
STATE OF NEW MEXICO
Town of Elida
June 30, 2015

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2015
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, 2015

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

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
Town of Elida
Elida, New Mexico

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Town of Elida (the Town), as of and for the year ended June 30, 2015, 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 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, 2015, 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, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, and fiduciary fund of the Town as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis 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.

Accounting principles generally accepted in the United States of America require that Schedules A-1 and A-2 and notes to the Required Supplementary Information on pages 41-43 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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 Supporting Schedules I and II required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Supporting Schedules I and II required by 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Supporting Schedules I and II required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Schedule III has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 27, 2015 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 27, 2015

Basic Financial Statements

Government-wide Financial Statements

TOWN OF ELIDA
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 447,512	\$ 107,913	\$ 555,425
Cash in New Mexico Finance Authority			
Funds held reserve	1,203	-	1,203
Cash in New Mexico Finance Authority			
State Investment Pool	13	-	13
Accounts receivable		-	-
Taxes	17,429	-	17,429
Other	180	-	180
Grantor	1,797	-	1,797
Sales	-	5,279	5,279
Allowance for uncollectable receivables	-	(290)	(290)
	<u>468,134</u>	<u>112,902</u>	<u>581,036</u>
Total current assets			
Noncurrent assets			
Restricted cash	200	7,950	8,150
Capital assets	4,438,586	2,119,768	6,558,354
Accumulated depreciation	<u>(2,185,744)</u>	<u>(935,544)</u>	<u>(3,121,288)</u>
	<u>2,253,042</u>	<u>1,192,174</u>	<u>3,445,216</u>
Total noncurrent assets			
	<u>2,721,176</u>	<u>1,305,076</u>	<u>4,026,252</u>
Total assets			
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Aggregated deferred outflows	<u>15,098</u>	<u>-</u>	<u>15,098</u>
	<u>\$ 2,736,274</u>	<u>\$ 1,305,076</u>	<u>\$ 4,041,350</u>
Total assets and deferred outflows of resources			

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	\$ 7,635	\$ 4,136	\$ 11,771
Compensated absences	4,702	2,999	7,701
Current portion of long-term debt	<u>25,170</u>	<u>-</u>	<u>25,170</u>
Total current liabilities	<u>37,507</u>	<u>7,135</u>	<u>44,642</u>
Non-current liabilities			
Customer meter deposits	200	8,280	8,480
Long-term portion notes payable	75,660	-	75,660
Net pension liability	<u>131,482</u>	<u>-</u>	<u>131,482</u>
Total non-current liabilities	<u>207,342</u>	<u>8,280</u>	<u>215,622</u>
Total liabilities	<u>244,849</u>	<u>15,415</u>	<u>260,264</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Aggregated deferred inflows	56,374	-	56,374
<u>NET POSITION</u>			
Net investment in capital assets	2,152,012	1,184,224	3,336,236
Restricted			
Special revenue fund	186,468	-	186,468
Unrestricted	<u>96,571</u>	<u>105,437</u>	<u>202,008</u>
Total net position	<u>2,435,051</u>	<u>1,289,661</u>	<u>3,724,712</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,736,274</u>	<u>\$ 1,305,076</u>	<u>\$ 4,041,350</u>

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, 2015

Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government - finance	\$ 140,891	\$ 2,400	\$ 95,020	\$ -	\$ (43,471)	\$ -	\$ (43,471)
General government - judicial	39,159	-	-	-	(39,159)	-	(39,159)
Public safety	232,342	1,138	134,767	100,000	3,563	-	3,563
Public works	121,275	617	1,732	-	(118,926)	-	(118,926)
Culture and recreation	38,363	4,009	7,776	-	(26,578)	-	(26,578)
Capital outlay	-	-	-	-	-	-	-
Interest	168	-	-	-	(168)	-	(168)
Depreciation expense	-	-	-	-	-	-	-
Total governmental activities	572,198	8,164	239,295	100,000	(224,739)	-	(224,739)
Business-type activities:							
Water	181,894	99,036	-	50,000	-	(32,858)	(32,858)
Solid waste	23,031	42,106	-	-	-	19,075	19,075
Total business-type activities	204,925	141,142	-	50,000	-	(13,783)	(13,783)
Total governmental and business-type activities	\$ 777,123	\$ 149,306	\$ 239,295	\$ 150,000	\$ (224,739)	\$ (13,783)	\$ (238,522)
General Revenues:							
Taxes:							
Property					3,665	-	3,665
Other					11,750	-	11,750
Gross receipts					80,551	105	80,656
Gain (loss) sale of capital asset					1,799	-	1,799
Fines					95,719	-	95,719
Motor vehicle fees					588	-	588
Interest income					12	-	12
Miscellaneous					26,160	-	26,160
Total general revenues					220,244	105	220,349
Change in net position					(4,495)	(13,678)	(18,173)
Net position, beginning					2,604,708	1,303,339	3,908,047
Restatement					(165,162)	-	(165,162)
Net position, beginning restated					2,439,546	1,303,339	3,742,885
Net position, ending					\$ 2,435,051	\$ 1,289,661	\$ 3,724,712

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

Fund Financial Statements

STATE OF NEW MEXICO
TOWN OF ELIDA
Balance Sheet
Governmental Funds
June 30, 2015

	General 101	Fire Protection 209	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash in banks	\$ 261,634	\$ 129,139	\$ 56,739	\$ 447,512
Cash in New Mexico Finance Authority Funds held reserve	-	1,203	-	1,203
Cash in New Mexico Finance Authority State Investment Pool	-	-	13	13
Accounts receivable				
Taxes	17,429	-	-	17,429
Grantor	1,605	-	192	1,797
Other	180	-	-	180
Restricted cash	200	-	-	200
Total assets	\$ 281,048	\$ 130,342	\$ 56,944	\$ 468,334
LIABILITIES				
Accounts payables	\$ 6,817	\$ 389	\$ 429	\$ 7,635
Funds held for others	200	-	-	200
Total liabilities	7,017	389	429	7,835
FUND BALANCE				
Restricted for				
Special revenue funds	-	129,953	56,515	186,468
Unassigned				
General government fund	274,031	-	-	274,031
Total fund balance	274,031	129,953	56,515	460,499
Total liabilities and fund balance	\$ 281,048	\$ 130,342	\$ 56,944	\$ 468,334

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

STATE OF NEW MEXICO

TOWN OF ELIDA

Reconciliation of Total Fund Balance from Balance Sheet Governmental Funds to the

Total Net Position on the Statement of Net Position

For the year ended June 30, 2015

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

Fund balance - total governmental funds	\$	460,499
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Capital assets	\$ 4,438,586	
Accumulated depreciation	<u>(2,185,744)</u>	2,252,842

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds:

Deferred outflows of resources related to employer contribution subsequent to the measurement date		15,098
Deferred inflows of resources related to change in proportion	(6,470)	
Deferred inflows of resources related to investment experience	<u>(49,904)</u>	(56,374)

Certain liabilities, including accrued compensated absences, bonds payable, lease purchase notes and net pension liability, are not due and payable in the current period and therefore are not reported in the funds

Accrued compensated absences		(4,702)
Loans and notes payable		(100,830)
Net pension liability		<u>(131,482)</u>
Net position of governmental activities		<u>\$ 2,435,051</u>

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended June 30, 2015

	General 101	Fire Protection 209	Other Governmental Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 3,665	\$ -	\$ -	\$ 3,665
Gross receipts taxes	80,551	-	-	80,551
Motor vehicle taxes	588	-	-	588
Other taxes	11,750	-	-	11,750
State grants	91,302	175,828	33,804	300,934
Federal grants	-	-	1,434	1,434
Charges for services	6,409	-	1,755	8,164
Licenses, fees and fines	95,719	-	29,238	124,957
Interest	-	10	2	12
Miscellaneous	31,180	1,267	1,402	33,849
Gain (loss) disposal of assets	7,052	-	-	7,052
Total revenues	328,216	177,105	67,635	572,956
Expenditures				
Current				
General government				
Finance	124,578	-	-	124,578
Judicial	38,827	-	-	38,827
Public safety	90,113	56,921	33,841	180,875
Public works	30,027	-	1,532	31,559
Culture and recreation	6,044	-	12,200	18,244
Capital outlay	-	132,683	-	132,683
Debt service				
Principal	-	25,115	-	25,115
Interest	-	168	-	168
Total expenditures	289,589	214,887	47,573	552,049
Excess (deficiency) of revenues over expenditures	38,627	(37,782)	20,062	20,907
Other financing sources (uses)				
Operating transfers (net)	39,361	13,796	(53,157)	-
New Mexico Finance Authority loan	-	125,945	-	125,945
Total other financing sources (uses)	39,361	139,741	(53,157)	125,945
Net change in fund balances	77,988	101,959	(33,095)	146,852
Fund balances, beginning	196,043	27,994	89,597	313,634
Restatement	-	-	13	13
Fund balances, beginning restated	196,043	27,994	89,610	313,647
Fund balances, ending	<u>\$ 274,031</u>	<u>\$ 129,953</u>	<u>\$ 56,515</u>	<u>\$ 460,499</u>

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

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, 2015

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

Net change in fund balances - total governmental funds	\$ 146,852
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Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.

Current year capital expenditures capitalized	132,683
Depreciation expense	(170,184)
 Gain (loss) disposal of capital assets	 (5,253)

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Note proceeds	(125,945)
Principal payment	25,115

Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.

Governmental funds report town pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:

Compensated absences	(180)
Change in deferred inflows / outflows for net pension liability	<u>(7,583)</u>

Change in Net Position of Governmental Activities	<u>\$ (4,495)</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Property taxes	\$ 3,005	\$ 3,661	\$ 3,661	\$ -
Gross receipts taxes	85,000	69,884	69,884	-
Motor vehicle taxes	460	579	579	-
Other taxes	9,300	14,721	14,721	-
State grants	90,000	93,012	93,012	-
Federal grants	-	-	-	-
Charges for services	23,000	3,194	3,194	-
Licenses, fees and fines	110,480	98,934	98,934	-
Interest	-	-	-	-
Miscellaneous	16,949	29,277	29,277	-
Gain (loss) disposal of assets	7,051	7,051	7,052	1
Total revenue	<u>345,245</u>	<u>320,313</u>	<u>320,314</u>	<u>1</u>
Expenditures				
Current				
General government				
Finance	130,000	126,602	125,667	935
Judicial	43,000	38,181	38,181	-
Public safety	110,000	89,390	89,390	-
Public works	35,000	27,768	27,768	-
Culture and recreation	-	5,181	5,181	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>318,000</u>	<u>287,122</u>	<u>286,187</u>	<u>935</u>
Excess (deficiency) revenues over (under) expenditures	27,245	33,191	34,127	936
Other financing sources (uses):				
Operating transfers net	33,000	39,361	39,361	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>33,000</u>	<u>39,361</u>	<u>39,361</u>	<u>-</u>
Net change in cash balances	60,245	72,552	73,488	936
Cash balance, beginning	-	-	188,346	188,346
Cash balance, ending	<u>\$ 60,245</u>	<u>\$ 72,552</u>	<u>\$ 261,834</u>	<u>\$ 189,282</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 73,488	
Adjustment to revenues for accruals and other deferrals			7,902	
Adjustment to expenditures for payables, prepaids and other accruals			(3,402)	
Net change in fund balance (GAAP Basis)			<u>\$ 77,988</u>	

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

STATE OF NEW MEXICO
TOWN OF ELIDA
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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	920,908	925,828	175,828	(750,000)
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Licenses, fees and fines	-	-	-	-
Interest	-	10	10	-
Miscellaneous	6	2,476	1,267	(1,209)
Total revenues	<u>920,914</u>	<u>928,314</u>	<u>177,105</u>	<u>(751,209)</u>
Expenditures				
Current				
General government				
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	60,000	58,673	58,673	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	788,800	998,054	132,683	865,371
Debt service:				
Principal	26,000	25,115	25,115	-
Interest	200	168	168	-
Total expenditures	<u>875,000</u>	<u>1,082,010</u>	<u>216,639</u>	<u>865,371</u>
Excess (deficiency) revenues over (under) expenditures	45,914	(153,696)	(39,534)	114,162
Other financing sources (uses):				
Operating transfers	-	13,796	13,796	-
New Mexico Finance Authority loan	-	125,068	125,945	877
Designated cash	-	14,117	-	(14,117)
Total other financing sources (uses)	-	<u>152,981</u>	<u>139,741</u>	<u>(13,240)</u>
Net change in cash balances	45,914	(715)	100,207	100,922
Cash balance, beginning	-	-	30,135	30,135
Cash balance, ending	<u>\$ 45,914</u>	<u>\$ (715)</u>	<u>\$ 130,342</u>	<u>\$ 131,057</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 100,207	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			<u>1,752</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 101,959</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, 2015

	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	\$ 60,360	\$ 47,553	\$ 107,913
Accounts receivable	3,994	1,285	5,279
Allowance for uncollectable accounts receivable	(290)	-	(290)
Total current assets	<u>64,064</u>	<u>48,838</u>	<u>112,902</u>
Noncurrent assets			
Restricted cash, customer meter deposits	7,950	-	7,950
Capital assets, being depreciated	2,090,951	28,817	2,119,768
Less: accumulated depreciation	(912,142)	(23,402)	(935,544)
Total noncurrent assets	<u>1,186,759</u>	<u>5,415</u>	<u>1,192,174</u>
Total assets	<u>\$ 1,250,823</u>	<u>\$ 54,253</u>	<u>\$ 1,305,076</u>
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities			
Accounts payable	\$ 2,726	\$ 1,410	\$ 4,136
Compensated absences	2,448	551	2,999
Total current liabilities	<u>5,174</u>	<u>1,961</u>	<u>7,135</u>
Noncurrent liabilities			
Customer meter deposits	<u>8,280</u>	<u>-</u>	<u>8,280</u>
Total noncurrent liabilities	<u>8,280</u>	<u>-</u>	<u>8,280</u>
Total liabilities	13,454	1,961	15,415
Net position			
Net invested in capital assets	1,178,809	5,415	1,184,224
Unrestricted	<u>58,560</u>	<u>46,877</u>	<u>105,437</u>
Total net position	<u>1,237,369</u>	<u>52,292</u>	<u>1,289,661</u>
Total liabilities and net position	<u>\$ 1,250,823</u>	<u>\$ 54,253</u>	<u>\$ 1,305,076</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, 2015

	Business-type Activities <u>Water Fund 501</u>	Business-type Activities <u>Solid Waste 502</u>	Business-type Activities <u>Totals</u>
Operating revenues			
Sales and services	\$ 95,498	\$ 42,106	\$ 137,604
Miscellaneous	<u>3,538</u>	<u>-</u>	<u>3,538</u>
Total operating revenues	<u>99,036</u>	<u>42,106</u>	<u>141,142</u>
Operating expenses			
Public works	56,756	12,298	69,054
Personnel	18,539	10,733	29,272
Depreciation	<u>56,599</u>	<u>-</u>	<u>56,599</u>
Total operating expenses	<u>131,894</u>	<u>23,031</u>	<u>154,925</u>
Operating income (loss)	(32,858)	19,075	(13,783)
Non-operating revenues (expenses)			
Net taxes - gross receipts	(21)	126	105
Net meter deposits	-	-	-
State grants	50,000	-	50,000
State grants expenses	(50,000)	-	(50,000)
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenue (expenses)	<u>(21)</u>	<u>126</u>	<u>105</u>
Net income (loss)	(32,879)	19,201	(13,678)
Operating transfers (net)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position - proprietary funds	(32,879)	19,201	(13,678)
Net position, beginning	<u>1,270,248</u>	<u>33,091</u>	<u>1,303,339</u>
Net position, ending	<u>\$ 1,237,369</u>	<u>\$ 52,292</u>	<u>\$ 1,289,661</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, 2015

	Business-type Activities Enterprise Fund
Cash flows from operating activities	
Receipts from customers	\$ 143,781
Payments to suppliers and contractors	(67,659)
Payments to and on behalf of employees	<u>(28,532)</u>
Net cash provided (used) by operating activities	<u>47,590</u>
Cash flows from non capital financing activities	
Net taxes - gross receipts	105
Change in meter deposits	-
Transfers (net)	<u>-</u>
Net cash provided (used) by non capital financing activities	<u>105</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(5,415)
Net state grant	-
Disposal of capital asset	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(5,415)</u>
Net increase (decrease) in cash and cash equivalents	42,280
Cash and cash equivalents, beginning	<u>73,583</u>
Total cash and cash equivalents, ending	<u>\$ 115,863</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (13,783)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation and amortization	56,599
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	2,639
Increase (Decrease) in accounts payable	<u>2,135</u>
Net cash provided (used) by operating activities	<u>\$ 47,590</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>855</u>
Total assets	\$ <u><u>855</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ <u>855</u>
Total liabilities	\$ <u><u>855</u></u>

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

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

This summary of significant accounting policies of the Town of Elida (the Town) is presented to assist in the understanding of the Town's financial statements. The financial statements and notes are the representation of the Town's management who is responsible for their integrity and objectivity. The financial statements of 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 financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the government's accounting policies are described below.

During the year ended June 30, 2015, the Town adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* ("GASB 68"), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* ("GASB 71"). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.

Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government would recognize a net pension liability ("NPL") measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or non-employer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation. This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

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, 2015.

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Notes to The Financial Statements
June 30, 2015

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 and the Fire Protection 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 used for the fire department.

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

Cash and Cash Equivalents:

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

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. 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.

Restricted Assets:

Restricted assets are those held in trust for others.

Receivables and Payables:

Inter-fund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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.

Inventory:

The cost of purchased inventory is recorded as an expenditure at the time individual inventory items are consumed.

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, per section 12-6-10 NMSA 1978, 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. 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).

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

Deferred Outflows of Resources:

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Town has one type of item that qualifies for reporting in this category. Accordingly, the item, employer contributions subsequent to measurement date, is reported in the Statement of Net Position. This amount is deferred and recognized as an outflow of resources in the period the amount becomes available. The Town has recorded \$15,198 related to employer contributions subsequent to measurement date.

Deferred Inflows of Resources:

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

In addition, the Town has two types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the difference between expected and actual experience, \$6,470; and net difference between projected and actual earnings, \$49,904 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

Net Position and Fund Equity:

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the Town's fund balances is presented in Note 21.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

Net investment in capital assets:

Consists of capital assets 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 those assets.

Restricted Net Position:

Consist of net position with "legally enforceable" 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. Legally enforceable means that a government can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation, only for the purposes specified by the legislation. Generally, the enforceability of an enabling legislation restriction is determined by professional judgment. If it is determined that the restrictions continue to be legally enforceable, then for the purposes of financial reporting, the restricted net position should not reflect any reduction for resources used for purposes not stipulated by the enabling legislation. Descriptions for the related restrictions for net position are restricted for "debt service or capital projects."

Unrestricted Net Position:

All other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

Inter-fund 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 it 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 inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund 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. Significant estimates affecting the Town's financials include management's estimate of the useful lives of capital assets.

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 'measureable' and 'available' in the governmental fund financial statements.

E. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the

same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, and Special Revenue 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, 2015, is presented.

The appropriated budget for the year ended June 30, 2015, was properly amended by the Town Council throughout the year.

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, 2015 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, 2015.

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

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insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

New Mexico 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.

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.

	The James Polk Stone Community Bank Portales, NM	Type
Total amount on deposit on June 30, 2015		
Operating	\$ 587,042	Checking
Correction	348	Savings
Total deposited	<u>587,390</u>	
Less FDIC coverage	<u>(250,000)</u>	
Total uninsured public funds	<u>337,390</u>	
50% collateral requirement as per Section 6-10-17, NMSA 1978	<u>168,695</u>	
Pledged securities	<u>161,263</u>	
Over (under)	<u>\$ (7,432)</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: Questa NM IDS #9 BQ GO, CUI SP 3133822H5, maturity date 9/1/2019, market value \$161,263, face value \$150,000 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, 2015, \$176,127 of the Town's bank balance of \$587,390 was exposed to custodial credit risk.

Custodial Credit Risk Deposits

Account Balance	\$ 587,390
FDIC Insurance	250,000
Collateral:	
Collateral held by the pledging bank, not in the Town's name	161,263
Uninsured and uncollateralized	<u>176,127</u>
Total Deposits	<u>\$ 587,390</u>

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Note 4 Receivables

Receivables as of June 30, 2015, are as follows:

	General Fund	Non Major	Totals
Governmental Activities			
Accounts receivable taxes			
Property Tax	\$ 210	\$ -	\$
Municipal Economic Development	365	-	
Municipal Equivalent Dist. . GRT	81	-	
Municipal GRT	7,378	-	
MVD Fees	57	-	
State GRT	7,358	-	
Gas Tax	933	-	
Fuel rebate	1,035	-	
Telephone GRT	12	-	
Total accounts receivable taxes			17,429
Accounts receivable from grantor			
General	1,605	-	
Sebior Citizens		192	
Total accounts receivable from grantor			1,797
Accounts receivable other			
General	180	-	
Total accounts receivable other			180
Totals	\$ 19,214	\$ 192	\$ 19,406

	Water Fund	Solid Waste Fund	Totals
Business-type Activities			
Receivable from customers	\$ 3,994	\$ 1,285	\$ 5,279
Less allowance for uncollectible	(290)		(290)
Totals	\$ 3,704	\$ 1,285	\$ 4,989

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.

Note 5 Interfund Receivables, Payables, and Transfers

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it 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.

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Permanent transfers for the year ended June 30, 2015 are listed below:

	Transfer In	Transfer Out
General	\$ 39,361	\$ -
Correction		(39,361)
Fire	13,796	
EMS	-	(13,796)
Totals	<u>\$ 53,157</u>	<u>\$ (53,157)</u>

Note 6 Accounts Payables

Accounts payable are payable to suppliers as of June 30, 2015, are listed below.

	General Fund	Fire Fund	Non Major	Totals
Governmental Activities				
Accounts payable				
General				
Financial	\$ 2,326	\$	\$	\$
Judicial	646			
Culture and recreation	863			
Public safety	723			
Public works	2,259			6,817
Fire		389		389
EMS			63	63
Cemetery			4	4
Law enforcement			85	85
Senior citizens			277	277
Totals	<u>\$ 6,817</u>	<u>\$ 389</u>	<u>\$ 429</u>	<u>\$ 7,635</u>
Business-Type		Solid Waste Fund	Total	
Accounts payable	\$ 2,726	\$ 1,410	\$ 4,136	

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Note 7 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2015 follows.

Government Activities

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 14,707	\$ -	\$ -	\$ 14,707
CNP	98,488	8,817	(98,488)	8,817
Capital assets being depreciated				
Buildings and improvements	972,072	-	-	972,072
Improvements	1,916,460	-	-	1,916,460
Vehicles	236,494	-	-	236,494
Equipment	1,070,926	222,354	(3,244)	1,290,036
Total assets	<u>4,309,147</u>	<u>231,171</u>	<u>(101,732)</u>	<u>4,438,586</u>
Less accumulated depreciation				
Buildings and improvements	(261,425)	(27,676)	(4,494)	(293,595)
Improvements	(763,452)	(87,769)	-	(851,221)
Vehicles	(106,133)	(22,092)	-	(128,225)
Equipment	(882,541)	(32,647)	2,485	(912,703)
Total accumulated depreciation	<u>(2,013,551)</u>	<u>(170,184)</u>	<u>(2,009)</u>	<u>(2,185,744)</u>
Governmental activity capital assets, net	<u>\$ 2,295,596</u>	<u>\$ 60,987</u>	<u>\$ (103,741)</u>	<u>\$ 2,252,842</u>

Capital assets, net of accumulated depreciation, at June 30, 2015 appear in the Statement of Net Position as follows:
Governmental activities \$ 2,252,842.

Depreciation expense for the year ended June 30, 2015 was charged to the following governmental activities functions.

Culture and recreation	\$ 20,119
Financial	11,227
Public safety	48,743
Public works	<u>90,095</u>
	<u>\$ 170,184</u>

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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	5,415	(901)	59,579
Total assets	<u>2,137,754</u>	<u>5,415</u>	<u>(23,401)</u>	<u>2,119,768</u>
Less accumulated depreciation				
Infrastructure	(814,418)	(50,585)	-	(865,003)
Heavy equipment	(22,500)	-	22,500	-
Vehicles	(18,622)	(3,509)	-	(22,131)
Equipment	(46,805)	(2,506)	901	(48,410)
Total accumulated depreciation	<u>(902,345)</u>	<u>(56,600)</u>	<u>23,401</u>	<u>(935,544)</u>
Business-type activity capital assets, net	<u>\$ 1,235,409</u>	<u>\$ (51,185)</u>	<u>\$ -</u>	<u>\$ 1,184,224</u>

Depreciation expense relating to business-like activities for the year ended June 30, 2015 totaled \$56,600.

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.
None
- C. Excess expenditures over budget.
The Town did not reported expenditures in excess of budget at the function level at June 30, 2015,

Note 10 Long-term Debts

Governmental Activities

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the government wide statement of net position:

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	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities					
NMFA Note payable	\$	\$ 125,945	\$ (25,115)	100,830	\$ 25,170
Compensated absences	4,522	6,063	(5,883)	4,702	4,702
	<u>\$ 4,522</u>	<u>\$ 132,008</u>	<u>\$ (30,998)</u>	<u>\$ 105,532</u>	<u>\$ 29,872</u>

In prior years, the General Fund has typically liquidated the compensated absences and the Fire Protection Fund will liquidate the NMFA note.

Note Payable

In 2015 the Town entered into a loan agreement with the New Mexico Finance Authority to finance the purchase of a fire truck, for the Fire Department. The original loan amount was \$125,945. The interest rate ranges from 0.100% to 0.450% and the principal payments range from \$25,170 to \$25,245.

Series	Date of Issue	Original Amount	Interest Rate	Balance	Due in One Year
NMFA Note	7/1/2015	\$ 125,945	0.100% to 0.450%	\$ 100,830	\$ 25,170

The annual requirement to amortize the loan as of June 30, 2015, including interest and administration fees is as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 25,170	\$ 248	\$ 25,418
2017	25,195	82	25,277
2018	25,220	50	25,270
2019	25,245	25	25,270
	<u>\$ 100,830</u>	<u>\$ 405</u>	<u>\$ 101,235</u>

Business-type Activities

During the year ended June 30, 2015, the following changes occurred in the compensated absences liabilities reported in the government wide statement of net position:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Water	\$ 1,902	\$ 1,246	\$ (700)	\$ 2,448	\$ 2,448
Solid waste	357	441	(247)	551	551
	<u>\$ 2,259</u>	<u>\$ 1,687</u>	<u>\$ (947)</u>	<u>\$ 2,999</u>	<u>\$ 2,999</u>

Note 11 Public Employees Retirement Association (PERA) Plan

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the

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provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the Town are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to the Town are the: Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from the Town were \$6,139 and \$8,959 respectively and there were no employer paid member benefits that were "picked up" by the employer for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Town's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General, at June 30, 2015, the Town reported a liability of \$52,267 for its proportionate share of the net pension liability. At June 30, 2014, the Town's proportion was 0.0067 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town recognized PERA Fund Division Municipal General pension expense of \$2,202. At June 30, 2015, the Town reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience		
Change in assumptions	\$ -	\$ 35
Net difference between projected and actual earnings on plan investments	-	20,448
Change in proportion and difference between Town's contribution and proportionate share of contributions	-	-
Town's contribution subsequent to the measurement date	<u>6,140</u>	<u>-</u>
Totals	<u>\$ 6,140</u>	<u>\$ 20,483</u>

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\$6,140 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ 5,121
2017	5,121
2018	5,121
2019	5,121
2020	-
Thereafter	-

For PERA Fund Division Municipal Police, at June 30, 2015, the Town reported a liability of \$79,215 for its proportionate share of the net pension liability. At June 30, 2014, the Town's proportion was 0.0243 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town recognized PERA Fund Division Municipal Police pension expense of \$5,314. At June 30, 2015, the Town reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience		
Change in assumptions	\$ -	\$ 6,435
Net difference between projected and actual earnings on plan investments	-	29,456
Change in proportion and difference between Town's contribution and proportionate share of contributions	-	-
Town's contribution subsequent to the measurement date	<u>8,959</u>	<u>-</u>
Totals	<u>\$ 8,959</u>	<u>\$ 35,891</u>

\$8,959 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ 8,965
2017	8,965
2018	8,965
2019	8,965
2020	32
Thereafter	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

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Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Lever percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll growth	3.50% annual rate
Projected salary increase	3.50% to 14.25% annual rate
Includes inflation at	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

All Funds - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.10%	5.00%
International Equity	24.80%	5.20%
Private Equity	7.00%	8.20%
Core and Global Fixed Income	26.10%	1.85%
Fixed Income Plus Sectors	5.00%	4.80%
Real Estate	5.00%	5.30%
Absolute Return	7.00%	5.70%
Total	4.00%	4.15%
	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate: The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Town's net pension liability in each PERA Fund Division that the Town participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Division Municipal General

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Proportionate share of the net pension liability	\$ 98,535	\$ 52,267	\$ 16,523

PERA Fund Division Municipal Police

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Proportionate share of the net pension liability	\$ 151,064	\$ 79,215	\$ 25,567

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at: <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan.

As of June 30, 2015 the Town had no outstanding payable to PERA.

Note 12 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 are not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, 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 contributions to the RHCA for the year ended June 30, 2015, 2014 and 2013 were \$4,266, \$3,902, and \$4,570, respectively, which equal the required contributions for each year.

Note 13 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 14 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 15 Subsequent Accounting Standard Pronouncements

In February 2015, GASB Statement No. 72 Fair Value Measurement and Application, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The Town is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The Town is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. The Town is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The Town is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 76: The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The Town is still evaluating how this pronouncement will affect the financial statements.

In August 2015, GASB Statement No. 77 Tax Abatement Disclosures, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The Town is still evaluating how this pronouncement will affect the financial statements.

Note 16 Subsequent Review

The Town has evaluated subsequent events through November 27, 2015 which is the date the financial statements were available for issuance.

Note 17 Restatement of Net Position

The following adjustments were made to restate Net Position:

Beginning Net Position	\$ 2,604,708
Add state investment account	13
GASB 68	
Beginning net pension liability	<u>(165,175)</u>
Beginning Net Position, Restated	<u>\$ 2,439,546</u>

Required Supplementary Information

STATE OF NEW MEXICO
TOWN OF ELIDA
Schedule of Proportionate Share of the Net Pension Liability
Public Employee Retirement Association (PERA) Pension Plan
Last 10 Fiscal Years*

Schedule A-1

Municipal General Division

	<u>2015</u>
The Town's proportion of the net pension liability (asset)	0.00670%
The Town's proportionate share of the net pension liability (asset)	\$ 52,267
The Town's covered-employee payroll	\$ 82,969
The Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	158.74%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

Municipal Police Division

	<u>2015</u>
The Town's proportion of the net pension liability (asset)	0.02430%
The Town's proportionate share of the net pension liability (asset)	\$ 79,215
The Town's covered-employee payroll	\$ 47,403
The Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	59.84%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, The Town will present information for those years for which information is available.

STATE OF NEW MEXICO
TOWN OF ELIDA
Schedule of Contributions
Public Employee Retirement Association (PERA) Pension Plan
Last 10 Fiscal Years*

Schedule A-2

	<u>2015</u>
Municipal General Division	
Contractually required contribution	\$ 6,140
Contributions in relation to the contractually required contribution	<u>6,140</u>
Contribution deficiency (excess)	<u>\$ -</u>
The Town's covered-employee payroll	\$ 82,969
Contributions as a percentage of covered-employee payroll	7.40%
Municipal Police Division	
	<u>2015</u>
Contractually required contribution	\$ 8,959
Contributions in relation to the contractually required contribution	<u>8,959</u>
Contribution deficiency (excess)	<u>\$ -</u>
The Town's covered-employee payroll	\$ 47,403
Contributions as a percentage of covered-employee payroll	18.90%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, The Town will present information for those years for which information is available.

Changes of benefit terms.

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states "based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

Supplementary Information Related to NonMajor 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.

Correction Fund

Accounts for revenue and expenditures associated with the assessment of traffic violations within the Town's jurisdiction.

STATE OF NEW MEXICO
TOWN OF ELIDA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	Correction 201	Environmental Gross Receipts 202	Emergency Medical Service 206	Law Enforcement Protection 211
<u>ASSETS</u>				
Cash in banks	\$ 348	\$ 9,131	\$ 6,987	\$ 15,746
Cash in New Mexico Finance Authority	-	-	-	-
Cash in State Investment Pool	13	-	-	-
Accounts receivable grantor	-	-	-	-
 Total assets	<u>\$ 361</u>	<u>\$ 9,131</u>	<u>\$ 6,987</u>	<u>\$ 15,746</u>
 <u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 63	\$ 85
 Total liabilities	<u>-</u>	<u>-</u>	<u>63</u>	<u>85</u>
 <u>FUND BALANCE</u>				
Restricted for				
Special revenue funds	<u>361</u>	<u>9,131</u>	<u>6,924</u>	<u>15,661</u>
 Total fund balance	<u>361</u>	<u>9,131</u>	<u>6,924</u>	<u>15,661</u>
 Total liabilities and fund balance	<u>\$ 361</u>	<u>\$ 9,131</u>	<u>\$ 6,987</u>	<u>\$ 15,746</u>

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

Recreation 217	Senior Citizens 219	Library 228	Cemetery 600	Totals
\$ 77	\$ 9,788	\$ 2,239	\$ 12,423	\$ 56,739
-	-	-	-	-
-	-	-	-	13
-	192	-	-	192
<u>\$ 77</u>	<u>\$ 9,980</u>	<u>\$ 2,239</u>	<u>\$ 12,423</u>	<u>\$ 56,944</u>
\$ -	\$ 277	\$ -	\$ 4	\$ 429
-	277	-	4	429
<u>77</u>	<u>9,703</u>	<u>2,239</u>	<u>12,419</u>	<u>56,515</u>
<u>77</u>	<u>9,703</u>	<u>2,239</u>	<u>12,419</u>	<u>56,515</u>
<u>\$ 77</u>	<u>\$ 9,980</u>	<u>\$ 2,239</u>	<u>\$ 12,423</u>	<u>\$ 56,944</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, 2015

	Correction 201	Environmental Gross Receipts 202	Emergency Medical Service 206	Law Enforcement Protection 211
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	-	-	7,224	20,600
Federal grants	-	-	-	-
Charges for services	-	-	1,138	-
Licenses, fees and fines	29,238	-	-	-
Interest	2	-	-	-
Miscellaneous	-	-	-	610
Total revenues	<u>29,240</u>	<u>-</u>	<u>8,362</u>	<u>21,210</u>
Expenditures				
Current				
General government				
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	2	-	21,671	12,168
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2</u>	<u>-</u>	<u>21,671</u>	<u>12,168</u>
Excess (deficiency) of revenues over expenditures	29,238	-	(13,309)	9,042
Other financing sources (uses)				
Operating transfers (net)	(39,361)	-	(13,796)	-
New Mexico Finance Authority loan	-	-	-	-
Total other financing sources (uses)	<u>(39,361)</u>	<u>-</u>	<u>(13,796)</u>	<u>-</u>
Net change in fund balances	(10,123)	-	(27,105)	9,042
Fund balances, beginning	10,471	9,131	34,029	6,619
Restatement	13	-	-	-
Fund balances, beginning restated	<u>10,484</u>	<u>9,131</u>	<u>34,029</u>	<u>6,619</u>
Fund balances, ending	<u>\$ 361</u>	<u>\$ 9,131</u>	<u>\$ 6,924</u>	<u>\$ 15,661</u>

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

Recreation 217	Senior Citizens 219	Library 228	Cemetery 600	Totals
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	5,980	-	-	33,804
-	1,434	-	-	1,434
-	-	-	617	1,755
-	-	-	-	29,238
-	-	-	-	2
-	326	36	430	1,402
-	7,740	36	1,047	67,635
-	-	-	-	-
-	-	-	-	-
-	-	-	-	33,841
-	-	-	1,532	1,532
-	11,978	222	-	12,200
-	-	-	-	-
-	-	-	-	-
-	11,978	222	1,532	47,573
-	(4,238)	(186)	(485)	20,062
-	-	-	-	(53,157)
-	-	-	-	-
-	-	-	-	(53,157)
-	(4,238)	(186)	(485)	(33,095)
77	13,941	2,425	12,904	89,597
-	-	-	-	13
77	13,941	2,425	12,904	89,610
\$ 77	\$ 9,703	\$ 2,239	\$ 12,419	\$ 56,515

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Licenses, fees and fines	32,998	29,238	29,238	-
Interest	2	2	2	-
Miscellaneous	-	-	-	-
Total revenues	<u>33,000</u>	<u>29,240</u>	<u>29,240</u>	<u>-</u>
Expenditures				
Current				
General government				
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	-	2	2	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Excess (deficiency) revenues over (under) expenditures	33,000	29,238	29,238	-
Other financing sources (uses)				
Operating transfers (net)	(33,000)	(39,361)	(39,361)	-
Designated cash	-	10,123	-	(10,123)
Total other financing sources (uses)	<u>(33,000)</u>	<u>(29,238)</u>	<u>(39,361)</u>	<u>(10,123)</u>
Net change in cash balances	-	-	(10,123)	(10,123)
Cash balance, beginning	-	-	10,471	10,471
Prior period adjustment	-	-	13	13
Cash balance, beginning restated	<u>-</u>	<u>-</u>	<u>10,484</u>	<u>10,484</u>
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361</u>	<u>\$ 361</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (10,123)	
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>\$ (10,123)</u>	

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Special Revenue Fund - Emergency Medical Service Fund - 206
Statement of Revenues, Expenditures, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	7,452	7,224	7,224	-
Federal grants	-	-	-	-
Charges for services	3,000	1,138	1,138	-
Licenses, fees and fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>10,452</u>	<u>8,362</u>	<u>8,362</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	8,500	21,667	21,667	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>8,500</u>	<u>21,667</u>	<u>21,667</u>	<u>-</u>
Excess (deficiency) revenues over (under) expenditures	1,952	(13,305)	(13,305)	-
Other financing sources (uses)				
Operating transfers net	-	-	(13,796)	(13,796)
Designated cash	-	13,305	-	(13,305)
Total other financing sources (uses)	<u>-</u>	<u>13,305</u>	<u>(13,796)</u>	<u>(27,101)</u>
Net change in cash balances	1,952	-	(27,101)	(27,101)
Cash balance, beginning	<u>-</u>	<u>-</u>	<u>34,088</u>	<u>34,088</u>
Cash balance, ending	<u>\$ 1,952</u>	<u>\$ -</u>	<u>\$ 6,987</u>	<u>\$ 6,987</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (27,101)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(4)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (27,105)</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	20,600	20,600	20,600	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Licenses, fees and fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	610	610	-
Total revenues	<u>20,600</u>	<u>21,210</u>	<u>21,210</u>	<u>-</u>
Expenditures				
Current				
General government				
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	16,919	12,083	12,083	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>16,919</u>	<u>12,083</u>	<u>12,083</u>	<u>-</u>
Excess (deficiency) revenues over (under) expenditures	3,681	9,127	9,127	-
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 cash balances	3,681	9,127	9,127	-
Cash balance, beginning	<u>-</u>	<u>-</u>	<u>6,619</u>	<u>6,619</u>
Cash balance, ending	<u>\$ 3,681</u>	<u>\$ 9,127</u>	<u>\$ 15,746</u>	<u>\$ 6,619</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 9,127	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(85)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 9,042</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	5,200	9,055	9,005	(50)
Federal grants	1,200	2,157	2,157	-
Charges for services	-	-	-	-
Licenses, fees and fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	100	326	326	-
Total revenues	6,500	11,538	11,488	(50)
Expenditures				
Current				
General government				
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	6,400	12,108	12,108	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,400	12,108	12,108	-
Excess (deficiency) revenues over (under) expenditures	100	(570)	(620)	(50)
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	-	570	-	(570)
Total other financing sources (uses)	-	570	-	(570)
Net change in cash balances	100	-	(620)	(620)
Cash balance, beginning	-	-	10,408	10,408
Cash balance, ending	\$ 100	\$ -	\$ 9,788	\$ 9,788
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (620)	
Adjustment to revenues for accruals and other deferrals			(3,748)	
Adjustment to expenditures for payables, prepaids and other accruals			130	
Net change in fund balance (GAAP Basis)			\$ (4,238)	

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Licenses, fees and fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	100	36	36	-
Total revenues	100	36	36	-
Expenditures				
Current				
General government				
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	150	222	222	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	150	222	222	-
Excess (deficiency) revenues over (under) expenditures	(50)	(186)	(186)	-
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	50	186	-	(186)
Total other financing sources (uses)	50	186	-	(186)
Net change in cash balances	-	-	(186)	(186)
Cash balance, beginning	-	-	2,425	2,425
Cash balance, ending	\$ -	\$ -	\$ 2,239	\$ 2,239
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (186)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (186)	

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Motor vehicle taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	617	617	617	-
Licenses, fees and fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	518	430	430	-
Total revenues	1,135	1,047	1,047	-
Expenditures				
Current				
General government	-	-	-	-
Finance	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	1,600	1,528	1,528	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,600	1,528	1,528	-
Excess (deficiency) revenues over (under) expenditures	(465)	(481)	(481)	-
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	465	481	-	(481)
Total other financing sources (uses)	465	481	-	(481)
Net change in cash balances	-	-	(481)	(481)
Cash balance, beginning	-	-	12,904	12,904
Cash balance, ending	\$ -	\$ -	\$ 12,423	\$ 12,423
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (481)	
Adjustment to revenues for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(4)	
Net change in fund balance (GAAP Basis)			\$ (485)	

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 61,660	\$ 97,832	\$ 97,831	\$ (1)
Miscellaneous	-	3,309	3,538	229
Total revenues	61,660	101,141	101,369	228
Expenses				
Current				
Public works	60,000	55,845	55,845	-
Personal	20,000	18,350	18,350	-
	80,000	74,195	74,195	-
Excess (deficiency) revenues over (under) expenses	(18,340)	26,946	27,174	228
Other financing sources (uses)				
Gross receipts taxes (net)	(436)	(21)	(21)	-
Change in meter deposits	100	-	-	-
Operating transfers (net)	-	-	-	-
State grant	-	50,000	50,000	-
State grant expenses	-	(50,000)	(50,000)	-
Acquisition of capital assets	-	-	-	-
Designated cash	18,676	-	-	-
Total other financing sources (uses)	18,340	(21)	(21)	-
Net change in cash balances	-	26,925	27,153	228
Cash balance, beginning	-	-	41,157	41,157
Cash balance, ending	\$ -	\$ 26,925	\$ 68,310	\$ 41,385
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 27,153	
Adjustment to revenues for accruals and other deferrals			(2,333)	
Adjustment to expenditures for payables, prepaids and other accruals			(57,699)	
Net change in fund balance (GAAP Basis)			\$ (32,879)	

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 37,000	\$ 42,412	\$ 42,412	\$ -
Miscellaneous	-	-	-	-
Total revenues	<u>37,000</u>	<u>42,412</u>	<u>42,412</u>	<u>-</u>
Expenses				
Current				
Public works	11,814	11,814	11,814	-
Personal	<u>9,186</u>	<u>10,182</u>	<u>10,182</u>	<u>-</u>
	<u>21,000</u>	<u>21,996</u>	<u>21,996</u>	<u>-</u>
Excess (deficiency) revenues over (under) expenses	16,000	20,416	20,416	-
Other financing sources (uses)				
Gross receipts taxes (net)	1,755	126	126	-
Change in meter deposits	-	-	-	-
Operating transfers (net)	-	-	-	-
State grant	-	-	-	-
State grant expenses	-	-	-	-
Acquisition of capital assets	-	(5,415)	(5,415)	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>1,755</u>	<u>(5,289)</u>	<u>(5,289)</u>	<u>-</u>
Net change in cash balances	17,755	15,127	15,127	-
Cash balance, beginning	<u>-</u>	<u>-</u>	<u>32,426</u>	<u>32,426</u>
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,553</u>	<u>\$ 47,553</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 15,127	
Adjustment to revenues for accruals and other deferrals			(306)	
Adjustment to expenditures for payables, prepaids and other accruals			<u>4,380</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 19,201</u>	

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

Supplementary Information Related to Agency Funds

Agency Funds

Activity Trust Fund

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

STATE OF NEW MEXICO
TOWN OF ELIDA
Agency Fund - Correction Fees
Statement of Changes in Assets and Liabilities
June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Police allocation	\$ 1,050	\$ 8,765	\$ (9,245)	\$ 570
Judicial education fee	525	4,383	(4,623)	285
Total assets	<u>\$ 1,575</u>	<u>\$ 13,148</u>	<u>\$ (13,868)</u>	<u>\$ 855</u>
<u>LIABILITIES</u>				
Funds handled on behalf of State of New Mexico	<u>\$ 1,575</u>	<u>\$ 13,148</u>	<u>\$ (13,868)</u>	<u>\$ 855</u>
Total liabilities	<u>\$ 1,575</u>	<u>\$ 13,148</u>	<u>\$ (13,868)</u>	<u>\$ 855</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, 2015

	Beginning Cash	Receipts	Distributions	Transfers
Governmental funds				
General	\$ 188,346	\$ 320,314	\$ (286,187)	\$ 39,361
Correction	10,471	29,240	(2)	(39,361)
Environmental Gross Receipts Tax	9,131	-	-	-
Emergency Medical Service	34,088	8,362	(21,667)	(13,796)
Fire Protection	30,135	302,167	(215,756)	13,796
Law Enforcement Protection	6,619	21,210	(12,083)	-
Recreation	77	-	-	-
Senior Citizens	10,408	11,488	(12,108)	-
Library	2,425	36	(222)	-
Cemetery	12,904	1,047	(1,528)	-
Total Governmental funds	304,604	693,864	(549,553)	-
Proprietary funds				
Water	41,157	151,748	(124,595)	-
Solid waste	32,426	42,538	(27,411)	-
Total proprietary funds	73,583	194,286	(152,006)	-
Total governmental and proprietary funds	378,187	888,150	(701,559)	-
Agency Fund				
Police allocation	1,050	8,765	(9,245)	-
Judicial education fee	525	4,383	(4,623)	-
Total agency funds	1,575	13,148	(13,868)	-
Total all funds	\$ 379,762	\$ 901,298	\$ (715,427)	\$ -

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	\$ 587,042	\$ 1,815
The James Polk Stone Community Bank	Town of Elida Correction Fund	Savings	348	-
NMFA Funds Held Reserve	Town of Elida Fire Protection		1,203	-
NMFA State Investment Pool	Town of Elida Correction		8	-
NMFA State Investment Pool	Town of Elida Correction		5	-
Total reconciled bank accounts			588,606	1,815
Petty cash			-	-
Totals			\$ 588,606	\$ 1,815

<u>Net Cash End of Period</u>	<u>Adjustments to the Report</u>	<u>Total Cash on Report</u>
\$ 261,834	\$ -	\$ 261,834
348	13	361
9,131	-	9,131
6,987	-	6,987
130,342	-	130,342
15,746	-	15,746
77	-	77
9,788	-	9,788
2,239	-	2,239
<u>12,423</u>	<u>-</u>	<u>12,423</u>
448,915	13	448,928
68,310	-	68,310
<u>47,553</u>	<u>-</u>	<u>47,553</u>
115,863	-	115,863
564,778	13	564,791
570		570
<u>285</u>	<u></u>	<u>285</u>
855	-	855
<u>\$ 565,633</u>	<u>\$ 13</u>	<u>\$ 565,646</u>

<u>Reconciling Items: Outstanding Checks</u>	<u>Total Reconciled Book Balance</u>
\$ (24,775)	\$ 564,082
-	348
-	1,203
-	8
<u>-</u>	<u>5</u>
(24,775)	565,646
<u>-</u>	<u>-</u>
<u>\$ (24,775)</u>	<u>\$ 565,646</u>

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TOWN OF ELIDA

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)

For the Year Ended June 30, 2015

Prepared by Agency Staff

Name: Kim Summers Title: Clerk/Treasurer Date 11/24/15

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
N/A								

STATE OF NEW MEXICO
TOWN OF ELIDA
Revenue Schedule
For the year ended June 30, 2015

	<u>General - 101</u>	<u>Correction - 201</u>	<u>Emergency Medical Service - 206</u>	<u>Fire Protection - 209</u>
Revenues				
Local sources				
Tax - property	\$ 3,665	\$ -	\$ -	\$ -
Tax - gross receipts	40,143	-	-	-
Licenses and permits	250	-	-	-
Charges for services	3,194	-	1,138	-
Rent	3,215	-	-	-
Connection charges	-	-	-	-
Fines and forfeits	95,469	29,238	-	-
Interest on investments	-	2	-	10
Donations	5,020	-	-	1,255
Miscellaneous	1,078	-	-	12
Reimbursements	25,082	-	-	-
Cemetery fees	-	-	-	-
Water meter deposits	-	-	-	-
Sale of fixed asset	7,052	-	-	-
	<u>184,168</u>	<u>29,240</u>	<u>1,138</u>	<u>1,277</u>
Total local sources				
State sources				
Tax - Environmental Gross Receipts	-	-	-	-
Tax - Gas [two cents]	8,111	-	-	-
Tax - Municipal Equivalent Dist GRT	-	-	-	-
Tax - Municipal Gross Receipts	42,045	-	-	-
Tax - State Gross Receipts	-	-	-	-
Tax - Telephone GRT	-	-	-	-
Grant - EMS	-	-	7,224	-
Fire allotment	-	-	-	73,982
Grant - LEP	-	-	-	-
State Forestry	-	-	-	1,846
Motor Vehicle	588	-	-	-
Municipal Economic Development	2,002	-	-	-
Grant - Municipal Coop	-	-	-	-
Clean and Beautiful grant	1,302	-	-	-
Fire grant award	-	-	-	100,000
Agency on Aging	-	-	-	-
NM Finance Authority - loan	-	-	-	125,945
Small Cities assistance	90,000	-	-	-
Grant - Water	-	-	-	-
	<u>144,048</u>	<u>-</u>	<u>7,224</u>	<u>301,773</u>
Total state sources				
Federal sources				
Other	-	-	-	-
CDBG	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal sources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total				
	<u>\$ 328,216</u>	<u>\$ 29,240</u>	<u>\$ 8,362</u>	<u>\$ 303,050</u>

Law Enforcement Protection - 211	Senior Citizens 219	Library 228	Cemetery 600	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 3,665
-	-	-	-	40,143
-	-	-	-	250
-	-	-	-	4,332
-	-	-	-	3,215
-	-	-	-	-
-	-	-	-	124,707
-	-	-	-	12
-	150	-	430	6,855
610	176	36	-	1,912
-	-	-	-	25,082
-	-	-	617	617
-	-	-	-	-
-	-	-	-	7,052
610	326	36	1,047	217,842
-	-	-	-	-
-	-	-	-	8,111
-	-	-	-	-
-	-	-	-	42,045
-	-	-	-	-
-	-	-	-	-
-	-	-	-	7,224
-	-	-	-	73,982
20,600	-	-	-	20,600
-	-	-	-	1,846
-	-	-	-	588
-	-	-	-	2,002
-	-	-	-	-
-	-	-	-	1,302
-	-	-	-	100,000
-	5,980	-	-	5,980
-	-	-	-	125,945
-	-	-	-	90,000
-	-	-	-	-
20,600	5,980	-	-	479,625
-	1,434	-	-	1,434
-	-	-	-	-
-	1,434	-	-	1,434
\$ 21,210	\$ 7,740	\$ 36	\$ 1,047	\$ 698,901

STATE OF NEW MEXICO
TOWN OF ELIDA
Revenue Schedule
For the year ended June 30, 2015

	Water - 501	Solid Waste 502	Total Enterprise Funds
Revenues			
Local sources			
Tax - property	\$ -	\$ -	\$ -
Tax - gross receipts	2,815	1,879	4,694
Licenses and permits	-	-	-
Charges for services	94,384	42,106	136,490
Rent	-	-	-
Connection charges	1,114	-	1,114
Fines and forfeits	-	-	-
Interest on investments	-	-	-
Donations	-	-	-
Miscellaneous	3,538	-	3,538
Reimbursements	-	-	-
Cemetery fees	-	-	-
Water meter deposits	400	-	400
Gain on sale of fixed asset	-	-	-
	<hr/>	<hr/>	<hr/>
Total local sources	102,251	43,985	146,236
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	-	-	-
NM Finance Authority - loan	-	-	-
Small Cities assistance	-	-	-
Grant - Water	50,000	-	50,000
	<hr/>	<hr/>	<hr/>
Total state sources	50,000	-	50,000
Federal sources			
Other	-	-	-
CDBG	-	-	-
	<hr/>	<hr/>	<hr/>
Total federal sources	-	-	-
	<hr/>	<hr/>	<hr/>
Total	\$ 152,251	\$ 43,985	\$ 196,236

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 Auditor's Report

Timothy Keller
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, 2015, 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 27, 2015.

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. 2015-001

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

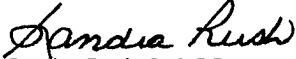
not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items, 2015-001.

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 27, 2015

STATE OF NEW MEXICO
TOWN OF ELIDA
Schedule of Findings and Responses
June 30, 2015

Prior Year Audit Finding

2014-001 Exceeded Budgetary Authority Resolved

Current Year Audit Finding

2015-001 Pledged Collateral - Compliance and Internal Control - Significant Deficiency

Condition

The Town's June 30, 2015 deposits at The James Polk Stone Community Bank totaled \$587,042. The deposits exceeded FDIC insurance and the required collateral by \$7,432.

Criteria

Section 6-10-17, NMSA 1978 states any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall then deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received in accordance with Subsection B of Section 6-10-16 NMSA 1978. However, any such bank or savings and loan association may deliver a depository bond executed by a surety company as provided in Section 6-10-15 NMSA 1978 as security for any portion of a deposit of public money.

Cause

The Town maintained a deposit account with The James Polk Stone Community Bank in excess of FDIC Coverage and the required pledged collateral. The bank failed to deliver sufficient pledged collateral for the Town's deposits. The bank discovered the error after shortly after June 30, 2015 and pledged additional collateral.

Effect

Lack of proper collateralization results in non-compliance with state statutes and increase potential liability and exposure to the loss of the Town's public funds in the event of bank closure.

Recommendation

The Town should ensure all cash balances are collateralized as required by State Statutes.

Response

Management agrees. The bank discovered the error after shortly after June 30, 2015 and pledged additional collateral.

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, Clerk/Treasurer, and Sandra Rush, CPA, in an exit conference on November 23, 2015.

