-
Total assets	<u>2,103,748</u>	<u>34,006</u>	<u>-</u>	<u>2,137,754</u>
Less accumulated depreciation				
Infrastructure	(714,424)	(51,907)	2,527	(763,804)
Heavy equipment	(22,500)	-	-	(22,500)
Vehicles	(34,106)	(3,509)	22,501	(15,114)
Equipment	(22,201)	(1,552)	(21,629)	(45,382)
	-			-
Total accumulated depreciation	<u>(793,231)</u>	<u>(56,968)</u>	<u>3,399</u>	<u>(846,800)</u>
	-			-
Business-type governmental activity capital assets, net	<u>\$ 1,310,517</u>	<u>\$ (22,962)</u>	<u>\$ 3,399</u>	<u>\$ 1,290,954</u>

The capital asset records were not sufficient for depreciation to be charged by function in order to comply with GASB 34.

## 6. Long-Term Obligations

### *Compensated Absences*

A liability for unused vacation for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered.
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the government-wide statements. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund.

Changes in compensated absences during the year ended June 30, 2013 are as follows:

Governmental-Type Activities

Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
\$ 8,616	\$ 9,136	\$ (10,589)	\$ 7,163	\$ -

Business-Type Activities Long-Term Obligations

Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
\$ 1,716	\$ 1,420	\$ (1,125)	\$ 2,011	\$ -

**7. Interfund Transfers**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Additionally, transfers are used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	Transfer In	Transfer Out
General Fund	\$ 10	\$ (1,018)
Correction Fee Fund		(10)
Environmental GRT		(34,006)
Capital Project Fund	1,018	
Water	34,006	-
Totals	\$ 35,034	\$ (35,034)

**8. Restatement Of Net Assets And Fund Balances**

The prior year's statements of financial position of the government-wide activities and individual funds, omitted certain assets and liabilities or those assets and liabilities presented contained errors and misstatements in order for the financial statements to be in conformity accounting principles generally accepted in the United States of America. As a result, the following restatements have been made to the beginning equity amounts both on the government-wide statements and the individual fund statements:

Fund Balance	Cash	Accounts Receivable	Accounts Payable	Totals
General Fund	\$ 1,996	\$ 7,995	\$ (2,058)	\$ 7,933
Correction Fund	64			64
Fire Protection Fund	(32)		(1,501)	(1,533)
Senior Citizens Fund			(37)	(37)
	\$ 2,028	\$ 7,995	\$ (3,596)	\$ 6,427

Net Position

Governmental types

	Cash	Accounts Receivable	Accounts Payable	Accumulated Depreciation	Totals
General Fund	\$	\$	\$	\$ 3,017	\$ 3,017
Correction Fund	64				64
Fire Protection Fund	(32)		(1,501)		(1,533)
Senior Citizens Fund			(37)		(37)
	<u>\$ 32</u>	<u>\$ 0</u>	<u>\$ (1,538)</u>	<u>\$ 3,017</u>	<u>\$ 1,511</u>

Business-type Activities

	Cash	Meter Deposits	Accounts Payable	Accumulated Depreciation	Totals
Water	\$	\$ (175)	\$ (356)	\$ 3,083	\$ 2,552
Solid Waste	(3)		(72)	316	241
	<u>\$ (3)</u>	<u>\$ (175)</u>	<u>\$ (428)</u>	<u>\$ 3,399</u>	<u>\$ 2,793</u>

**9. Pension Plan – Public Employees Retirement Association**

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

*Funding Policy.* Plan members are required to contribute 7% for regular employees and 16.3% for police (ranges from 3.83% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The Town is required to contribute 7% for regular employees and 18.5% for police (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the Town are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Town's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$32,457, \$14,282, and \$26,287, respectively, which equal the amount of the required contributions for each fiscal year.

**10. Post-Employment Benefits - State Retiree Health Care Plan**

*Plan Description.* The Town contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Town's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$4,570, \$2,561 and \$3,268 , respectively, which equal the required contributions for each year.

## **11. Subsequent Review**

The Town of Elida has evaluated subsequent events from July 1, 2013 through November 19, 2013, which is the date of the independent auditors' report.

## **12. Risk Management**

The Town 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 Town has purchased insurance from a commercial vendor and pays an annual premium for its general insurance coverage, as such all risk of loss is transferred.

## **13. Contingent Liabilities**

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



## Supplementary Information Related to Major Governmental Funds

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Major Capital Project Fund - Capital Project Fund - 300  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	50,000	50,000	40,901	(9,099)
Federal sources	412,659	410,000	372,639	(37,361)
Total revenues	462,659	460,000	413,540	(46,460)
Expenditures:				
Current:				
General government	-	-	-	0
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	504,037	535,083	414,558	120,525
Total expenditures	504,037	535,083	414,558	120,525
Excess (deficiency) revenues over (under) expenditures	(41,378)	(75,083)	(1,018)	74,065
Other financing sources (uses):				
Operating transfers	-	-	1,018	1,018
Designated cash	41,378	75,083	-	(75,083)
Total other financing sources (uses)	41,378	75,083	1,018	(74,065)
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Prior period adjustment	-	-	-	-
Cash balance, beg of year restated	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

Supplementary Information Related to Non-Major Governmental Funds

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Non-Major  
Special Revenue Funds

Environmental Gross Receipts Tax Fund

Accounts for municipal gross receipts tax revenues received to be used for the acquisition, construction, operation, and maintenance of solid waste facilities, water facilities, sewer systems, and related facilities (Town ordinance).

Emergency Medical Services Fund

The EMS fund accounts for the state emergency medical services grant, to be used for specific medical services provided through fire department activities. The municipality also accounts for all ambulance revenues for services provided. This state grant comes through the New Mexico Department of Health per EMS regulation DOH 94-11. The fund was created by local ordinance. Section 24-10A-1 to 24-10A-10, NMSA 1978 provides funds to municipalities for use in the establishment and enhancement of local emergency medical services. Section 24-10A-7, NMSA 1978 restricts expenditures from the fund from only emergency medical services.

Law Enforcement Protection Fund

The LEPF accounts for the state grant to be used for the repair and/or replacement of law enforcement equipment, according to state law, section 29-13.1 through 29-13.9, NMSA 1978. The fund was established by local ordinance to comply with state statutes. Section 29-13-17A, NMSA 1978 limits distributions from the fund for law enforcement related expenditures, including, but not limited to, the purchase of equipment, expenses associated with advanced law enforcement planning and training.

Recreation Fund

Accounts for receipts which are restricted for use in recreational areas only. The fund was established by local ordinance.

Senior Citizens Fund

Accounts for the operation and maintenance of the senior citizens transportation and health awareness program. The municipality provides out-of-town transportation for senior citizens seeking medical services. Funding is provided by federal, state, and local sources. The federal funding source is: Title III-B, funded by the United States Department of Health and Human Services and passed through the state of New Mexico. The state funds are authorized by the New Mexico General Appropriations Act (Chapter 3, 1999 Laws of New Mexico). The fund was established by local ordinance.

Library Fund

Accounts for the operation and maintenance of the Town library. Financing is provided by a County subsidy, various grants and donations. The donations provide for payment of all current operating costs and may be used only for that purpose. The fund was established by local ordinance.

Department of Justice - DOT Asset Forfeiture Fund

Accounts for revenue acquired from cash seized or proceeds from the sale of confiscated items during drug and other criminal investigations/arrests. These funds are used to supplement law enforcement operations. The fund was established by local ordinance.

Cemetery Fund

Accounts for funds received from sale of lots and donations for the purpose of maintaining a community cemetery. The fund was established by local ordinance authorized by Section 3-40-1, NMSA 1978.

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2013

	Environmental Gross Receipts 202	Emergency Medical Service 206	Law Enforcement Protection 211	Recreation 217
<u>ASSETS</u>				
Cash in banks	\$ 11,791	\$ 38,865	\$ 14,770	\$ 77
Total assets	<u>\$ 11,791</u>	<u>\$ 38,865</u>	<u>\$ 14,770</u>	<u>\$ 77</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 32	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>32</u>	<u>-</u>
<u>FUND BALANCE</u>				
Unassigned, reported in:				
Special revenue funds	<u>11,791</u>	<u>38,865</u>	<u>14,738</u>	<u>77</u>
Total fund balance	<u>11,791</u>	<u>38,865</u>	<u>14,738</u>	<u>77</u>
Total liabilities and fund balance	<u>\$ 11,791</u>	<u>\$ 38,865</u>	<u>\$ 14,770</u>	<u>\$ 77</u>

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

Senior Citizens 219	Library 228	DOT Asset Forfeiture 299	Cemetery 600	Totals
\$ 13,970	\$ 2,663	\$ -	\$ 15,734	\$ 97,870
<u>\$ 13,970</u>	<u>\$ 2,663</u>	<u>\$ -</u>	<u>\$ 15,734</u>	<u>\$ 97,870</u>
\$ 361	\$ -	\$ -	\$ 500	\$ 893
<u>361</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>893</u>
13,609	2,663	-	15,234	96,977
<u>13,609</u>	<u>2,663</u>	<u>-</u>	<u>15,234</u>	<u>96,977</u>
\$ 13,970	\$ 2,663	\$ -	\$ 15,734	\$ 97,870

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the year ended June 30, 2013

	Environmental Gross Receipts 202	Emergency Medical Service 206	Law Enforcement Protection 211	Recreation 217
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	7	-	-
State sources	-	7,155	21,200	-
Federal sources	-	-	-	-
Total revenues	<u>-</u>	<u>7,162</u>	<u>21,200</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	12,469	6,462	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>12,469</u>	<u>6,462</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(5,307)	14,738	-
Other financing sources (uses):				
Operating transfers (net)	<u>(34,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(34,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(34,006)	(5,307)	14,738	-
Fund balances, beginning of year	45,797	44,172	-	77
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year rest	<u>45,797</u>	<u>44,172</u>	<u>-</u>	<u>77</u>
Fund balances, ending	<u>\$ 11,791</u>	<u>\$ 38,865</u>	<u>\$ 14,738</u>	<u>\$ 77</u>

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



Senior Citizens 219	Library 228	DOT Asset Forfeiture 229	Cemetery 600	Totals
\$ 13,852	\$ -	\$ -	\$ 630	\$ 14,482
-	-	-	24	24
-	-	-	-	-
-	-	-	489	489
-	-	-	-	-
-	-	-	16	23
5,316	-	-	-	33,671
1,275	-	-	-	1,275
<u>20,443</u>	<u>-</u>	<u>-</u>	<u>1,159</u>	<u>49,964</u>
-	-	-	-	-
-	-	1,092	-	20,023
-	-	-	-	-
-	-	-	1,297	1,297
<u>7,598</u>	<u>213</u>	<u>-</u>	<u>-</u>	<u>7,811</u>
<u>7,598</u>	<u>213</u>	<u>1,092</u>	<u>1,297</u>	<u>29,131</u>
12,845	(213)	(1,092)	(138)	20,833
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,006)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,006)</u>
12,845	(213)	(1,092)	(138)	(13,173)
801	2,876	1,092	15,372	110,187
(37)	-	-	-	(37)
<u>764</u>	<u>2,876</u>	<u>1,092</u>	<u>15,372</u>	<u>110,150</u>
<u>\$ 13,609</u>	<u>\$ 2,663</u>	<u>\$ -</u>	<u>\$ 15,234</u>	<u>\$ 96,977</u>

## STATE OF NEW MEXICO

## TOWN OF ELIDA

## Special Revenue Fund - Environmental Gross Receipts Tax Fund - 202

## Statement of Revenue, Expenditures, and Changes in Cash Balances

## Budget and Actual (Non - GAAP Budgetary Basis)

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	-	-	-	-
State shared taxes	-	-	-	-
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues over (under) expenditures	40,000	40,000	-	(40,000)
Other financing sources (uses):				
Operating transfers	(20,000)	(34,006)	(34,006)	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>(20,000)</u>	<u>(34,006)</u>	<u>(34,006)</u>	<u>-</u>
Net change in fund balances	20,000	5,994	(34,006)	(40,000)
Cash balance, beginning of year	-	-	45,797	45,797
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	<u>-</u>	<u>-</u>	<u>45,797</u>	<u>45,797</u>
Cash balance, end of year	<u>\$ 20,000</u>	<u>\$ 5,994</u>	<u>\$ 11,791</u>	<u>\$ 5,797</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (34,006)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (34,006)</u>	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Special Revenue Fund - Emergency Medical Service Fund - 206  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 3,340	\$ 3,340	\$ -	\$ (3,340)
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	10	10	7	(3)
State sources	7,155	7,155	7,155	-
State shared taxes	-	-	-	-
Total revenues	<u>10,505</u>	<u>10,505</u>	<u>7,162</u>	<u>(3,343)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	20,505	20,505	12,469	8,036
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>20,505</u>	<u>20,505</u>	<u>12,469</u>	<u>8,036</u>
Excess (deficiency) revenues over (under) expenditures	(10,000)	(10,000)	(5,307)	4,693
Other financing sources (uses):				
Operating transfers net	-	-	-	-
Designated cash	<u>10,000</u>	<u>10,000</u>	-	<u>(10,000)</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	-	<u>(10,000)</u>
Net change in fund balances	-	-	(5,307)	(5,307)
Cash balance, beginning of year	-	-	44,172	44,172
Prior period adjustment	-	-	-	-
Cash balance, beg. of year restated	-	-	<u>44,172</u>	<u>44,172</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,865</u>	<u>\$ 38,865</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (5,307)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (5,307)</u>	

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

## STATE OF NEW MEXICO

## TOWN OF ELIDA

## Special Revenue Fund - Law Enforcement Protection Fund - 211

## Statement of Revenue, Expenditures, and Changes in Cash Balances

## Budget and Actual (Non - GAAP Budgetary Basis)

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	-	-	-	-
State shared taxes	21,200	21,200	21,200	-
<b>Total revenues</b>	<b>21,200</b>	<b>21,200</b>	<b>21,200</b>	<b>-</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	6,500	6,500	6,430	70
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>6,500</b>	<b>6,500</b>	<b>6,430</b>	<b>70</b>
Excess (deficiency) revenues over (under) expenditures	14,700	14,700	14,770	70
<b>Other financing sources (uses):</b>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>14,700</b>	<b>14,700</b>	<b>14,770</b>	<b>70</b>
Cash balance, beginning of year	-	-	-	-
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	-	-	-	-
Cash balance, end of year	\$ 14,700	\$ 14,700	\$ 14,770	\$ 70
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 14,770	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(32)	
<b>Net change in fund balance (GAAP Basis)</b>			<b>\$ 14,738</b>	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Special Revenue Fund - Recreation Fund - 217  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ 100	\$ 100	\$ -	\$ (100)
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	-	-	-	-
State shared taxes	-	-	-	-
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	2,000	2,000	-	2,000
Capital outlay	-	-	-	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess (deficiency) revenues over (under) expenditures	(1,900)	(1,900)	-	1,900
<b>Other financing sources (uses):</b>				
Operating transfers	-	-	-	-
Designated cash	1,900	1,900	-	(1,900)
Total other financing sources (uses)	<u>1,900</u>	<u>1,900</u>	<u>-</u>	<u>(1,900)</u>
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	77	77
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 77</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

## STATE OF NEW MEXICO

## TOWN OF ELIDA

## Special Revenue Fund - Senior Citizens Fund - 219

## Statement of Revenue, Expenditures, and Changes in Cash Balances

## Budget and Actual (Non - GAAP Budgetary Basis)

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ 13,852	\$ 13,852
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	7,008	6,809	5,316	(1,493)
Federal sources	1,700	1,700	1,275	(425)
Total revenues	8,708	8,509	20,443	11,934
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	8,478	8,509	7,274	1,235
Capital outlay	-	-	-	-
Total expenditures	8,478	8,509	7,274	1,235
Excess (deficiency) revenues over (under) expenditures	230	-	13,169	13,169
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	230	-	13,169	13,169
Cash balance, beginning of year	-	-	801	801
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	-	-	801	801
Cash balance, end of year	\$ -	\$ -	\$ 13,970	\$ 13,970
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 13,169	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(324)	
Net change in fund balance (GAAP Basis)			\$ 12,845	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Special Revenue Fund - Library Fund - 298  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 500	\$ 500	\$ -	\$ (500)
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	-	-	-	-
State shared taxes	-	-	-	-
Total revenues	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	1,000	1,000	213	787
Capital outlay	-	-	-	-
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>213</u>	<u>787</u>
Excess (deficiency) revenues over (under) expenditures	(500)	(500)	(213)	287
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	500	500	-	(500)
Total other financing sources (uses)	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Net change in fund balances	-	-	(213)	(213)
Cash balance, beginning of year	-	-	2,876	2,876
Prior period adjustment	-	-	-	-
Cash balance, beg of year restated	<u>-</u>	<u>-</u>	<u>2,876</u>	<u>2,876</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,663</u>	<u>\$ 2,663</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (213)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (213)</u>	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Special Revenue Fund - DOT Asset Forfeiture Fund - 299  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	-	-	-
State sources	-	-	-	-
State shared taxes	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	1,092	1,092	1,092	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,092	1,092	1,092	-
Excess (deficiency) revenues over (under) expenditures	(1,092)	(1,092)	(1,092)	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	1,092	1,092	-	(1,092)
Total other financing sources (uses)	1,092	1,092	-	(1,092)
Net change in fund balances	-	-	(1,092)	(1,092)
Cash balance, beginning of year	-	-	1,092	1,092
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	-	-	1,092	1,092
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (1,092)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (1,092)	

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



STATE OF NEW MEXICO  
TOWN OF ELIDA  
Special Revenue Fund - Cemetery Fund - 600  
Statement of Revenue, Expenditures, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ 750	\$ 750	\$ 630	\$ (120)
Taxes	25	25	24	(1)
Licenses and permits	-	-	-	-
Charges for services	-	-	489	489
Fines and forfeits	-	-	-	-
Interest	-	-	16	16
State sources	30	30	-	(30)
State shared taxes	-	-	-	-
<b>Total revenues</b>	<b>805</b>	<b>805</b>	<b>1,159</b>	<b>354</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	2,000	2,000	797	1,203
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>2,000</b>	<b>2,000</b>	<b>797</b>	<b>1,203</b>
Excess (deficiency) revenues over (under) expenditures	(1,195)	(1,195)	362	1,557
<b>Other financing sources (uses):</b>				
Operating transfers	-	-	-	-
Designated cash	1,195	1,195	-	(1,195)
<b>Total other financing sources (uses)</b>	<b>1,195</b>	<b>1,195</b>	<b>-</b>	<b>(1,195)</b>
Net change in fund balances	-	-	362	362
Cash balance, beginning of year	-	-	15,372	15,372
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	-	-	15,372	15,372
Cash balance, end of year	\$ -	\$ -	\$ 15,734	\$ 15,734
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 362	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(500)	
Net change in fund balance (GAAP Basis)			\$ (138)	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Enterprise Funds - Water Fund - 501  
Statement of Revenue, Expenses, and Changes in Cash Balances  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Sales and service	\$ 70,200	\$ 70,200	\$ 60,881	\$ (9,319)
Miscellaneous	150	150	150	-
Total revenues	<u>70,350</u>	<u>70,350</u>	<u>61,031</u>	<u>(9,319)</u>
Expenses:				
Current:				
Public works	42,152	42,152	38,900	3,252
Personal	18,092	18,092	18,092	-
Capital outlay	<u>34,006</u>	<u>34,006</u>	<u>34,006</u>	<u>-</u>
Total expenses	<u>94,250</u>	<u>94,250</u>	<u>90,998</u>	<u>3,252</u>
Excess (deficiency) revenues over (under) expenditures	(23,900)	(23,900)	(29,967)	(6,067)
Other financing sources (uses):				
Taxes - gross receipts (net)	3,500	3,500	237	(3,263)
Change in meter deposits	400	400	300	(100)
Operating transfers (net)	20,000	34,006	34,006	-
Designated cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>23,900</u>	<u>37,906</u>	<u>34,543</u>	<u>(3,363)</u>
Net change in fund balances	-	14,006	4,576	(9,430)
Cash balance, beginning of year	-	-	32,126	32,126
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, beginning of year restated	<u>-</u>	<u>-</u>	<u>32,126</u>	<u>32,126</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ 14,006</u>	<u>\$ 36,702</u>	<u>\$ 22,696</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 4,576	
Adjustment to revenues for accruals and other deferrals			(1,352)	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(26,824)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (23,600)</u>	

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

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Enterprise Funds - Solid Waste Fund - 502  
Statement of Revenue, Expenses, and Changes in Cash Balance  
Budget and Actual (Non - GAAP Budgetary Basis)  
For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Sales and service	\$ 21,600	\$ 21,600	\$ 23,707	\$ 2,107
Miscellaneous	-	-	-	-
Total revenue	<u>21,600</u>	<u>21,600</u>	<u>23,707</u>	<u>2,107</u>
Expenses:				
Current:				
Public works	17,609	17,609	7,850	9,759
Personal	5,071	5,071	5,071	-
Capital outlay	-	-	-	-
Total expenses	<u>22,680</u>	<u>22,680</u>	<u>12,921</u>	<u>9,759</u>
Excess (deficiency) revenues over (under) expenditures	(1,080)	(1,080)	10,786	11,866
Other financing sources (uses):				
Taxes - gross receipts (net)	1,080	1,080	865	(215)
Change in meter deposits	-	-	-	-
Operating transfers (net)	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (use)	<u>1,080</u>	<u>1,080</u>	<u>865</u>	<u>(215)</u>
Net change in fund balance	-	-	11,651	11,651
Cash balance, beginning of year	-	-	9,075	9,075
Prior period adjustment	-	-	(3)	(3)
Cash balance, beg of year restated	<u>-</u>	<u>-</u>	<u>9,072</u>	<u>9,072</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,723</u>	<u>\$ 20,723</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 11,651	
Adjustment to revenues for accruals and other deferrals			(1,001)	
Adjustment to expenditures for payables, prepaids and other accruals			<u>482</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 11,132</u>	

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

## Supplementary Information Related to Agency Funds

## AGENCY FUNDS

### Activity Trust Fund

To account for funds collected on behalf of the State Of New Mexico that is custodial in nature.

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Agency Fund - Correction Fees  
Statement of Changes in Assets and Liabilities  
June 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Correction fees	\$ -	\$ 12,798	\$ (12,798)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 12,798</u>	<u>\$ (12,798)</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Funds handled on behalf of: State of New Mexico	\$ -	\$ 12,798	\$ (12,798)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 12,798</u>	<u>\$ (12,798)</u>	<u>\$ -</u>

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

## Other Supplementary Information

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Bank Reconciliation - All Accounts  
For the year ended June 30, 2013

	Beginning Cash	Receipts	Distributions	Transfers
Governmental Funds:				
General	\$ 117,493	\$ 328,658	\$ (299,866)	\$ (1,008)
Correction	21,862	30,125	(210)	(10)
Environmental Gross Receipts Tax	45,797	-	-	(34,006)
Emergency Medical Service	44,172	7,162	(12,469)	-
Fire Protection	80,659	80,329	(54,199)	-
Law Enforcement Protection	-	21,200	(6,430)	-
Recreation	77	-	-	-
Senior Citizens	801	20,443	(7,274)	-
Library	2,876	-	(213)	-
DOT Asset Forfeiture	1,092	-	(1,092)	-
Cemetery	15,372	1,159	(797)	-
Capital Projects	-	413,540	(414,558)	1,018
Total Governmental funds	330,201	902,616	(797,108)	(34,006)
Proprietary Fund:				
Water	32,126	61,568	(90,998)	34,006
Solid waste	9,075	24,572	(12,921)	-
Total proprietary funds	41,201	86,140	(103,919)	34,006
Total governmental and proprietary funds	371,402	988,756	(901,027)	-
Agency Fund:				
Correction fees	-	12,798	(12,798)	-
Total all funds	\$ 371,402	\$ 1,001,554	\$ (913,825)	\$ -

Bank Name	Bank Account Name	Account Type	Bank Statement Balance	Reconciling Items Outstanding Deposits
The James Polk Stone Community Bank	Town of Elida General Fund	Checking	\$ 411,816	\$ 567
The James Polk Stone Community Bank	Town of Elida Correction Fund	Savings	45,269	6,562
The James Polk Stone Community Bank	Town of Elida Fire & Rescue Fund	Savings	13,789	-
The James Polk Stone Community Bank	Town of Elida General Fund	Certificate of Deposit	13,000	-
Total reconciled bank accounts			483,874	7,129
Petty cash			72	-
Totals			\$ 483,946	\$ 7,129



<u>Net Cash End of Period</u>	<u>Adjustments to the Report</u>	<u>Total Cash on Report</u>
\$ 145,277	\$ 1,996	\$ 147,273
51,767	64	51,831
11,791	-	11,791
38,865	-	38,865
106,789	(32)	106,757
14,770	-	14,770
77	-	77
13,970	-	13,970
2,663	-	2,663
-	-	-
15,734	-	15,734
-	-	-
401,703	2,028	403,731
36,702	-	36,702
20,726	(3)	20,723
57,428	(3)	57,425
459,131	2,025	461,156
-	-	-
<u>\$ 459,131</u>	<u>\$ 2,025</u>	<u>\$ 461,156</u>

<u>Reconciling Items Outstanding Checks</u>	<u>Total Reconciled Book Balance</u>
(29,919)	382,464
-	51,831
-	13,789
-	13,000
(29,919)	461,084
-	72
<u>\$ (29,919)</u>	<u>\$ 461,156</u>

## STATE OF NEW MEXICO

## TOWN OF ELIDA

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
For the year ended June 30, 2013

	<u>General - 101</u>	<u>Correction - 201</u>	<u>Environmental Gross Receipts Tax - 202</u>	<u>Emergency Medical Service - 206</u>
Revenues:				
Local sources:				
Tax - property	\$ 3,307	\$ -	\$ -	\$ -
Tax - gross receipts	-	-	-	-
Licenses and permits	311	-	-	-
Charges for services	2,406	-	-	-
Rent	5,595	-	-	-
Connection charges	-	-	-	-
Fines and forfeits	110,275	30,100	-	-
Interest on investments	9	25	-	7
Donations	9,025	-	-	-
Miscellaneous	553	-	-	-
Local grant - Wal-Mart	2,500	-	-	-
Sale of scrap	8,670	-	-	-
Sale of fixed asset	19,500	-	-	-
Total local sources	162,151	30,125	-	7
State sources:				
Tax - Environmental Gross Receipts	2,710	-	-	-
Tax - Gas [two cents]	11,062	-	-	-
Tax - Municipal Equivalent Dist GRT	1,924	-	-	-
Tax - Municipal Gross Receipts	47,984	-	-	-
Tax - State Gross Receipts	51,199	-	-	-
Tax - Telephone GRT	50	-	-	-
Grant - EMS	-	-	-	7,155
Fire allotment	-	-	-	-
Grant - LEP	-	-	-	-
State Forestry	-	-	-	-
Motor Vehicle	638	-	-	-
Municipal Economic Development	2,177	-	-	-
Grant - Municipal Coop	-	-	-	-
Clean and Beautiful grant	2,979	-	-	-
House Bill 2	-	-	-	-
Legislative appropriation	-	-	-	-
Small Cities assistance	35,000	-	-	-
Total state sources	155,723	-	-	7,155
Federal sources:				
IIIB	-	-	-	-
CDBG	-	-	-	-
Total federal sources	-	-	-	-
Total	<u>\$ 317,874</u>	<u>\$ 30,125</u>	<u>\$ -</u>	<u>\$ 7,162</u>

<u>Fire Protection - 209</u>	<u>Law Enforcement Protection - 211</u>	<u>Recreation - 217</u>	<u>Senior Citizens 219</u>	<u>Cemetery 600</u>	<u>Capital Projects 300</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	24	-
-	-	-	-	-	-
-	-	-	-	489	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	16	-
395	-	-	13,829	630	-
108	-	-	23	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>503</u>	<u>-</u>	<u>-</u>	<u>13,852</u>	<u>1,159</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
72,711	-	-	-	-	-
-	21,200	-	-	-	-
7,115	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	40,901
-	-	-	-	-	-
-	-	-	5,316	-	-
-	-	-	-	-	100,000
-	-	-	-	-	-
<u>79,826</u>	<u>21,200</u>	<u>-</u>	<u>5,316</u>	<u>-</u>	<u>140,901</u>
-	-	-	1,275	-	-
-	-	-	-	-	308,351
-	-	-	<u>1,275</u>	-	<u>308,351</u>
<u>\$ 80,329</u>	<u>\$ 21,200</u>	<u>\$ -</u>	<u>\$ 20,443</u>	<u>\$ 1,159</u>	<u>\$ 449,252</u>

## STATE OF NEW MEXICO

## TOWN OF ELIDA

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2013

	Total Governmental Funds	Water - 501	Solid Waste 502	Total Enterprise Funds
Revenues:				
Local sources:				
Tax - property	\$ 3,307	\$ -	\$ -	\$ -
Tax - gross receipts	24	-	-	-
Licenses and permits	311	-	-	-
Charges for services	2,895	59,329	19,701	79,030
Rent	5,595	-	-	-
Connection charges	0	200	-	200
Fines and forfeits	140,375	-	-	-
Interest on investments	57	-	-	-
Donations	23,879	-	-	-
Miscellaneous	684	150	-	150
Local grant - Wal-Mart	2,500	-	-	-
Sale of scrap	8,670	-	-	-
Gain on sale of fixed asset	19,500	-	3,870	3,870
	<u>207,797</u>	<u>59,679</u>	<u>23,571</u>	<u>83,250</u>
Total local sources	207,797	59,679	23,571	83,250
State sources:				
Tax - Environmental Gross Receipts	2,710	-	-	-
Tax - Gas [two cents]	11,062	-	-	-
Tax - Municipal Equivalent Dist GRT	1,924	-	-	-
Tax - Municipal Gross Receipts	47,984	-	-	-
Tax - State Gross Receipts	51,199	-	-	-
Tax - Telephone GRT	50	-	-	-
Grant - EMS	7,155	-	-	-
Fire allotment	72,711	-	-	-
Grant - LEP	21,200	-	-	-
State Forestry	7,115	-	-	-
Motor Vehicle	638	-	-	-
Municipal Economic Development	2,177	-	-	-
Grant - Municipal Coop	40,901	-	-	-
Clean and Beautiful grant	2,979	-	-	-
House Bill 2	5,316	-	-	-
Legislative appropriation	100,000	-	-	-
Small Cities assistance	35,000	-	-	-
	<u>410,121</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total state sources	410,121	-	-	-
Federal sources:				
IIIB	1,275	-	-	-
CDBG	308,351	-	-	-
	<u>309,626</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal sources	309,626	-	-	-
Total	<u>927,544</u>	<u>\$ 59,679</u>	<u>\$ 23,571</u>	<u>\$ 83,250</u>

## Compliance Section

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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*

Independent Auditors Report

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Town of Elida  
Elida, New Mexico

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the Town of Elida (the Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Town, presented as supplemental information, and have issued my report thereon dated November 19, 2013.

### **Internal Control Over Financial Reporting**

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

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2013-01

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. I consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. 2012-04/05, 2012-06/07, 2012-08, 2012-11.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items. 2012-10, 2012-13, 2013-2, and 2013-3.

### **The Town's Response to Findings**

The Town's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

### **Purpose of this Report**

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



Sandra Rush CPA PC  
Clovis, New Mexico  
November 19, 2013



STATE OF NEW MEXICO  
TOWN OF ELIDA  
Schedule of Findings and Responses  
June 30, 2013

Prior Year Audit Findings

2012-01	Late Audit Report	Resolved
2012-02	Budget Violations	Resolved
2012-03	Bank/Savings Account Not on Books	Resolved
2012-09	Water Meter Deposits Reconciliation	Resolved
2012-12	Backhoe Charge Policy	Resolved
2012-14	Receipt Books	Resolved
2012-15	Arsenic Violations	Resolved
2012-16	Corrections Contract	Resolved
2012-17	Approval for Cell Phones	Resolved
2012-18	Use of Fuel Credit Cards	Resolved
2012-19	Water Conservation Fee	Resolved
2012-20	Free Water to Employees	Resolved
2012-21	Required Support for Distributions	Resolved
2012-22	Travel Vouchers	Resolved
2012-23	Travel Policy	Resolved

2012-04	Amounts Collected on Behalf of the State - Compliance and Internal Control - Significant Deficiency
2012-05	Separate Bank Account for on Behalf Collections – Other Matter

Condition

The Town is including Court Automation Fees and Judicial Education Fee as revenues and expenditures in the General fund. These are collections made on behalf of the State and should be kept separate in an Agency Fund in the books of record and the DFA report.

Criteria

All amounts collected on behalf of another entity should be collected, disbursed and reported in an Agency Fund.

Cause

Management was not aware of this requirement.

Effect

These amounts are incorrectly included as revenue and expenditures for budget purposes in the General fund. Also, any cash left in the bank at June 30, could be mistakenly budgeted for the General fund.

Recommendation

Management should separate these receipts and disbursements in an Agency fund as soon as possible, not only on the DFA report but on the books of record.

Response

Management has set up a separate general ledger account for funds collected on behalf of the State. In the future, the funds will be reported on the quarterly DFA report as an agency fund.

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Schedule of Findings and Responses  
June 30, 2013

- 2012-06 Capital Asset Listing / Depreciation Schedule – Compliance and Internal Control - Significant Deficiency  
2012-07 Depreciation Policy – Other Matte

Condition

The Town could not provide a complete Capital Asset listing and depreciation schedule for the fiscal year ending June 30, 2013. The board has not approved a formal depreciation policy.

Criteria

A depreciation schedule should be maintained. The depreciation schedule should be separated by each major class of asset to comply with GASB 34.177a. Also, a depreciation schedule is required to comply with 3.30.1.12 NMAC.

Cause

Management of the Town are relying on the auditors to prepare this schedule. For the year ended June 30, 2013, the capital asset listing segregated the assets into major classes. However the information to segregate the depreciation into functions was unavailable.

Effect

Management is not complying with Generally Accepted Accounting Principles.

Recommendation

Management should update and complete their capital asset list including depreciation based on the policy approved by the Board. Management has made progress in completing the capital asset listing, however additional work is need to assign a functions to each assets depreciation. Management should continue working on the capital asset listing.

Response

A depreciation policy and schedule was put into place on August 21, 2013 Board of Trustees meeting. A current asset listing will be presented at the next Board of Trustees meeting for the trustees to review and make the decision on what assets need to be sold, or taken off the current asset list. Also management will assign a function to each asset so depreciation is in compliance with GASB 34.177a.

2012-08 Meter Deposit Bank Account – - Compliance and Internal Control - Significant Deficiency  
Condition

The Town is including meter deposit receipts in the General fund cash balance which is owed to Town residents. This balance is being budgeted for in the yearly budget by DFA.

Criteria

All meter deposits are owed to the residents that paid that deposit. These amounts should be kept separate to ensure the funds are available to be paid and not budgeted for.

Cause

Management was not aware of this requirement.

Effect

The Water Fund budget will be short by the \$7,780 due to meter holders.

Recommendation

Management should move these monies into a separate account to ensure that funds are available for payment and not budgeted for.

Response

Management has moved these monies into a separate general ledger account so that the money will be available for refunds to the customers, and will not be included in the budget as revenue.

2012-10 Old Meter Deposits – Other Matter

Condition

The Town has failed to create a policy providing guidance on when meter deposits could be returned after a designated time period.

Criteria

The Town may determine that meter deposits could be returned after a certain time period, instead of keeping them indefinitely.

Cause

Management was unaware they could prepare such a policy.

Effect

Staff time is wasted on keeping track of \$5 meter deposits that are over 10 years old.

Recommendation

The Town should review their options of returning old, small meter deposits.

Response

A policy was put into place by the Board of Trustees on July 17, 2013. The Board policy states the Town will keep water meter deposits until the customer moves and then apply the deposit to the customer's last bill. In the event the customer is left with a credit on the books, a refund check will be forwarded to that customer.

2012-11 Bad Meters Not Repaired – Compliance and Internal Control - Significant Deficiency

Condition

The Town has three separate residences that have bad meters that have not been repaired in over a year.

Criteria

The Anti-Donation Law prohibits the use of providing services for the benefit of others without payment.

Cause

Management has not repaired these meters.

Effect

The Anti-Donation Clause is being violated because the Town will not repair these meters. In effect giving away Town resources.

Recommendation

The Board should have these meters fixed immediately.

Response

All meters have been marked and new meter supplies ordered. Once these supplies are received the meters will be replaced.

STATE OF NEW MEXICO  
TOWN OF ELIDA  
Schedule of Findings and Responses  
June 30, 2013

2012-13 Solid Waste Ordinance – Other Matter

Condition

The Board has not approved an Ordinance for the Solid Waste Charges charged each month for Solid Waste removal.

Criteria

An Ordinance must be passed by the Board to ensure the correct amount is charged for the services provided and can be enforced legally.

Cause

Management was unaware of this oversight.

Effect

These charges cannot be enforced legally.

Recommendation

The Board should approve a Solid Waste Ordinance as soon as possible.

Response

The board of trustees are working on a fee structure to include the citizens of Elida and the Village of Floyd.

2013-01 Financial Statements and Disclosures - - Compliance and Internal Control - Material Weakness

Condition

The Town relies upon their independent auditor to prepare the financial statements in accordance with generally accepted accounting principles (GAAP). The accounting staff lacks the knowledge to prepare such statements, as well as the ability to detect accuracy and completeness of all required notes that explain financial activity contained in the financial statements. The Town requires the independent auditor gather all necessary information in order to convert their cash basis accounting information into financial statements prepared in accordance with GAAP.

Criteria

Auditing standards adopted in the United States of America in particular Statement on Auditing Standards (SAS) 115, paragraph 3 states the following: "Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with laws and regulations. Internal control over safeguarding of assets against unauthorized acquisition, use, or disposition may include control relating to financial reporting and operations objectives. Generally, controls that are relevant to an audit of financial statements are those that pertain to the entity's objective of reliable financial reporting."

Appropriate internal control procedures over financial reporting include the ability to prepare financial statements in accordance with GAAP or at a minimum, management should have the ability to comprehend the requirements for financial reporting. Financial statements prepared in accordance with GAAP include all required statements of financial position, statements of changes in financial position, changes in cash flow, and notes.

SAS 115 paragraph 5 provides an explanation of a deficiency in internal control as either a deficiency in design or in operation. Paragraph 6 states "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." SAS 115 paragraph 15 provides a list of indicators of a material weakness in internal control. One such example is "Ineffective oversight of the entity's financial reporting and internal control by those charged with governance."

Effect

Since the Town personnel lack the ability to prepare, and did not prepare, the financial statements, there is an increased risk that a misstatement of the Town's financial statements, that is more than inconsequential, will not be prevented or detected. Further, since the Town accounting staff lacks the proper knowledge or training regarding the requirements of GAAP financial reporting, there is more than a remote possibility that a material misstatement of the financial statements will not be prevented or detected.

Cause

The Town's staff lacks the proper ability to prepare financial statements and the associated disclosures. When audit services are sought, there is a requirement that the auditor will prepare the financial statements. In the past this may have been sufficient; however, the accounting profession, by issuance of SAS 115, now requires recognition and reporting of significant deficiencies in internal control when there is an ineffective oversight of the financial reporting and internal control by those charged with governance.

Recommendation

I recommend the accounting staff of the Town attend seminars on governmental financial reporting to increase their knowledge and abilities.

Response

Management and the current contracted auditor have agreed that the auditor will provide guidance on training. Management will also seek training through the Municipal League, DFA and contact the State Auditor to find out upcoming trainings. Management will also seek other training services.

2013-02 Presentation of Audit Report – Other –  
Condition

The audit report for the year ended June 30, 2012 was not presented to a quorum of the Town's governing authority at a public meeting for approval.

Criteria

New Mexico State Statutes Section 12-6-12 requires the state auditor to promulgate reasonable regulations necessary to carry out the duties of the office. New Mexico Administrative Code Title 2, Chapter 2, Part 2, Audits of Governmental Entities Requirements for Contracting and Conducting Audits of Agencies section 2.2.2.10(J)(3)(d) states the following, "Once the audit report is officially released to the agency by the State Auditor and the required waiting period of five calendar days has passed, unless waived, the audit report shall be presented by the independent public accountant, to a quorum of the governing authority of the Town at a meeting held in accordance with the Open Meetings Act. The presentation of the audit report should be documented in the minutes of the meeting."

Effect

The purpose of the presentation is to afford the auditor the opportunity to directly communicate the results of the audit, including the expression of the auditor's opinion on the financial statements along with matters communicated in the report on internal controls that includes the audit findings. Without a timely presentation, appropriate action by the governing board, if necessary, could be delayed or foregone.

Cause

The Town was not aware of section 2.2.2.10(J)(3)(d) NMAC, and the previous year's auditor failed to inform the Town of her responsibility to present the audit report to the governing board.

Recommendation

The Town should become familiar with section 2.2.2.10(J)(3)(d) NMAC, and establish a procedure to ensure compliance with the code section. The presentation should be on a timely basis so that appropriate action by the governing board, where necessary, can be taken.

Response

All future audit reports will be presented to the governing body at the first board meeting following the official release by the office of the State Auditor and the waiting period of 5 days has passed. The auditor will be in attendance either at this meeting, or a later meeting, at which time the motion to accept the audit report will be requested by the governing body.



2013-03 Submission of the Audit contract and Recommendation – Other

Condition

For the year ended June 30, 2013 the Town did not deliver a fully completed and signed IPA Recommendation Form for Audits and the completed audit contract to the State Auditor by the May 15 deadline.

Criteria

The agency shall deliver the fully completed and signed IPA Recommendation Form for Audits and the completed audit contract to the State Auditor by the deadlines shown below. If a completed IPA Recommendation Form and audit contract are not delivered to the State Auditor by these deadlines, the auditor must include a finding of non-compliance with Paragraph (6) of Subsection G of 2.2.2.8 NMAC in the audit report that the Town failed to submit their recommendation for an auditor by the deadline.

Cause

Unknown.

Effect

The Town is not in compliance with Paragraph (6) of Subsection G of 2.2.2.8 NMAC for the fiscal year ended June 30, 2013.

Recommendation

A fully completed and signed IPA Recommendation Form for Audits and the completed audit contract should be submitted to the State Auditor by the May 15 deadlines.

Agency response

An IPA was approved on June 19, 2013 by the State Auditor for Rice and Associates to complete the Town's 06/30/2013 audit. An issue arose between June and August that at the August 21, 2013 Board of Trustee Meeting the Trustees decided to terminate the current IPA with Rice and Associates. On August 22, 2013 a letter was sent to the State Auditor and Rice and Associates concerning the Board of Trustees decision at the August 21, 2013 meeting. On September 13, 2013 the Town of Elida sent an IPA to Sandra Rush, CPA PC to request services. This IPA was signed by Sandra Rush, CPA PC on September 16, 2013 and forwarded to the State Auditor for approval. The State Auditor signed and approved this IPA on October 17, 2013.

Financial Statement Preparation

The auditing firm of Sandra Rush CPA PC, prepared the financial statements of the Town of Elida as of June 30, 2013. The Town's upper management have reviewed and approved the financial statements and related notes, and they believe that the Town's books and records adequately support them.

Exit Conference

The contents of this report were discussed with, Durward Dixon, Mayor, Steve Barron, board member, Kimberly Summers, business manager, and Sandra Rush, CPA, in an exit conference on November 26, 2013.

