
STATE OF NEW MEXICO
Town of Elida
June 30, 2014

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2014
With Independent Auditor's Report Thereon

Sandra Rush
Certified Public Accountant, PC

1101 E Llano Estacado
Clovis, New Mexico 88101

Introductory Section

STATE OF NEW MEXICO
TOWN OF ELIDA

Official Roster
For the year ended June 30, 2014

Board of Trustees

Durward Dixon

Mayor

Steve Barron

Trustee / Mayor Pro

Beverly Creighton

Trustee

Andy Jasso

Trustee

Clay Ferguson

Trustee

Administrative Officials

Kimberly Summers

Clerk-Treasurer

STATE OF NEW MEXICO
TOWN OF ELIDA
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TOWN OF ELIDA

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Financial Section

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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 fund of the Town of Elida (the Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the Town's nonmajor governmental, fiduciary fund 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, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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, 2014, 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 fund 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, and fiduciary fund of the Town as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for 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 Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other schedules required by Section 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 20, 2014 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 20, 2014

Basic Financial Statements

Government-wide Financial Statements

STATE OF NEW MEXICO
TOWN OF ELIDA
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 304,404	\$ 65,633	\$ 370,037
Accounts receivable:			
Taxes	9,602	-	9,602
Sales	-	7,628	7,628
Due from grantor	5,650	-	5,650
	<u>319,656</u>	<u>73,261</u>	<u>392,917</u>
Total current assets			
Noncurrent assets:			
Restricted cash, customer meter deposits	200	7,950	8,150
Capital assets	4,309,147	2,137,754	6,446,901
Less: accumulated depreciation	<u>(2,013,551)</u>	<u>(902,346)</u>	<u>(2,915,897)</u>
	<u>2,295,796</u>	<u>1,243,358</u>	<u>3,539,154</u>
Total noncurrent assets			
	<u>\$ 2,615,452</u>	<u>\$ 1,316,619</u>	<u>\$ 3,932,071</u>
Total assets			
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	\$ 6,022	\$ 2,741	\$ 8,763
Funds held for others	<u>200</u>	<u>-</u>	<u>200</u>
	<u>6,222</u>	<u>2,741</u>	<u>8,963</u>
Total current liabilities			
Non-current liabilities:			
Compensated absences	4,522	2,259	6,781
Customer meter deposits	<u>-</u>	<u>8,280</u>	<u>8,280</u>
	<u>10,744</u>	<u>13,280</u>	<u>24,024</u>
Total liabilities			
<u>NET POSITION</u>			
Net investment in capital assets	2,295,596	1,235,408	3,531,004
Restricted:			
Special revenue fund	-	-	-
Unrestricted	<u>309,112</u>	<u>67,931</u>	<u>377,043</u>
	<u>2,604,708</u>	<u>1,303,339</u>	<u>3,908,047</u>
Total net position			
	<u>\$ 2,615,452</u>	<u>\$ 1,316,619</u>	<u>\$ 3,932,071</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, 2014

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 274,061	\$ 32,059	\$ -	\$ -
Public safety	57,839	-	127,030	-
Public works	3,715	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	14,458	-	14,535	-
Capital outlay	-	-	-	-
Depreciation expense	178,395	-	-	-
Total governmental activities	528,468	32,059	141,565	-
Business-type activities:				
Water	117,365	63,025	993	-
Solid waste	14,028	22,106	20	-
Total business-type activities	131,393	85,131	1,013	-
Total governmental and business-type activities	\$ 659,861	\$ 117,190	\$ 142,578	\$ -

General Revenues:

Taxes:

- Property taxes
- Gain (loss) sale of capital asset
- Fines
- Motor vehicle fees
- Contributions
- Interest income
- State sources
- State shared taxes
- Federal sources
- 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
\$ (242,002)	\$ -	\$ (242,002)
69,191	-	69,191
(3,715)	-	(3,715)
-	-	-
77	-	77
-	-	-
<u>(178,395)</u>	<u>-</u>	<u>(178,395)</u>
<u>(354,844)</u>	<u>-</u>	<u>(354,844)</u>
-	(53,347)	(53,347)
-	<u>8,098</u>	<u>8,098</u>
-	<u>(45,249)</u>	<u>(45,249)</u>
<u>\$ (354,844)</u>	<u>\$ (45,249)</u>	<u>\$ (400,093)</u>
3,358	-	3,358
15,685	2,745	18,430
90,516	-	90,516
514	-	514
1,800	-	1,800
18	-	18
92,207	-	92,207
83,554	-	83,554
54,307	-	54,307
<u>(2,660)</u>	<u>2,660</u>	<u>-</u>
<u>339,299</u>	<u>5,405</u>	<u>206,843</u>
(15,545)	(39,844)	(55,389)
2,619,753	1,343,133	3,962,886
<u>500</u>	<u>50</u>	<u>550</u>
<u>2,620,253</u>	<u>1,343,183</u>	<u>3,963,436</u>
<u>\$ 2,604,708</u>	<u>\$ 1,303,339</u>	<u>\$ 3,908,047</u>

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Fund Financial Statements

STATE OF NEW MEXICO
TOWN OF ELIDA
Balance Sheet
Governmental Funds
June 30, 2014

	General 101	Fire Protection 209	Capital Project 300
<u>ASSETS</u>			
Cash and cash equivalents	\$ 188,146	\$ 30,135	\$ -
Accounts receivable - taxes	9,602	-	-
Due from grantor	1,710	-	-
Restricted cash	200	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 199,658</u>	<u>\$ 30,135</u>	<u>\$ -</u>
<u>LIABILITIES</u>			
Accounts payables	\$ 3,415	\$ 2,141	\$ -
Funds held for others	200	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,615</u>	<u>2,141</u>	<u>-</u>
<u>FUND BALANCE</u>			
Restricted for:			
Special revenue funds	-	27,994	-
Capital project fund	-	-	-
Unassigned:			
General government fund	196,043	-	-
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>196,043</u>	<u>27,994</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 199,658</u>	<u>\$ 30,135</u>	<u>\$ -</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.

Other Governmental Funds	Total Governmental Funds
\$ 86,123	\$ 304,404
-	9,602
3,940	
<u>-</u>	<u>200</u>
<u>\$ 90,063</u>	<u>\$ 319,856</u>
\$ 466	\$ 6,022
<u>-</u>	<u>200</u>
<u>466</u>	<u>6,222</u>
89,597	117,591
-	-
<u>-</u>	<u>196,043</u>
<u>89,597</u>	<u>313,634</u>
<u>\$ 90,063</u>	<u>\$ 319,856</u>

\$ 313,634

\$ 4,185,147	
<u>(1,889,551)</u>	2,295,596

(4,522)

\$ 2,604,708

STATE OF NEW MEXICO
TOWN OF ELIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended June 30, 2014

	General 101	Fire Protection 209	Capital Project 300
Revenue:			
Local sources	\$ 139,382	\$ 50	\$ -
State sources	179,261	70,858	-
Federal sources	-	-	54,307
Total revenues	<u>318,643</u>	<u>70,908</u>	<u>54,307</u>
Expenditures:			
Current:			
General government	276,702	-	-
Public safety	-	42,800	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	107,516	128,718
Total expenditures	<u>276,702</u>	<u>150,316</u>	<u>128,718</u>
Excess (deficiency) of revenues over expenditures	41,941	(79,408)	(74,411)
Other financing sources (uses):			
Operating transfers (net)	<u>(6,908)</u>	-	74,411
Total other financing sources (uses)	<u>(6,908)</u>	-	74,411
Net change in fund balances	35,033	(79,408)	-
Fund balances, beginning of year	161,172	106,757	-
Restatement	<u>(162)</u>	<u>645</u>	<u>-</u>
Fund balances, beginning of year restated	<u>161,010</u>	<u>107,402</u>	<u>-</u>
Fund balances, end of year	<u>\$ 196,043</u>	<u>\$ 27,994</u>	<u>\$ -</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 31,088	\$ 170,520
37,512	287,631
<u>2,125</u>	<u>56,432</u>
<u>70,725</u>	<u>514,583</u>
-	276,702
15,039	57,839
3,715	3,715
-	-
14,458	14,458
<u>26,578</u>	<u>262,812</u>
<u>59,790</u>	<u>615,526</u>
10,935	(100,943)
<u>(70,163)</u>	<u>(2,660)</u>
<u>(70,163)</u>	<u>(2,660)</u>
(59,228)	(103,603)
148,808	416,737
<u>17</u>	<u>500</u>
<u>148,825</u>	<u>417,237</u>
<u>\$ 89,597</u>	<u>\$ 313,634</u>

STATE OF NEW MEXICO

TOWN OF ELIDA

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2014

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

Net change in fund balances - total governmental funds \$ (103,603)

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:

Non cash donation on statement of activity	\$ 1,000	
Current year capital expenditures capitalized	262,812	
Depreciation	<u>(178,395)</u>	85,417

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>2,641</u>
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Change in Net Position of governmental activities.	<u><u>\$ (15,545)</u></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 Revenues, Expenditures, and Changes in Cash Balance
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local sources	\$ 175,785	\$ 175,785	\$ 143,288	\$ (32,497)
State sources	186,750	186,750	190,369	3,619
Federal sources	-	-	-	-
Total revenue	<u>362,535</u>	<u>362,535</u>	<u>333,657</u>	<u>(28,878)</u>
Expenditures:				
Current:				
General government	335,700	335,700	285,514	50,186
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>335,700</u>	<u>335,700</u>	<u>285,514</u>	<u>50,186</u>
Excess (deficiency) revenues over (under) expenditures	26,835	26,835	48,143	21,308
Other financing sources (uses):				
Operating transfers net	9,783	(64,628)	(6,908)	57,720
Designated cash	-	37,793	-	(37,793)
Total other financing sources (uses)	<u>9,783</u>	<u>(26,835)</u>	<u>(6,908)</u>	<u>19,927</u>
Net change in fund balances	36,618	-	41,235	41,235
Cash balance, beginning of year	-	-	147,273	147,273
Prior period adjustment	-	-	(162)	(162)
Cash balance, beg. of year restated	-	-	147,111	147,111
Cash balance, end of year	<u>\$ 36,618</u>	<u>\$ -</u>	<u>\$ 188,346</u>	<u>\$ 188,346</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 41,235	
Adjustment to revenues for accruals and other deferrals			(15,014)	
Adjustment to expenditures for payables, prepaids and other accruals			8,812	
Net change in fund balance (GAAP Basis)			<u>\$ 35,033</u>	

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 Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 16,000	\$ 16,000	\$ 50	\$ (15,950)
State sources	70,858	70,858	70,858	-
Federal sources	-	-	-	-
Total revenues	<u>86,858</u>	<u>86,858</u>	<u>70,908</u>	<u>(15,950)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	126,000	148,175	40,659	107,516
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	107,516	(107,516)
Total expenditures	<u>126,000</u>	<u>148,175</u>	<u>148,175</u>	<u>0</u>
Excess (deficiency) revenues over (under) expenditures	(39,142)	(61,317)	(77,267)	(15,950)
Other financing sources (uses):				
Operating transfers	(20,000)	(20,000)	-	20,000
Designated cash	59,142	81,317	-	(81,317)
Total other financing sources (uses)	<u>39,142</u>	<u>61,317</u>	<u>-</u>	<u>(61,317)</u>
Net change in fund balances	-	-	(77,267)	(77,267)
Cash balance, beginning of year	-	-	106,757	106,757
Prior period adjustment	-	-	645	645
Cash balance, beg of year restated	<u>-</u>	<u>-</u>	<u>107,402</u>	<u>107,402</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,135</u>	<u>\$ 30,135</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (77,267)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(2,141)	
Net change in fund balance (GAAP Basis)			<u>\$ (79,408)</u>	

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, 2014

	Business-type Activities Water Fund 501	Business-type Activities Solid Waste 502	Business-type Activities Totals
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 33,207	\$ 32,426	\$ 65,633
Accounts receivable	6,148	1,591	7,739
Allowance for uncollectable accounts receivable	<u>(111)</u>	<u>-</u>	<u>(111)</u>
Total current assets	<u>39,244</u>	<u>34,017</u>	<u>73,261</u>
Noncurrent assets			
Restricted cash, customer meter deposits	7,950	-	7,950
Capital assets, being depreciated	2,114,352	23,402	2,137,754
Less: accumulated depreciation	<u>(878,944)</u>	<u>(23,402)</u>	<u>(902,346)</u>
Total noncurrent assets	<u>1,243,358</u>	<u>-</u>	<u>1,243,358</u>
Total assets	<u>\$ 1,282,602</u>	<u>\$ 34,017</u>	<u>\$ 1,316,619</u>
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	\$ 1,815	\$ 926	\$ 2,741
Total current liabilities	<u>1,815</u>	<u>926</u>	<u>2,741</u>
Noncurrent liabilities			
Compensated absences	2,259	-	2,259
Customer meter deposits	<u>8,280</u>	<u>-</u>	<u>8,280</u>
Total noncurrent liabilities	<u>10,539</u>	<u>-</u>	<u>10,539</u>
Total liabilities	12,354	926	13,280
Net position:			
Net invested in capital assets	1,235,408	-	1,235,408
Unrestricted	<u>34,840</u>	<u>33,091</u>	<u>67,931</u>
Total net position	<u>1,270,248</u>	<u>33,091</u>	<u>1,303,339</u>
Total liabilities and net position	<u>\$ 1,282,602</u>	<u>\$ 34,017</u>	<u>\$ 1,316,619</u>

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

STATE OF NEW MEXICO
TOWN OF ELIDA

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2014

	Business-type Activities Water Fund 501	Business-type Activities Solid Waste 502	Business-type Activities Totals
Operating revenues:			
Sales and services	\$ 59,919	\$ 21,257	\$ 81,176
Miscellaneous	993	-	993
Total operating revenues	<u>60,912</u>	<u>21,257</u>	<u>82,169</u>
Operating expenses:			
Public works	48,490	10,202	58,692
Personnel	13,437	3,638	17,075
Depreciation	55,358	188	55,546
Total operating expenses	<u>117,285</u>	<u>14,028</u>	<u>131,313</u>
Operating income (loss)	(56,373)	7,229	(49,144)
Non-operating revenues (expenses):			
Taxes - gross receipts	2,606	869	3,475
Meter deposits	420	-	420
Disposal of capital asset	-	2,745	2,745
Total non-operating revenue (expenses)	<u>3,026</u>	<u>3,614</u>	<u>6,640</u>
Net income (loss)	(53,347)	10,843	(42,504)
Operating transfers (net)	<u>2,660</u>	<u>-</u>	<u>2,660</u>
Change in net position	(50,687)	10,843	(39,844)
Net position, beginning of year	1,320,885	22,248	1,343,133
Prior period adjustment	50	-	50
Net position, beginning of year, restated	<u>1,320,935</u>	<u>22,248</u>	<u>1,343,183</u>
Net position, end of year	<u>\$ 1,270,248</u>	<u>\$ 33,091</u>	<u>\$ 1,303,339</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, 2014

	Business-type Activities Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$ 83,642
Payments to suppliers and contractors	(60,027)
Payments to and on behalf of employees	<u>(16,827)</u>
Net cash provided (used) by operating activities	<u>6,788</u>
Cash flows from non capital financing activities:	
Taxes - gross receipts	3,475
Change in meter deposits	420
Transfers (net)	<u>2,660</u>
Net cash provided (used) by non capital financing activities	<u>6,555</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	-
Disposal of capital asset	<u>2,745</u>
Net cash provided (used) by capital and related financing activities	<u>2,745</u>
Net increase (decrease) in cash and cash equivalents	16,088
Cash and cash equivalents, beginning of year	57,425
Prior period adjustment	<u>50</u>
Cash and cash equivalents, restated	<u>57,475</u>
Total cash and cash equivalents, end of year	<u><u>\$ 73,563</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (49,144)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	55,546
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	1,473
Increase (Decrease) in accounts payable	<u>(1,087)</u>
Net cash provided (used) by operating activities	<u><u>\$ 6,788</u></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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>1,575</u>
Total assets	\$ <u><u>1,575</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ <u>1,575</u>
Total liabilities	\$ <u><u>1,575</u></u>

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

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town 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, 2014.

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.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

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

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

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

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

Under the requirements of GASB No. 34, the Town is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund the Fire Protection Fund and the Capital Projects Fund. No other funds were required to be presented as major at the discretion of management.

General Fund – the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

Fire Protection Fund (Special Revenue Fund) – to account for discretionary funds donated to be used for the fire department.

Capital Project Fund– to account for revenues and expenditures under a pass-through program from the State. Expenditures are restricted to the purposes approved in the CDBG grant application.

The government reports its Water Fund and Solid Waste Fund (Proprietary funds) as major business-type funds. Additionally, the government reports the following fund types:

The *fiduciary funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations...

As a general rule, the effect of interfold activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities

Program revenues reduce the cost of the function to be financed from the Town's general revenues. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or

segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Town's enterprise fund is charges for services for the Town's garbage, water & sewer utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use the restricted resources first, then unrestricted resources as they are needed.

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.

D. Assets, Liabilities, and Net Position or Equity

Deposits and Investments: The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Town to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Town are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfold loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfold loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

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

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Library books are expensed as purchased.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment 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

Unearned Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as Unearned Revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as unearned revenue.

Deferred Inflow/Outflows of Resources: GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period. Property taxes levied but not received are recorded as deferred inflows of resources unless the amount is undetermined.

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.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

Net Position or Fund Equity:

Committed fund balance represents amounts that are useable only for specified purposes by formal action of the governments' highest level of decision-making authority.

Assigned fund balance represents amounts that are intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high level body or official whom the governing body has delegated

Restricted fund balance represents amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unassigned fund balance is the residual classification for the general fund and represents the amount that have not been assigned to other funds, and that have not been restricted, committed or assigned to specific purposes.

Net investment in capital assets, net of related debt consists of net position including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

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

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

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

Tax Revenues: The Town receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Town recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Town records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements.

Note 2 Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the Town are prepared prior to June 1 and must be approved by Town Council resolution, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Town Council and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of the funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds. The Town is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The Town Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Cash Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2014 is presented as part of the budgetary statements.

Note 3 Deposits and Investments

State statutes authorize the investment of the Town funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the Town properly followed State investment requirements as of June 30, 2013.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Town. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The 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.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

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

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Town for at least one half the amount in excess of FDIC coverage on deposit with the institution.

STATE OF NEW MEXICO
TOWN OF ELIDA
Notes To The Financial Statements
June 30, 2014

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Town's deposits.

	JP Stone Community Bank	
	Portales, NM	Type
Total amount on deposit on June 30, 2014		
Operating	\$ 389,762	Checking
Correction	8,871	Savings
Fire and rescue	13,796	Savings
Total deposited	<u>412,429</u>	
Less FDIC coverage	<u>(250,000)</u>	
Total uninsured public funds	<u>162,429</u>	
50% collateral requirement as per Section 6-10-17, NMSA 1978	<u>81,215</u>	
Pledged securities		
	<u>135,190</u>	
Over (under)	<u><u>\$ 53,975</u></u>	

Pledged Collateral

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, CUIISP 142735DE6, maturity date 8/1/2014, market value \$135,10 held at Texas Independent Bank, Dallas Texas, not in the Town's name.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2014, \$27,239 of the Town's bank balance of \$412,429 was exposed to custodial credit risk.

Custodial Credit Risk Deposits

Account Balance	\$ 412,429
FDIC Insurance	250,000
Collateral:	
Collateral held by the pledging bank, not in the District's name	135,190
Uninsured and uncollateralized	<u>27,239</u>
Total Deposits	<u><u>\$ 412,429</u></u>

Note 4 Receivables

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

Governmental Activities	General Fund	Non major Funds	Totals
Accounts receivable taxes			
Property Tax	206		
Environmental GRT	81	-	-
Municipal Economic Development	82	-	-
Municipal Equivalent Distb. GRT	38	-	-
Municipal GRT	4,124	-	-
MVD Fees	48	-	-
State GRT	4,106	-	-
Gas Tax	917	-	-
Total taxes			9,602
Due from grantor			
General	1,710		-
Senior Citizens	-	3,940	-
Total other	-		5,650
Totals	<u><u>\$ 11,312</u></u>	<u><u>\$ 3,940</u></u>	<u><u>\$ 9,602</u></u>
Business-type Activities	Water Fund	Solid Waste Fund	Totals
Receivable from customers	\$ 6,148	1,591	\$ 7,739
Less allowance for uncollectible	(111)		(111)
Totals	<u><u>\$ 6,037</u></u>	<u><u>\$ 1,591</u></u>	<u><u>\$ 7,628</u></u>

The above accounts receivable taxes and accounts receivable from grantor are deemed 100% collectible. In accordance with GASB No.33, property tax receivables are presented net of unearned revenue in the governmental balance sheet. In accordance with GASB No.65, Deferred inflows of resources accounts for delinquent property taxes that are due to the Town but that have not been remitted to the Town. The deferred inflows of resources totaling \$0, as presented in the general fund.

Note 5 Interfund Receivables, Payables, and Transfers

The outstanding balances between funds result mainly from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Town Council authorizes transfers between funds to cover the expenditures in the receiving funds. Interfund balances are due within one year

	Transfer In	Transfer Out
Env. GRT	\$ (2,660)	\$ -
Water	-	2,660
Totals	<u><u>\$ (2,660)</u></u>	<u><u>\$ 2,660</u></u>

Note 6 Accounts Payables

Accounts payable as of June 30, 2014, are payable to suppliers \$6,022.

Note 7 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2013 follows.

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 13,707	\$ 1,000	\$ -	\$ 14,707
CNP	-	98,488	-	98,488
Capital assets being depreciated				
Buildings and improvements	843,354	128,718	-	972,072
Infrastructure	1,916,460	-	-	1,916,460
Vehicles	251,433	26,578	(41,517)	236,494
Equipment	1,074,776	9,028	(12,878)	1,070,926
Total assets	<u>4,099,730</u>	<u>263,812</u>	<u>(54,395)</u>	<u>4,309,147</u>
Less accumulated depreciation				
Buildings and improvements	(232,948)	(28,477)		(261,425)
Infrastructure	(675,683)	(87,769)		(763,452)
Vehicles	(124,853)	(22,797)	41,517	(106,133)
Equipment	(856,067)	(39,352)	12,878	(882,541)
Total accumulated depreciation	<u>(1,889,551)</u>	<u>(178,395)</u>	<u>54,395</u>	<u>(2,013,551)</u>
Governmental activity capital assets, net	<u>\$ 2,210,179</u>	<u>\$ 85,417</u>	<u>\$ -</u>	<u>\$ 2,295,596</u>

Capital assets, net of accumulated depreciation, at June 30, 2014 appear in the Statement of Net Position as follows: Governmental activities \$ 2,295,596.

STATE OF NEW MEXICO
TOWN OF ELIDA
Notes To The Financial Statements
June 30, 2014

Depreciation expense for the year ended June 30, 2014 was charged to the general government functions.

Business-Type Activities

	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	1,920,109	-	-	1,920,109
Heavy equipment	22,500	-	-	22,500
Vehicles	35,086	-	-	35,086
Equipment	55,065	-	-	55,065
Total assets	<u>2,137,754</u>	<u>-</u>	<u>-</u>	<u>2,137,754</u>
Less accumulated depreciation				
Infrastructure	(763,804)	(50,614)	-	(814,418)
Heavy equipment	(22,500)	-	-	(22,500)
Vehicles	(15,114)	(3,508)	-	(18,622)
Equipment	(45,382)	(1,423)	-	(46,805)
Total accumulated depreciation	<u>(846,800)</u>	<u>(55,545)</u>	<u>-</u>	<u>(902,345)</u>
Business-type governmental activity capital	<u>\$ 1,290,954</u>	<u>\$ (55,545)</u>	<u>\$ -</u>	<u>\$ 1,235,409</u>

Depreciation expense relating to business-like activities for the year ended June 30, 2014 totaled \$55,545.

Note 8 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.

Note 9 Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combining Statements

Overview of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds.
 - None
- B. Expenditures exceeded appropriations by fund.
 - Senior Citizens Fund \$(5,665)
 - Correction Fund \$(3)

Note 10 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 8.5% (ranges from 6.28% to 18.15% depending upon the plan - i.e., state general, state police and adult correctional officers, State Plan 3 – Peace Officer, Juvenile Correctional Officer Plan 2, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The Town is required to contribute 8.5% (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, and 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, 2014, 2013 and 2012 were \$26,459, \$32,457, and \$14,282, respectively, which equal the amount of the required contributions for each fiscal year.

Note 11 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.

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, 2014, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, 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, 2014, 2013 and 2012 were \$3,902, \$4,570 and \$2,561, respectively, which equal the required contributions for each year.

Note 12 Contingent Liabilities

In the normal course of operations, the Town receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Note 13 Surety Bond

The officials and certain employees of the Town are covered by a surety bond as required by Section 126-7 NMSA 1978 Compilation.

Note 14 Subsequent Accounting Standard Pronouncements

Statement No. 67, Financial Reporting for Pension Plans. This statement also amends Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for the fiscal years beginning after June 15, 2013 with earlier application encouraged. The Town has reviewed the statement and has determined that this does not apply to the Town.

Statement No. 68, Accounting and Financial Reporting for Pensions. The statement replaces the requirements of GASBS 27, Accounting for Pensions by State and Local Governmental Employers, and the requirements of GASBS 50 Pension Disclosures, as they related to pensions that are provided through pension plans administered as trusts. The requirements of Statements 27 and 50 remain applicable for pensions that are covered by GASBS 68.

This statement is effective for financial statements for fiscal years beginning after June 15, 2014. The Town is reviewing the effects of the implementation of this statement.

Statement No. 69, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013 and should be applied on a prospective basis. The Town has reviewed the statement and has determined that this does not apply to the Town.

Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees. This statement establishes accounting and financial reporting standards for financial guarantees that are non exchange transactions extended or received by a state or local government. A non-exchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. This statement is effective for financial statements for reporting periods beginning after June 15, 2013. The Town has reviewed the statement and has determined that this does not apply to the Town.

Note 15 Subsequent Review

The Town has evaluated subsequent events through November 20, which is the date the financial statements were available for issuance.

Note 16 Restatement of Net Position

The following adjustments were made to restate Net Position:

Governmental types	Cash
General Fund	\$ (162)
Fire Protection Fund	645
Senior Citizens Fund	17
Total	<u>\$ 500</u>

Business-type Activities	Cash
Water	<u>\$ 50</u>
Total	<u>\$ 50</u>

Supplementary Information Related to Major Governmental Funds

STATE OF NEW MEXICO
TOWN OF ELIDA
Major Capital Project Fund - Capital Project Fund - 300
Statement of Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	199,712	199,712	35,711	(164,001)
Federal sources	91,649	91,649	54,308	(37,341)
Total revenues	291,361	291,361	90,019	(201,342)
Expenditures:				
Current:				
General government	-	-	-	0
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	311,361	325,430	164,430	161,000
Total expenditures	311,361	325,430	164,430	161,000
Excess (deficiency) revenues over (under) expenditures	(20,000)	(34,069)	(74,411)	(40,342)
Other financing sources (uses):				
Operating transfers	94,817	94,817	74,411	(20,406)
Designated cash	-	-	-	-
Total other financing sources (uses)	94,817	94,817	74,411	(20,406)
Net change in fund balances	74,817	60,748	-	(60,748)
Cash balance, beginning of year	-	-	-	-
Prior period adjustment	-	-	-	-
Cash balance, beg of year restated	-	-	-	-
Cash balance, end of year	\$ 74,817	\$ 60,748	\$ -	\$ (60,748)
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

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.

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, 2014

	<u>Correction 201</u>	<u>Environmental Gross Receipts 202</u>	<u>Emergency Medical Service 206</u>	<u>Law Enforcement Protection 211</u>
<u>ASSETS</u>				
Cash in banks	\$ 10,471	\$ 9,131	\$ 34,088	\$ 6,619
Due from grantor	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 10,471</u>	<u>\$ 9,131</u>	<u>\$ 34,088</u>	<u>\$ 6,619</u>
<u>LIABILITIES</u>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>59</u>	<u>-</u>
<u>FUND BALANCE</u>				
Restricted for:				
Special revenue funds	<u>10,471</u>	<u>9,131</u>	<u>34,029</u>	<u>6,619</u>
Total fund balance	<u>10,471</u>	<u>9,131</u>	<u>34,029</u>	<u>6,619</u>
Total liabilities and fund balance	<u>\$ 10,471</u>	<u>\$ 9,131</u>	<u>\$ 34,088</u>	<u>\$ 6,619</u>

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

Recreation 217	Senior Citizens 219	Library 228	Cemetery 600	Totals
\$ 77	\$ 10,408	\$ 2,425	\$ 12,904	\$ 86,123
-	3,940	-	-	3,940
<u>\$ 77</u>	<u>\$ 14,348</u>	<u>\$ 2,425</u>	<u>\$ 12,904</u>	<u>\$ 90,063</u>
\$ -	\$ 407	\$ -	\$ -	\$ 466
-	407	-	-	466
<u>77</u>	<u>13,941</u>	<u>2,425</u>	<u>12,904</u>	<u>89,597</u>
<u>77</u>	<u>13,941</u>	<u>2,425</u>	<u>12,904</u>	<u>89,597</u>
<u>\$ 77</u>	<u>\$ 14,348</u>	<u>\$ 2,425</u>	<u>\$ 12,904</u>	<u>\$ 90,063</u>

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, 2014

	Correction 201	Environmental Gross Receipts 202	Emergency Medical Service 206	Law Enforcement Protection 211
Revenues:				
Local sources	\$ 26,146	\$ -	\$ 7	\$ -
State sources	-	-	7,452	21,200
Federal sources	-	-	-	-
Total revenues	<u>26,146</u>	<u>-</u>	<u>7,459</u>	<u>21,200</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	3	-	12,295	2,741
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	26,578
Total expenditures	<u>3</u>	<u>-</u>	<u>12,295</u>	<u>29,319</u>
Excess (deficiency) of revenues over expenditures	26,143	-	(4,836)	(8,119)
Other financing sources (uses):				
Operating transfers (net)	<u>(67,503)</u>	<u>(2,660)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(67,503)</u>	<u>(2,660)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(41,360)	(2,660)	(4,836)	(8,119)
Fund balances, beginning of year	51,831	11,791	38,865	14,738
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year rest	<u>51,831</u>	<u>11,791</u>	<u>38,865</u>	<u>14,738</u>
Fund balances, ending	<u>\$ 10,471</u>	<u>\$ 9,131</u>	<u>\$ 34,029</u>	<u>\$ 6,619</u>

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

Recreation 217	Senior Citizens 219	Library 228	Cemetery 600	Totals
\$ -	\$ 3,550	\$ -	\$ 1,385	\$ 31,088
-	8,860	-	-	37,512
-	2,125	-	-	2,125
-	14,535	-	1,385	70,725
-	-	-	-	-
-	-	-	-	15,039
-	-	-	3,715	3,715
-	-	-	-	-
-	14,220	238	-	14,458
-	-	-	-	26,578
-	14,220	238	3,715	59,790
-	315	(238)	(2,330)	10,935
-	-	-	-	(70,163)
-	-	-	-	(70,163)
-	315	(238)	(2,330)	(59,228)
77	13,609	2,663	15,234	148,808
-	17	-	-	17
77	13,626	2,663	15,234	148,825
\$ 77	\$ 13,941	\$ 2,425	\$ 12,904	\$ 89,597

STATE OF NEW MEXICO
TOWN OF ELIDA
Special Revenue Fund - Correction Fund - 201
Statement of Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 33,100	\$ 33,100	\$ 26,146	\$ (6,954)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>33,100</u>	<u>33,100</u>	<u>26,146</u>	<u>(6,954)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	3	(3)
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>3</u>	<u>(3)</u>
Excess (deficiency) revenues over (under) expenditures	33,100	33,100	26,143	(6,957)
Other financing sources (uses):				
Operating transfers (net)	(84,600)	(84,600)	(67,503)	17,097
Designated cash	<u>51,500</u>	<u>51,500</u>	<u>-</u>	<u>(51,500)</u>
Total other financing sources (uses)	<u>(33,100)</u>	<u>(33,100)</u>	<u>(67,503)</u>	<u>(34,403)</u>
Net change in fund balances	-	-	(41,360)	(41,360)
Cash balance, beginning of year	-	-	51,831	51,831
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	<u>-</u>	<u>-</u>	<u>51,831</u>	<u>51,831</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,471</u>	<u>\$ 10,471</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (41,360)	
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>\$ (41,360)</u>	

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Special Revenue Fund - Environmental Gross Receipts Tax Fund - 202
Statement of Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	(11,791)	(11,791)	(2,660)	9,131
Designated cash	11,791	11,791	-	(11,791)
Total other financing sources (uses)	-	-	(2,660)	(2,660)
Net change in fund balances	-	-	(2,660)	(2,660)
Cash balance, beginning of year	-	-	11,791	11,791
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	-	-	11,791	11,791
Cash balance, end of year	\$ -	\$ -	\$ 9,131	\$ 9,131
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (2,660)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (2,660)	

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 Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 9,500	\$ 9,500	\$ 7	\$ (9,493)
State sources	7,155	7,155	7,452	297
Federal sources	-	-	-	-
Total revenues	<u>16,655</u>	<u>16,655</u>	<u>7,459</u>	<u>(9,196)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	13,000	13,000	12,236	764
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>13,000</u>	<u>13,000</u>	<u>12,236</u>	<u>764</u>
Excess (deficiency) revenues over (under) expenditures	3,655	3,655	(4,777)	(8,432)
Other financing sources (uses):				
Operating transfers net	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,655	3,655	(4,777)	(8,432)
Cash balance, beginning of year	-	-	38,865	38,865
Prior period adjustment	-	-	-	-
Cash balance, beg. of year restated	<u>-</u>	<u>-</u>	<u>38,865</u>	<u>38,865</u>
Cash balance, end of year	<u>\$ 3,655</u>	<u>\$ 3,655</u>	<u>\$ 34,088</u>	<u>\$ 30,433</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (4,777)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(59)	
Net change in fund balance (GAAP Basis)			<u>\$ (4,836)</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 Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	21,200	21,200	21,200	-
Federal sources	-	-	-	-
Total revenues	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	35,900	35,900	29,351	6,549
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>35,900</u>	<u>35,900</u>	<u>29,351</u>	<u>6,549</u>
Excess (deficiency) revenues over (under) expenditures	(14,700)	(14,700)	(8,151)	6,549
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	14,700	14,700	-	(14,700)
Total other financing sources (uses)	<u>14,700</u>	<u>14,700</u>	<u>-</u>	<u>(14,700)</u>
Net change in fund balances	-	-	(8,151)	(8,151)
Cash balance, beginning of year	-	-	14,770	14,770
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	<u>-</u>	<u>-</u>	<u>14,770</u>	<u>14,770</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,619</u>	<u>\$ 6,619</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (8,151)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			<u>32</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (8,119)</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 Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ 3,550	\$ 3,550
State sources	6,809	6,809	5,680	(1,129)
Federal sources	1,700	1,700	1,365	(335)
Total revenues	<u>8,509</u>	<u>8,509</u>	<u>10,595</u>	<u>2,086</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	8,509	8,509	14,174	(5,665)
Capital outlay	-	-	-	-
Total expenditures	<u>8,509</u>	<u>8,509</u>	<u>14,174</u>	<u>(5,665)</u>
Excess (deficiency) revenues over (under) expenditures	-	-	(3,579)	(3,579)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(3,579)	(3,579)
Cash balance, beginning of year	-	-	13,970	13,970
Prior period adjustment	-	-	17	17
Cash balance, beginning of year restated	-	-	13,987	13,987
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,408</u>	<u>\$ 10,408</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (3,579)	
Adjustment to revenues for accruals and other deferrals			3,940	
Adjustment to expenditures for payables, prepaids and other accruals			(46)	
Net change in fund balance (GAAP Basis)			<u>\$ 315</u>	

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 Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 500	\$ 500	\$ -	\$ (500)
State sources	-	-	-	-
Federal sources	-	-	-	-
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	500	500	238	262
Capital outlay	-	-	-	-
Total expenditures	<u>500</u>	<u>500</u>	<u>238</u>	<u>262</u>
Excess (deficiency) revenues over (under) expenditures	-	-	(238)	(238)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(238)	(238)
Cash balance, beginning of year	-	-	2,663	2,663
Prior period adjustment	-	-	-	-
Cash balance, beginning of year restated	<u>-</u>	<u>-</u>	<u>2,663</u>	<u>2,663</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,425</u>	<u>\$ 2,425</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (238)	
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>\$ (238)</u>	

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 Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 13,930	\$ 13,930	\$ 1,385	\$ (12,545)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>13,930</u>	<u>13,930</u>	<u>1,385</u>	<u>(12,545)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	10,850	10,850	4,215	6,635
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>10,850</u>	<u>10,850</u>	<u>4,215</u>	<u>6,635</u>
Excess (deficiency) revenues over (under) expenditures	3,080	3,080	(2,830)	(5,910)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,080	3,080	(2,830)	(5,910)
Cash balance, beginning of year	-	-	15,734	15,734
Prior period adjustment	-	-	-	-
Cash balance, beg of year restated	<u>-</u>	<u>-</u>	<u>15,734</u>	<u>15,734</u>
Cash balance, end of year	<u>\$ 3,080</u>	<u>\$ 3,080</u>	<u>\$ 12,904</u>	<u>\$ 9,824</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (2,830)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			<u>500</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (2,330)</u>	

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Enterprise Fund - Water Fund - 501
Statement of Revenues, Expenses, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Sales and service	\$ 59,000	\$ 59,000	\$ 61,340	\$ 2,340
Miscellaneous	-	-	993	993
Total revenues	<u>59,000</u>	<u>59,000</u>	<u>62,333</u>	<u>3,333</u>
Expenses:				
Current:				
Public works	75,000	75,000	50,425	24,575
Personal	-	-	13,189	(13,189)
Capital outlay	-	-	-	-
Total expenses	<u>75,000</u>	<u>75,000</u>	<u>63,614</u>	<u>11,386</u>
Excess (deficiency) revenues over (under) expenditures	(16,000)	(16,000)	(1,281)	14,719
Other financing sources (uses):				
Taxes - gross receipts (net)	2,950	2,950	2,606	(344)
Change in meter deposits	-	-	420	420
Operating transfers (net)	-	-	2,660	2,660
Designated cash	<u>13,050</u>	<u>13,050</u>	<u>-</u>	<u>(13,050)</u>
Total other financing sources (uses)	<u>16,000</u>	<u>16,000</u>	<u>5,686</u>	<u>(10,314)</u>
Net change in fund balances	-	-	4,405	4,405
Cash balance, beginning of year	-	-	36,702	36,702
Prior period adjustment	-	-	50	50
Cash balance, beginning of year restated	-	-	<u>36,752</u>	<u>36,752</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,157</u>	<u>\$ 41,157</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 4,405	
Adjustment to revenues for accruals and other deferrals			(1,421)	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(53,671)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (50,687)</u>	

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Enterprise Fund - Solid Waste Fund - 502
Statement of Revenues, Expenses, and Changes in Cash Balance
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Sales and service	\$ 30,000	\$ 30,000	\$ 21,329	\$ (8,671)
Miscellaneous	-	-	-	-
Total revenue	<u>30,000</u>	<u>30,000</u>	<u>21,329</u>	<u>(8,671)</u>
Expenses:				
Current:				
Public works	28,958	28,958	9,602	19,356
Personal	-	-	3,638	(3,638)
Capital outlay	-	-	-	-
Total expenses	<u>28,958</u>	<u>28,958</u>	<u>13,240</u>	<u>15,718</u>
Excess (deficiency) revenues over (under) expenditures	1,042	1,042	8,089	7,047
Other financing sources (uses):				
Taxes - gross receipts (net)	1,500	1,500	869	(631)
Sale of fixed asset	-	-	2,745	2,745
Operating transfers (net)	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (use)	<u>1,500</u>	<u>1,500</u>	<u>3,614</u>	<u>2,114</u>
Net change in fund balance	2,542	2,542	11,703	9,161
Cash balance, beginning of year	-	-	20,723	20,723
Prior period adjustment	-	-	-	-
Cash balance, beg of year restated	<u>-</u>	<u>-</u>	<u>20,723</u>	<u>20,723</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,426</u>	<u>\$ 32,426</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 11,703	
Adjustment to revenues for accruals and other deferrals			(72)	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(788)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 10,843</u>	

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

Supplementary Information Related to Agency Funds

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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, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Correction fees	\$ -	\$ 12,501	\$ (10,926)	\$ 1,575
Total assets	<u>\$ -</u>	<u>\$ 12,501</u>	<u>\$ (10,926)</u>	<u>\$ 1,575</u>
<u>LIABILITIES</u>				
Funds handled on behalf of: State of New Mexico	\$ -	\$ 12,501	\$ (10,926)	\$ 1,575
Total liabilities	<u>\$ -</u>	<u>\$ 12,501</u>	<u>\$ (10,926)</u>	<u>\$ 1,575</u>

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

Other Supplemental Information

STATE OF NEW MEXICO
TOWN OF ELIDA
Bank Reconciliation - All Accounts
For the year ended June 30, 2014

	Beginning Cash	Receipts	Distributions	Transfers
Governmental Funds:				
General	\$ 147,273	\$ 333,657	\$ (285,514)	\$ (6,908)
Correction	51,831	26,146	(3)	(67,503)
Environmental Gross Receipts Tax	11,791	-	-	(2,660)
Emergency Medical Service	38,865	7,459	(12,236)	-
Fire Protection	106,757	70,908	(148,175)	-
Law Enforcement Protection	14,770	21,200	(29,351)	-
Recreation	13,970	10,595	(14,174)	-
Senior Citizens	77	-	-	-
Library	2,663	-	(238)	-
Cemetery	15,734	1,385	(4,215)	-
Capital Projects	-	90,019	(164,430)	74,411
Total Governmental funds	403,731	561,369	(658,336)	(2,660)
Proprietary Fund:				
Water	36,702	65,359	(63,614)	2,660
Solid waste	20,723	24,943	(13,240)	-
Total proprietary funds	57,425	90,302	(76,854)	2,660
Total governmental and proprietary funds	461,156	651,671	(735,190)	-
Agency Fund:				
Correction fees	-	12,501	(10,926)	-
Total all funds	\$ 461,156	\$ 664,172	\$ (746,116)	\$ -

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	\$ 389,762	\$ 7,265
The James Polk Stone Community Bank	Town of Elida Correction Fund	Savings	8,871	1,600
The James Polk Stone Community Bank	Town of Elida Fire & Rescue Fund	Savings	13,796	-
Total reconciled bank accounts			412,429	8,865
		Petty cash	72	-
Totals			\$ 412,501	\$ 8,865

<u>Net Cash End of Period</u>	<u>Adjustments to the Report</u>	<u>Total Cash on Report</u>
\$ 188,508	\$ (162)	\$ 188,346
10,471	-	10,471
9,131	-	9,131
34,088	-	34,088
29,490	645	30,135
6,619	-	6,619
10,391	17	10,408
77	-	77
2,425	-	2,425
12,904	-	12,904
-	-	-
304,104	500	304,604
41,107	50	41,157
32,426	-	32,426
73,533	50	73,583
377,637	550	378,187
1,575		1,575
\$ 379,212	\$ 550	\$ 379,762

<u>Reconciling Items: Outstanding Checks</u>	<u>Total Reconciled Book Balance</u>
(41,604)	355,423
-	10,471
-	13,796
(41,604)	379,690
-	72
\$ (41,604)	\$ 379,762

STATE OF NEW MEXICO
TOWN OF ELIDA
Revenue Schedule
For the year ended June 30, 2014

	<u>General - 101</u>	<u>Correction - 201</u>	<u>Emergency Medical Service - 206</u>	<u>Fire Protection - 209</u>
Revenues:				
Local sources:				
Tax - property	\$ 3,358	\$ -	\$ -	\$ -
Tax - gross receipts	2,612	-	-	-
Licenses and permits	410	-	-	-
Charges for services	14,701	-	-	-
Rent	2,675	-	-	-
Connection charges	-	26,140	-	-
Fines and forfeits	90,516	-	-	-
Interest on investments	-	6	7	-
Donations	750	-	-	50
Miscellaneous	5,938	-	-	-
Reimbursements	2,737	-	-	-
Cemetery fees	-	-	-	-
Sale of fixed asset	15,685	-	-	-
	<u>139,382</u>	<u>26,146</u>	<u>7</u>	<u>50</u>
Total local sources	139,382	26,146	7	50
State sources:				
Tax - Environmental Gross Receipts	-	-	-	-
Tax - Gas [two cents]	11,269	-	-	-
Tax - Municipal Equivalent Dist GRT	-	-	-	-
Tax - Municipal Gross Receipts	75,271	-	-	-
Tax - State Gross Receipts	-	-	-	-
Tax - Telephone GRT	-	-	-	-
Grant - EMS	-	-	7,452	-
Fire allotment	-	-	-	70,858
Grant - LEP	-	-	-	-
State Forestry	-	-	-	-
Motor Vehicle	514	-	-	-
Municipal Economic Development	2,207	-	-	-
Grant - Municipal Coop	-	-	-	-
Clean and Beautiful grant	-	-	-	-
Fire grant award	-	-	-	-
Agency on Aging	-	-	-	-
Small Cities assistance	90,000	-	-	-
	<u>179,261</u>	<u>-</u>	<u>7,452</u>	<u>70,858</u>
Total state sources	179,261	-	7,452	70,858
Federal sources:				
Other	-	-	-	-
CDBG	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal sources	-	-	-	-
Total	<u>\$ 318,643</u>	<u>\$ 26,146</u>	<u>\$ 7,459</u>	<u>\$ 70,908</u>

Law Enforcement Protection - 211	Senior Citizens 219	Cemetery 600	Capital Projects 300	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 3,358
-	-	-	-	2,612
-	-	-	-	410
-	-	-	-	14,701
-	-	-	-	2,675
-	-	-	-	26,140
-	-	-	-	90,516
-	-	5	-	18
-	50	704	-	1,554
-	3,500	-	-	9,438
-	-	-	-	2,737
-	-	676	-	676
-	-	-	-	15,685
-	3,550	1,385	-	170,520
-	-	-	-	0
-	-	-	-	11,269
-	-	-	-	0
-	-	-	-	75,271
-	-	-	-	0
-	-	-	-	0
-	-	-	-	7,452
-	-	-	-	70,858
21,200	-	-	-	21,200
-	-	-	-	0
-	-	-	-	514
-	-	-	-	2,207
-	-	-	-	0
-	-	-	-	0
-	-	-	-	0
-	8,860	-	-	8,860
-	-	-	-	90,000
21,200	8,860	-	-	287,631
-	2,125	-	-	2,125
-	-	-	54,307	54,307
-	2,125	-	54,307	56,432
\$ 21,200	\$ 14,535	\$ 1,385	\$ 54,307	\$ 514,583

STATE OF NEW MEXICO
TOWN OF ELIDA
Revenue Schedule
For the year ended June 30, 2014

	Water - 501	Solid Waste 502	Total Enterprise Funds
Revenues:			
Local sources:			
Tax - property	\$ -	\$ -	\$ -
Tax - gross receipts	2,606	869	3,475
Licenses and permits	-	-	-
Charges for services	60,419	20,937	81,356
Rent	-	-	-
Connection charges	-	-	-
Fines and forfeits	-	300	300
Interest on investments	-	-	-
Donations	-	20	20
Miscellaneous	993	-	993
Reimbursements	-	-	-
Cemetery fees	-	-	-
Gain on sale of fixed asset	-	2,745	2,745
	<hr/>	<hr/>	<hr/>
Total local sources	64,018	24,871	88,889
State sources:			
Tax - Environmental Gross Receipts	-	-	-
Tax - Gas [two cents]	-	-	-
Tax - Municipal Equivalent Dist GRT	-	-	-
Tax - Municipal Gross Receipts	-	-	-
Tax - State Gross Receipts	-	-	-
Tax - Telephone GRT	-	-	-
Grant - EMS	-	-	-
Fire allotment	-	-	-
Grant - LEP	-	-	-
State Forestry	-	-	-
Motor Vehicle	-	-	-
Municipal Economic Development	-	-	-
Grant - Municipal Coop	-	-	-
Clean and Beautiful grant	-	-	-
Fire grant award	-	-	-
Agency on Aging	-	-	-
Small Cities assistance	-	-	-
	<hr/>	<hr/>	<hr/>
Total state sources	-	-	-
Federal sources:			
Other	-	-	-
CDBG	-	-	-
	<hr/>	<hr/>	<hr/>
Total federal sources	-	-	-
	<hr/>	<hr/>	<hr/>
Total	\$ 64,018	\$ 24,871	\$ 88,889

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, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund, of the Town of Elida (the Town) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Town presented as supplementary information, and have issued my report thereon dated November 20, 2014.

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.

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

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

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, 2014-001.

The Town's Responses 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Sandra Rush CPA PC
Clovis, New Mexico
November 20, 2014

STATE OF NEW MEXICO
TOWN OF ELIDA
Schedule of Findings and Responses
June 30, 2014

Prior Year Audit Findings

2012-004	Amounts Collected on Behalf of the State	Resolved
2012-005	Separate Bank Account for on Behalf Collections	Resolved
2012-006	Capital Asset Listing / Depreciation Schedule	Resolved
2012-007	Depreciation Policy	Resolved
2012-008	Meter Deposit Bank Account	Resolved
2012-010	Old Meter Deposits	Resolved
2012-011	Bad Meters Not Repaired	Resolved
2012-013	Solid Waste Ordinance	Resolved
2013-001	Financial Statements and Disclosures	Resolved
2013-002	Presentation of Audit Report	Resolved
2013-003	Submission of the Audit contract and Recommendation	Resolved

2014-001 Exceeded Budgetary Authority - Compliance and Internal Control - Significant Deficiency

Condition

The Town maintained expenditures at the fund level in which actual expenditures exceeded budgetary authority in the following funds: Correction Fund \$(3) and Senior Citizens Fund \$(5,665).

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For municipalities, the fund is the legal level of control.

Cause

Staff shortages, insufficient budget oversight and failure to work closely with the DFA Local Government Division were all factors that contributed to this finding. Also the original budget was not adjusted to reflect changes in revenue received and expenditures paid.

Effect

As a result, the Village is not in compliance with New Mexico regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978.

Recommendation

The Town must establish a policy of budgetary review and make necessary budget adjustments. It is recommended that the Town work with DFA Local Government Division in monitoring budgetary compliance throughout the fiscal year.

Response

The Town concurs with this recommendation.

Financial Statement Preparation

Although it would be preferred and desirable for the Town to prepare its own GAAP-basis financial statements, it is felt that the Town's personnel did not have the time to prepare them. Therefore, the outside auditor prepared the GAAP basis financial statements and footnotes for inclusion in the annual audit report from the original books and records provided to them by the management of the Town. Management of the Town has reviewed and approved these financial statements and related notes and believes they are adequately supported by the books and records of the government.

Exit Conference

The contents of this report were discussed with, Durward Dixon, Mayor, Kimberly Summers, business manager, and Sandra Rush, CPA, in an exit conference on November 18, 2014.