

**STATE OF NEW MEXICO
TOWN OF ELIDA
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
JUNE 30, 2019**

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
TOWN OF ELIDA
TABLE OF CONTENTS
JUNE 30, 2019**

	Page Number
INTRODUCTORY SECTION	
Table of Contents	i
Official Roster.....	iii
FINANCIAL SECTION	
Independent Auditor’s Report	1
<u>Basic Financial Statements:</u>	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	6
Governmental Funds	
Balance Sheet – Governmental Funds.....	8
Reconciliation of Governmental Funds Fund Balance to Government Activities Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	10
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government Activities Statement of Activities	11
Statement Revenues, Expenditures and Changes in Fund Balance – Budget to Actual (Non-GAAP Basis)	
General Fund.....	12
Fire Protection Fund	13
Capital Projects Fund	14
Proprietary Funds	
Statement of Net Position	15
Statement of Revenues, Expenses and Changes in Net Position.....	16
Statement of Cash Flows	17
Agency Funds	
Statement of Fiduciary Assets and Liabilities.....	18
Notes to the Financial Statements	19

**STATE OF NEW MEXICO
TOWN OF ELIDA
TABLE OF CONTENTS
JUNE 30, 2019**

	Page Number
REQUIRED SUPPLEMENTAL INFORMATION	
Schedules of Proportionate Share of PERA Net Pension Liability and Required Contributions	
Municipal General.....	42
Municipal Police.....	42
Schedules of Proportionate Share of OPEB Liability and Required Contributions.....	43
Notes to the Required Supplemental Information.....	44
SUPPLEMENTAL INFORMATION	
Nonmajor Fund Descriptions.....	45
Combining Balance Sheet – Non-major Funds.....	46
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-major Funds	48
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual - Special Revenue Funds (Non-GAAP Basis)	
Correction Fund	50
EMS Fund.....	51
Ambulance Fund.....	52
State Forestry Fund.....	53
Law Enforcement Protection Fund.....	54
Senior Citizens Fund.....	55
Cemetery Fund.....	56
Water Fund.....	57
Solid Waste Fund.....	58
Schedule of Changes in Fiduciary Assets and Liabilities	
Police Allocation Fund.....	59
Judicial Education Fund.....	60
INTERNAL CONTROL AND COMPLIANCE SECTION	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61
Schedule of Findings and Responses	63
Status of Prior Year Findings	65
Exit Conference	66

**STATE OF NEW MEXICO
TOWN OF ELIDA
OFFICIAL ROSTER
JUNE 30, 2019**

TOWN COUNCIL

Name	Title
Durward Dixon	Mayor
Steve Barron	Mayor Pro-Tem
Beverly Creighton	Trustee
Andy Jaso	Trustee
Clay Ferguson	Trustee

TOWN OFFICIALS

Name	Title
Kim Summers	Town Clerk/Treasurer
Lonnie Jones	Public Works
Bryan Aguilar	Police

FINANCIAL SECTION



SCOTT NORTHAM, CPA, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Brian Colón, New Mexico State Auditor, and
Honorable Mayor and Trustees of
Town of Elida
Elida, New Mexico

Report on the Financial Statements

We 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, New Mexico as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our 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, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and major special revenue funds of the Town of Elida, New Mexico as of June 30, 2019, and, the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Town's proportionate share of the net pension liability and the schedule of the Town's contributions, schedule of the Town's OPEB proportionate share of the net OPEB liability, schedule of the Town's contributions, and schedule of the Town's OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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.

We 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Management has omitted the MD&A for the year ended June 30, 2019. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it an essential part of financial reporting. Our opinion on the basic financial statements is not affected by this omitted information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplemental information as noted in the table of contents required by Section 2.2.2 NMAC is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019 on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town’s internal control over financial reporting and compliance.



Scott Northam, CPA, PC
Ruidoso, New Mexico
November 26, 2019

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 626,911	\$ 44,508	\$ 671,419
NMFA Cash Equivalents	466	-	466
LGIP Investment Pool	7	-	7
Grants Receivable	1,888	-	1,888
Accounts Receivable, Net	-	9,059	9,059
Taxes Receivable			
Gross Receipts	12,157	-	12,157
Gasoline	1,798	-	1,798
Motor Vehicle	64	-	64
Property	255	-	255
Total Current Assets	643,546	53,567	697,113
NONCURRENT ASSETS			
Restricted Cash and Cash Equivalents	-	8,900	8,900
Capital Assets, Net	2,630,187	1,152,882	3,783,069
Total Noncurrent Assets	2,630,187	1,161,782	3,791,969
DEFERRED OUTFLOWS OF RESOURCES			
Net Pension Liability Deferred Outflows	71,112	-	71,112
Net Pension Post Measurement Date Employer Contributions	13,124	-	13,124
RHC Liability Deferred Outflows	14,690	-	14,690
RHC Post Measurement Date Employer Contributions	2,885	-	2,885
Total Deferred Outflows of Resources	101,811	-	101,811
Total Assets and Deferred Outflows	\$ 3,375,544	\$ 1,215,349	\$ 4,590,893

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 3,839	\$ 2,800	\$ 6,639
Current Portion of Long-Term Debt	<u>3,328</u>	<u>-</u>	<u>3,328</u>
Total Current Liabilities	<u>7,167</u>	<u>2,800</u>	<u>9,967</u>
NONCURRENT LIABILITIES			
Customer Deposits	-	8,900	8,900
Accrued Compensated Absences	3,958	7,890	11,848
Long-Term Debt, Net of Current Portion	128,834	-	128,834
Net Pension Liability	236,475	-	236,475
RHC Net Liability	<u>135,234</u>	<u>-</u>	<u>135,234</u>
Total Noncurrent Liabilities	<u>504,501</u>	<u>16,790</u>	<u>521,291</u>
DEFERRED INFLOW OF RESOURCES			
Net Pension Liability Deferred Inflows	43,064	-	43,064
RHC Deferred Inflows	<u>34,943</u>	<u>-</u>	<u>34,943</u>
Total Deferred Inflows of Resources	<u>78,007</u>	<u>-</u>	<u>78,007</u>
Total Liabilities and Deferred Inflows	<u>589,675</u>	<u>19,590</u>	<u>609,265</u>
NET POSITION			
Net Investment in Capital Assets	2,498,025	1,152,882	3,650,907
Restricted for:			
Special Revenue Funds	20,898	-	20,898
Unrestricted	<u>266,946</u>	<u>42,877</u>	<u>309,823</u>
Total Net Position	<u>2,785,869</u>	<u>1,195,759</u>	<u>3,981,628</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 3,375,544</u>	<u>\$ 1,215,349</u>	<u>\$ 4,590,893</u>

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

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<i>Primary Government</i>				
Governmental Activities:				
General Administration	\$ 155,922	\$ 1,638	\$ 90,000	\$ 125,401
Streets	25,031	-	-	-
Public Safety	155,351	-	289,005	-
Culture, Parks and Recreation	31,000	-	10,974	-
Health and Welfare	7,686	4,249	7,062	-
Judicial	20,323	45,173	-	-
Interest and Fiscal Charges	3,184	-	-	-
Depreciation	184,054	-	-	-
<i>Total Governmental Activities</i>	<u>582,551</u>	<u>51,060</u>	<u>397,041</u>	<u>125,401</u>
Business-Type Activities:				
Water Fund Fund	140,507	79,755	-	-
Solid Waste Fund	48,417	41,952	-	-
<i>Total Business-Type Activities</i>	<u>188,924</u>	<u>121,707</u>	<u>-</u>	<u>-</u>
Total - Primary Government	<u>\$ 771,475</u>	<u>\$ 172,767</u>	<u>\$ 397,041</u>	<u>\$ 125,401</u>

General Revenues

Taxes:

Gross Receipts
Infrastructure Gross Receipts
Property
Motor Vehicle
Gas

Miscellaneous

Donations

Rental Income

Interest

Total General Revenues

Change in Net Position

Beginning Net Position - Previously Reported

Prior Period Adjustment

Beginning Net Position - As Adjusted

Equity Transfer of Capital Assets

Net Position End of Year

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 61,117	\$ -	\$ 61,117
(25,031)	-	(25,031)
133,654	-	133,654
(20,026)	-	(20,026)
3,625	-	3,625
24,850	-	24,850
(3,184)	-	(3,184)
<u>(184,054)</u>	<u>-</u>	<u>(184,054)</u>
<u>(9,049)</u>	<u>-</u>	<u>(9,049)</u>
-	(60,752)	(60,752)
<u>-</u>	<u>(6,465)</u>	<u>(6,465)</u>
-	(67,217)	(67,217)
<u>(9,049)</u>	<u>(67,217)</u>	<u>(76,266)</u>
97,126	-	97,126
2,453	-	2,453
4,170	-	4,170
775	-	775
9,133	-	9,133
19,959	-	19,959
10,232	-	10,232
5,020	-	5,020
461	-	461
<u>149,329</u>	<u>-</u>	<u>149,329</u>
<u>140,280</u>	<u>(67,217)</u>	<u>73,063</u>
2,764,754	1,146,757	3,911,511
<u>(2,946)</u>	<u>-</u>	<u>(2,946)</u>
2,761,808	1,146,757	3,908,565
<u>(116,219)</u>	<u>116,219</u>	<u>-</u>
<u>\$ 2,785,869</u>	<u>\$ 1,195,759</u>	<u>\$ 3,981,628</u>

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

**STATE OF NEW MEXICO
TOWN OF ELIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Fire Protection Fund	Capital Projects Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
ASSETS					
Cash and Cash Equivalents	\$ 344,569	\$ 244,432	\$ 8,933	28,977	\$ 626,911
NMFA Cash Equivalents	-	466	-	-	466
LGIP Investment Pool	-	-	-	7	7
Grants Receivable	-	-	-	1,888	1,888
Taxes Receivable					
Gross Receipts	12,157	-	-	-	12,157
Gasoline	1,798	-	-	-	1,798
Motor Vehicle	64	-	-	-	64
Property	255	-	-	-	255
Total Assets	<u>\$ 358,843</u>	<u>\$ 244,898</u>	<u>\$ 8,933</u>	<u>\$ 30,872</u>	<u>\$ 643,546</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 3,839	\$ -	\$ -	\$ -	\$ 3,839
Total Liabilities	<u>3,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,839</u>
FUND BALANCES					
Restricted	-	244,898	-	18,907	263,805
Assigned	-	-	8,933	11,965	20,898
Unassigned	355,004	-	-	-	355,004
Total Fund Balances	<u>355,004</u>	<u>244,898</u>	<u>8,933</u>	<u>30,872</u>	<u>639,707</u>
Total Liabilities and Fund Balances	<u>\$ 358,843</u>	<u>\$ 244,898</u>	<u>\$ 8,933</u>	<u>\$ 30,872</u>	<u>\$ 643,546</u>

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

**STATE OF NEW MEXICO
TOWN OF ELIDA
RECONCILIATION OF GOVERNMENTAL FUNDS
FUND BALANCE TO GOVERNMENT ACTIVITIES
NET POSITION
JUNE 30, 2019**

Total Fund Balance - Governmental Funds \$ 639,707

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 2,630,187

Certain liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds. Those long-term liabilities include:

Accrued Compensated Absences	(3,958)	
Notes and Bonds Payable	<u>(132,162)</u>	(136,120)

Retiree Health Care and Net Pension Liability and deferred outflows and inflows of resources related to the benefit plans are applicable to future periods, and therefore are not included in the governmental funds. Those benefit items include:

RHC Contributions Subsequent to the Measurement Date	2,885	
RHC Deferred Outflows	14,690	
RHC Deferred Inflows	(34,943)	
RHC Liability	(135,234)	
NPL Contributions Subsequent to the Measurement Date	13,124	
NPL Deferred Outflows	71,112	
NPL Deferred Inflows	(43,064)	
Net Pension Liability	<u>(236,475)</u>	<u>(347,905)</u>

Net Position of Governmental Activities **\$ 2,785,869**

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	General Fund	Fire Protection Fund	Capital Projects Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes					
Gross Receipts	\$ 97,126	\$ -	\$ -	\$ -	\$ 97,126
Environmental Gross Receipts	2,453	-	-	-	2,453
Property	4,170	-	-	-	4,170
Motor Vehicle	775	-	-	-	775
Gasoline	9,133	-	-	-	9,133
Intergovernmental					
Federal	-	-	-	5,673	5,673
State	90,000	261,828	125,401	39,540	516,769
Charges for Service	1,572	-	-	4,249	5,821
Miscellaneous	9,162	3,598	-	7,199	19,959
Licenses, Fees and Permits	66	-	-	-	66
Fines and Forfeits	36,621	-	-	8,552	45,173
Donations	5,005	5,227	-	-	10,232
Rental Income	5,020	-	-	-	5,020
Interest	-	461	-	-	461
Total Revenues	<u>261,103</u>	<u>271,114</u>	<u>125,401</u>	<u>65,213</u>	<u>722,831</u>
EXPENDITURES					
Current					
General Administration	148,230	-	-	-	148,230
Streets	25,031	-	-	-	25,031
Public Safety	69,694	67,827	-	17,830	155,351
Culture, Parks and Recreation	11,612	-	-	19,388	31,000
Health and Welfare	-	-	-	7,686	7,686
Judicial	20,323	-	-	-	20,323
Debt Service					
Principal	3,395	25,245	-	-	28,640
Interest and Administrative Fees	731	2,453	-	-	3,184
Capital Outlay	<u>9,014</u>	<u>-</u>	<u>116,219</u>	<u>33,758</u>	<u>158,991</u>
Total Expenditures	<u>288,030</u>	<u>95,525</u>	<u>116,219</u>	<u>78,662</u>	<u>578,436</u>
Excess (Deficit) of Revenues over Expenditures	<u>(26,927)</u>	<u>175,589</u>	<u>9,182</u>	<u>(13,449)</u>	<u>144,395</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	34,884	-	-	13,344	48,228
Transfers Out	<u>(13,344)</u>	<u>-</u>	<u>(9,182)</u>	<u>(25,702)</u>	<u>(48,228)</u>
Total Other Financing Sources (Uses)	<u>21,540</u>	<u>-</u>	<u>(9,182)</u>	<u>(12,358)</u>	<u>-</u>
Net Change in Fund Balance	(5,387)	175,589	-	(25,807)	144,395
Beginning Fund Balance	<u>360,391</u>	<u>69,309</u>	<u>8,933</u>	<u>56,679</u>	<u>495,312</u>
Fund Balance, End of Year	<u>\$ 355,004</u>	<u>\$ 244,898</u>	<u>\$ 8,933</u>	<u>\$ 30,872</u>	<u>\$ 639,707</u>

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

**STATE OF NEW MEXICO
TOWN OF ELIDA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO THE GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net Changes in Fund Balance - Governmental Funds	\$	144,395
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays over \$5,000 are reported as expenditures in the Governmental Funds, but the cost of those assets is reported as capital assets in the Statement of Net Position.		158,991
Depreciation Expense allocated the cost of capital assets over their useful lives in the Statement of Activities, but the cost of the capital assets has already been expended in prior periods in the Governmental Funds.		(184,054)
Changes in long-term liabilities are reported as expenditures in the Governmental Funds but as changes in liabilities in the Statement of Activities. Those changes in long-term liabilities include:		
Change in Accrued Compensated Absences	(496)	
Long-Term Obligations Principal Payments	28,640	28,144
Changes in the Retiree Health Care and Net Pension Liability and deferred outflows and inflows of resources related to the pension are expended in the Statement of Activities but applicable to future periods in the Governmental Funds, and therefore are not included in the Governmental Funds.		
Net Change in RHC Liability	(50)	
Net Change in PERA Liability	(7,146)	(7,196)
Change in Net Position of Governmental Activities	\$	<u>140,280</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 BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Gross Receipts	\$ 74,370	\$ 74,620	\$ 102,017	\$ 27,397
Environmental Gross Receipts	1,640	1,640	2,453	813
Property	3,565	3,565	3,915	350
Motor Vehicle	550	550	711	161
Gasoline	12,100	12,100	7,335	(4,765)
Intergovernmental				
State	90,000	90,000	90,000	-
Charges for Service	1,200	1,200	1,572	372
Miscellaneous	15,000	15,000	9,162	(5,838)
Licenses, Fees and Permits	280	280	66	(214)
Fines and Forfeits	48,000	48,000	36,621	(11,379)
Donations	-	-	5,005	5,005
Rental Income	-	-	5,020	5,020
Total Revenues	246,705	246,955	263,877	16,922
EXPENSES				
Current				
General Administration	124,084	145,205	148,230	(3,025)
Streets	26,501	36,642	25,031	11,611
Public Safety	69,172	73,820	69,694	4,126
Culture, Parks and Recreation	-	-	11,612	(11,612)
Judicial	22,001	22,001	20,323	1,678
Debt Service				
Principal	3,395	3,395	3,395	-
Interest and Administrative Fees	731	731	731	-
Capital Outlay	9,014	9,014	9,014	-
Total Expenditures	254,898	290,808	288,030	2,778
Excess (Deficit) of Revenues over Expenditures	(8,193)	(43,853)	(24,153)	19,700
OTHER FINANCING SOURCES (USES)				
Transfers In	16,000	141,401	34,884	(106,517)
Transfers Out	-	(124,799)	(13,344)	111,455
Total Other Financing Sources (Uses)	16,000	16,602	21,540	4,938
Net Change in Fund Balance	7,807	(27,251)	(2,613)	\$ 24,638
Cash Balance, Beginning of Year	347,182	347,182	347,182	
Cash Balance, End of Year	\$ 354,989	\$ 319,931	\$ 344,569	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ (2,613)	
Change in:				
Taxes Receivable				
Gross Receipts			(4,891)	
Gasoline			1,798	
Motor Vehicle			64	
Property			255	
Net Change in Fund Balance - GAAP Basis			\$ (5,387)	

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 BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State	\$ 151,334	\$ 162,404	\$ 261,828	\$ 99,424
Miscellaneous	-	2,399	3,598	1,199
Donations	-	-	5,227	5,227
Interest	-	-	461	461
Total Revenues	<u>151,334</u>	<u>164,803</u>	<u>271,114</u>	<u>106,311</u>
EXPENSES				
Current				
Public Safety	51,002	72,985	69,175	3,810
Debt Service				
Principal	28,379	28,379	25,245	3,134
Interest and Administrative Fees	-	-	2,453	(2,453)
Total Expenditures	<u>79,381</u>	<u>101,364</u>	<u>96,873</u>	<u>4,491</u>
Excess (Deficit) of Revenues over Expenditures	<u>71,953</u>	<u>63,439</u>	<u>174,241</u>	<u>110,802</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,000	-	(5,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balance	71,953	68,439	174,241	<u>\$ 105,802</u>
Cash Balance, Beginning of Year	<u>70,657</u>	<u>70,657</u>	<u>70,657</u>	
Cash Balance, End of Year	<u>\$ 142,610</u>	<u>\$ 139,096</u>	<u>\$ 244,898</u>	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ 174,241	
Change in:				
Accounts Payable			<u>1,348</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ 175,589</u>	

STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State	\$ -	\$ 225,401	\$ 125,401	\$ (100,000)
Total Revenues	-	225,401	125,401	(100,000)
EXPENSES				
Capital Outlay	-	116,614	116,219	395
Total Expenditures	-	116,614	116,219	395
Excess of Revenues over Expenditures	-	108,787	9,182	(99,605)
OTHER FINANCING SOURCES				
Transfers In	-	116,614	-	(116,614)
Transfers Out	-	(125,401)	(9,182)	116,219
Total Other Financing Sources (Uses)	-	(8,787)	(9,182)	(395)
Net Change in Fund Balance	-	100,000	-	<u>\$ (100,000)</u>
Cash Balance, Beginning of Year	<u>8,933</u>	<u>8,933</u>	<u>8,933</u>	
Cash Balance, End of Year	<u>\$ 8,933</u>	<u>\$ 108,933</u>	<u>\$ 8,933</u>	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			-	
Net Change in Fund Balance - GAAP Basis			<u>\$ -</u>	

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	Water Fund	Solid Waste Fund	Total Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 34,777	\$ 9,731	\$ 44,508
Accounts Receivable, Net	<u>6,558</u>	<u>2,501</u>	<u>9,059</u>
Total Current Assets	41,335	12,232	53,567
Noncurrent Assets			
Restricted Cash and Cash Equivalents			
Customer Deposits	8,900	-	8,900
Capital Assets, Net	<u>1,152,882</u>	<u>-</u>	<u>1,152,882</u>
Total Noncurrent Assets	<u>1,161,782</u>	<u>-</u>	<u>1,161,782</u>
Total Assets	<u><u>\$ 1,203,117</u></u>	<u><u>\$ 12,232</u></u>	<u><u>\$ 1,215,349</u></u>
 LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	<u>\$ 1,847</u>	<u>\$ 953</u>	<u>\$ 2,800</u>
Total Current Liabilities	1,847	953	2,800
Noncurrent Liabilities			
Meter Deposits	8,900	-	8,900
Accrued Compensated Absences	<u>6,312</u>	<u>1,578</u>	<u>7,890</u>
Total Noncurrent Liabilities	<u>15,212</u>	<u>1,578</u>	<u>16,790</u>
Total Liabilities	<u>17,059</u>	<u>2,531</u>	<u>19,590</u>
NET POSITION			
Net Investment in Capital Assets	1,152,882	-	1,152,882
Unrestricted	<u>33,176</u>	<u>9,701</u>	<u>42,877</u>
Total Fund Net Position	<u>1,186,058</u>	<u>9,701</u>	<u>1,195,759</u>
Total Liabilities and Net Position	<u><u>\$ 1,203,117</u></u>	<u><u>\$ 12,232</u></u>	<u><u>\$ 1,215,349</u></u>

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

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Water Fund	Solid Waste Fund	Total Funds
OPERATING REVENUES			
Charges for Services	\$ 72,425	\$ 40,167	\$ 112,592
Bulk Water Sales	1,983	-	1,983
Connection Charges	300	-	300
Gross Receipts Tax	2,771	1,785	4,556
Other Revenue	2,276	-	2,276
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	79,755	41,952	121,707
OPERATING EXPENSES			
Personnel Wages, Taxes and Benefits	28,514	28,886	57,400
Contracted Services	7,280	8,207	15,487
Insurance	9,541	1,878	11,419
Gross Receipts	2,842	1,621	4,463
Supplies	15,191	2,641	17,832
Repairs and Maintenance	6,951	991	7,942
Utilities	14,943	-	14,943
ENM Water Authority Contribution	5,032	-	5,032
Other Expenses	4,448	3,109	7,557
Depreciation	45,765	1,084	46,849
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	140,507	48,417	188,924
Change in Net Position	(60,752)	(6,465)	(67,217)
Net Position, Beginning of Year	1,130,591	16,166	1,146,757
Equity Transfer from Governmental Funds	116,219	-	116,219
	<hr/>	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 1,186,058</u>	<u>\$ 9,701</u>	<u>\$ 1,195,759</u>

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

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019**

	Water Fund	Solid Waste Fund	Total Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 77,740	\$ 41,814	\$ 119,554
Payments to and on Behalf of Employees	(26,153)	(28,253)	(54,406)
Payments to Suppliers and Contractors	(68,078)	(18,447)	(86,525)
Other Revenues and Expenses	2,276	-	2,276
Net Cash Used by Operating Activities	<u>(14,215)</u>	<u>(4,886)</u>	<u>(19,101)</u>
NET CHANGE IN CASH	(14,215)	(4,886)	(19,101)
CASH AT BEGINNING OF YEAR	<u>57,892</u>	<u>14,617</u>	<u>72,509</u>
CASH AT END OF YEAR	<u>\$ 43,677</u>	<u>\$ 9,731</u>	<u>\$ 53,408</u>
Reconciliation of Operating Income to Net Cash			
Used by Operating Activities			
Change in Net Position	\$ (60,752)	\$ (6,465)	\$ (67,217)
Adjustments to Reconcile Change in Net Position to Cash Used by Operating Activities:			
Depreciation	45,765	1,084	46,849
Changes In:			
Accounts Receivable, Net	191	(138)	53
Accounts Payable	(1,850)	-	(1,850)
Customer Deposits	70	-	70
Accrued Compensated Absences	2,361	633	2,994
Net Cash Used by Operating Activities	<u>\$ (14,215)</u>	<u>\$ (4,886)</u>	<u>\$ (19,101)</u>
Reconciliation to the Balance Sheet			
Unrestricted	\$ 34,777	\$ 9,731	\$ 44,508
Restricted	8,900	-	8,900
CASH AT END OF YEAR	<u>\$ 43,677</u>	<u>\$ 9,731</u>	<u>\$ 53,408</u>

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

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019**

	Police Allocation Fund	Judicial Education Fund	Total Agency Funds
ASSETS			
ASSETS			
Cash and Cash Equivalents	<u>\$ 240</u>	<u>\$ 117</u>	<u>\$ 357</u>
Total Assets	<u><u>\$ 240</u></u>	<u><u>\$ 117</u></u>	<u><u>\$ 357</u></u>
LIABILITIES			
LIABILITIES			
Due to Other Agencies	<u>\$ 240</u>	<u>\$ 117</u>	<u>\$ 357</u>
Total Liabilities	<u><u>\$ 240</u></u>	<u><u>\$ 117</u></u>	<u><u>\$ 357</u></u>

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This following summary presentation of significant accounting policies of the Town of Elida (the Town) is 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 governmental units and the Governmental Accounting Standards Board (GASB) as the accepted standard-setting bodies 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, and Financial Accounting Standards Board (FASB) pronouncements applicable to governmental agencies.

Organization - 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-council form of government. The Town provides the following authorized services: public safety (EMS, police and fire), highways and streets, water and sewer, 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 GASB 14 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 GASB 14 criteria above, there are no component units of the Town, nor is the Town considered a component unit of another governmental agency during the fiscal year ended June 30, 2019.

Measurement Focus, Basis of Accounting, Financial Statement Presentation

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 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*.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In accordance with GASB Statement No. 33, the Town follows the following revenue recognition principles applied to non-exchange transactions:

- Derived tax revenues are recognized as revenue in the period when the underlying exchange transaction occurs and the resources are available. Derived tax revenues include gross receipts, gasoline, and cigarette taxes.
- Imposed non-exchange revenue other than property taxes are recognized in the period when an enforceable legal claim is enacted, and the resources are available.
- Property tax revenue is recorded and the revenue is recognized in the fiscal year for which the taxes are levied.
- Government-mandated non-exchange transactions and voluntary non-exchange transactions are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes, and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

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. Taxes and other items not properly included among program revenues are reported as general revenues. Grants and similar items are recognized as revenue as soon as all the eligibility requirements of time, reimbursement, and contingencies imposed by the provider are met.

The Roosevelt County Treasurer levies and collects property taxes on behalf of the Town. Property taxes are levied in November and are payable in two installments, half on November 10, which becomes delinquent on December 10, and half on April 10, which becomes delinquent on May 10, which is also the lien date.

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. Investment earnings are recorded as earned since they are measurable and available.

Other miscellaneous revenues are usually not susceptible to accrual because they are usually not measurable until payment is constructively received.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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 a 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.

The Town does not currently employ indirect cost allocation systems. Depreciation expense for Governmental Activities is a specifically identified function and is included as a separate line item on the Statement of Activities rather than a direct expense of each function. Business-type depreciation expense is reported as a separate line item on the Statement of Net Position and included in the business-type expenses on the Statement of Activities. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Transfers between funds and other internal activity are eliminated at the government-wide financial 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 governmental 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.

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 the related cash flows. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations.

GASBS No. 77 – Tax Abatement Disclosure – The object of this statement is to assist the users of state and local government financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The statement will not have a material impact on the Town’s financial statements. The Town is not a party to any tax abatement agreements that need to be disclosed as required by GASB 77 during the 2019 fiscal year.

Governmental Fund Financial Statements - Governmental fund level financial statements report activity 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. Revenue recognition is as soon as they are both measurable and available.

Separate fund based financial statements are provided for governmental funds and proprietary funds. 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. Management also has the option to report a fund as major even though it does not fit the criteria. The nonmajor funds are combined in a column in the fund financial statements.

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.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Town reports the following major governmental funds:

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 *Fire Protection Fund* is a special revenue fund which accounts for the receipts and expenditures for the operation and maintenance of the fire department. It is financed by specific allocations from the New Mexico State Fire Marshall's Office. This fund was created under the authority provided by Section 59A-53-1 NMSA 1978.

The *Capital Projects Fund* was created by Council authority to accounts for all resources for the general capital outlay expenditures of the Town, and any reimbursements from external sources.

The Town also reports the additional Governmental funds as non-major funds, including:

Special Revenue Funds which are used to account for the proceeds of specific revenue sources that are legally restricted by either internal or external sources to be expended for specified purposes. The nonmajor special revenue governmental funds are detailed in the Supplemental Information section of the report.

Fiduciary Funds - Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Village's programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. The fiduciary fund consists of the following fund:

- The *Judicial Education Fund* is used to collect municipal fines and remit to the New Mexico Judicial Education Center. The Judicial Education Fee, pursuant to NMSA 1978, §35-14-11 (B)(2), is to be used for the education and training, including production of bench books and other written materials, of municipal judges and other municipal court employees
- The *Police Allocation Fund* is used to collect municipal fines and remit to the New Mexico Administrative Office of the Courts. Created by Section 34-9-12 NMSA 1978, the town remits the fees to the AOC, with the fees used for the purpose of purchasing and maintaining court automation systems in municipality courts.

Business-Type Activities – Business-Type Activities and all proprietary funds are accounted for on a flow of economic resources measurement focus and on an accrual basis. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases and decreases (such as revenues and expenses) in net total position.

The Town reports the following major proprietary funds:

- The *Water/Sewer Fund* is used to account for the provision of water and sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.
- The *Solid Waste Fund* accounts for the solid waste fee collection within the town limits and accounts for the administration operations and maintenance of the solid waste services.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Budgetary Information - Annual budgets of the Town are prepared prior to June 1 and must be approved by resolution of the Town Council 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 fund budget may be over-expended; however, it is not legally permissible to over-expend any fund's budget in total. Over-expending the authorized budget in a fund will result in a finding.

These budgets are prepared on the Non-GAAP budgetary basis, excluding encumbrances, and secure appropriation of funds for only one year. The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, and Proprietary Funds.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statement of Revenues, Expenses and Changes in Net Position (Non-GAAP Budgetary Basis) and Actual present 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, 2019 is presented.

Budget Violations – The Town did not exceed its budgetary authority at the end of the fiscal year.

Assets, Liabilities, Net Position or Fund Equity, Other Matters

Cash and Investments - Cash includes amounts in demand deposits and short-term investments. Cash deposits are reported at carrying amount, which reasonably estimates fair value. All investments are stated at fair value, which is determined by using selected bases. Interest income and realized gains and losses on investment transactions are included for financial statement purposes as investment income.

Cash Flow Liquidity - For purposes of the statement of cash flows, the Town's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Restricted Cash - The Town restricts a compensating amount of cash equal to the amount of the customer deposits held on hand. These reserves are not required but are separated by management. The Town is also required to restrict cash equivalent to an annual payment for each of the USDA notes outstanding.

Use of Restricted Cash - When the Town incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

Grants and Contributions - The Town receives grants as well as contributions in the course of operations. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Utility Receivables - Substantially all of the Town's outstanding utility receivables are due from its customers for water and sewer service and solid waste collection. Collateral is generally not required on receivables, but a deposit is required to activate new service.

Allowance for Doubtful Accounts – Management reviews the accounts receivable periodically to determine which accounts may not be collectible and adjusts the account accordingly.

Customer Deposits - The Town requires a deposit to establish service for the customer. Deposits are not considered revenue for the Town unless or until the customer closes their account, at which time any remaining balance due on the account is deducted from the deposit and the customer is refunded the excess.

Concentration of Credit Risk - The Town grants credit without collateral to its customers for its services, but the customers are subject to security deposits at the start of service and service termination if the receivables are not settled within a specified time frame. The customer deposits held by the Town helps mitigate the credit risk.

Property and Equipment - Capital assets which may include software, property, plant, equipment, vehicles, and infrastructure assets (e.g., buildings, roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Land owned by the Town is always capitalized.

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* allows Phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets. The Town has elected not to retroactively record infrastructure assets since being considered a Phase III municipality. However, it must report all infrastructure assets purchased or built after July 1, 2003.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings, Structures and Improvements	10-40
Water and Wastewater Systems	25
Infrastructure	25
Office and Maintenance Equipment	7
Vehicles	5

Analysis of Impairments - Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is determined based on comparison of future cash flows to the recorded value of the assets. Impairment losses are measured based on the fair value of the impaired assets. No such impairment losses were recorded during the year ended JUNE 30, 2019.

STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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, or business-type activities within the statement of net position. Any issuance costs associated with notes are expensed in the year of issuance.

Long-term obligations are reported as debt in the proprietary fund. In the governmental funds the long-term obligations are not reported as liabilities. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Even though the Town has appropriated, accumulated and earmarked expendable available fund resources for these amounts, the portion not normally expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of Net Position for governmental funds, and is recorded as a long-term liability in the proprietary funds. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Deferred Outflows of Resources Related to Pension and OPEB - In addition to assets, the Statement of Net Position 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 recognized deferred outflows of resources presented on the Statement of Net Position which arise due to the implementation of GASB Statements No. 68 and 75 and the related net pension liability and OPEB liability. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become due.

Deferred Inflows of Resources Related to Pension and OPEB - In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element 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. The Town recognized deferred inflows of resources presented on the Statement of Net Position which arise due to the implementation of GASB Statements No. 68 and 75 and the related net pension and OPEB liabilities. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions - For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and New Mexico Retiree Health Care Authority (RHC) and additions to/deductions from PERA and RHC's fiduciary net position have been determined on the same basis as they are reported by PERA and RHC, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance - Governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of resources: Non-spendable, Restricted, Committed, Assigned and Unassigned. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, e.g., prepaid items or inventories; or (b) legally or contractually required to be maintained intact. Restricted fund balances have limitations placed on the funds by external means or legislation. Committed fund balances have self-imposed limitations. Assigned fund balances have an intended use factor for a specific fund, and unassigned fund balances are excess funds not categorized in the other classifications.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Net Position - The government-wide financial statements and proprietary funds utilize a net position presentation. Net position is reported represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position is reported in three categories:

- ***Net investment in capital assets*** – This category reflects the portion of net position that is associated with capital assets, net of accumulated depreciation reduced by the outstanding capital asset-related debt and adding back unspent proceeds.
- ***Restricted net position*** – This category reflects the portion of net position that has third party limitations on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ***Unrestricted net position*** – This category reflects net position of the Town, not restricted for any project or other purpose.

Operating and Non-operating Revenues - Revenues are classified as operating or non-operating according to the following criteria:

Operating revenue - include activities which have the characteristic of exchange transactions, such as charges for services and fees, net of any allowance for uncollectible amounts.

Non-operating revenues - include activities which have the characteristics of non-exchange transactions, such as capital grants and investment income.

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

Operating and Non-operating Expenditures - Expenditures are classified as operating or non-operating according to the following criteria:

Operating expenditures - include activities that have the characteristics of an exchange transaction such as employee salaries, benefits, and related expenses; maintenance, operations and contractual services; materials and supplies; office expenses; and depreciation expenses related to Town capital assets.

Non-operating expenditures - include activities that have the characteristics of non-exchange transactions such as interest on capital asset-related debt and bond expenses that are defined as non-operating expenses by GASB Statement No. 9 - *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, and GASB Statement No. 34.

Use of 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.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Risk Management - The Town is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any preceding years. A surety bond as required by Section 12-6-7 NMSA 1978 Compilation and the New Mexico State Auditor Rule covers the officials and certain employees of the Town.

Subsequent Events - FASB ASC 855-10-50-1 requires reporting entities to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or available to be issued. Management has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

The Town pools its cash of the various funds to facilitate effective cash management. The pooled cash accounts balance is available to meet current operating requirements for each fund. The table below reconciles the cash amount in the financial statements to the amount of cash deposited with the financial institution.

	Governmental Activities	Business-type Activities	Total
Unrestricted Cash			
Pooled Cash Account	\$ 626,683	\$ 44,436	\$ 671,119
Corrections Fund	228	-	228
Petty Cash	-	72	72
Restricted Cash			
Customer Deposits	-	8,900	8,900
Total Cash and Cash Equivalents	<u>\$ 626,911</u>	<u>\$ 53,408</u>	<u>\$ 680,319</u>

Restricted Cash – The Town restricts \$8,900 in the Water Fund for customer deposits.

At June 30, 2019, the Town had cash and cash equivalents on deposit with a local financial institution, consisting of non-interest and interest-bearing checking accounts and certificates of deposit. Checking accounts required for debt service or for grant purposes are prohibited from accruing interest. The following is a schedule as of June 30, 2019, of the cash and cash equivalents on deposit with the financial institution:

	Bank Balance June 30, 2019	Net Items Outstanding	Book Balance June 30, 2019
JP Stone Community Bank			
Demand Deposit Accounts:			
Pooled Cash Account	\$ 746,347	\$ (66,328)	\$ 680,019
Savings Accounts:			
Correction Fund	218	10	228
Total – JP Stone Community Bank	<u>\$ 746,565</u>	<u>\$ (66,318)</u>	<u>\$ 680,247</u>

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE B - CASH AND CASH EQUIVALENTS (Cont.)

Collateralization - The FDIC provides coverage of up to \$250,000 for interest-bearing and non-interest-bearing demand accounts separately from an additional \$250,000 for interest-bearing time and savings accounts. Excess coverage from one category is not transferrable to the other. No security is required for the deposit of public money being insured by the Federal Deposit Insurance Corporation.

In accordance with Section 6-10-17, NMSA 1978, deposits of public monies are required to be collateralized. Pledged collateral is required in amounts in aggregate equal to one half of the amount of uninsured public money in each account during the fiscal year. Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted as security at par value; all other securities are accepted as security at market value.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to them. The Town does not have a deposit policy for custodial credit risk other than following state statutes. As of June 30, 2019, \$495,347 of the Town's bank balance of \$746,565 was exposed to custodial credit risk before applying the pledged collateral. The Independent Bankers Bank in Dallas, Texas holds the securities pledged toward the Town.

	JP Stone Community Bank
Deposits	\$ 746,565
Less FDIC Coverage	<u>(250,218)</u>
Uninsured Funds	496,347
Pledged Collateral Securities	<u>225,533</u>
Uninsured and Uncollateralized	<u>\$ 270,814</u>
50% Pledged Collateral Requirement per Statute	\$ 248,173
Pledged Collateral	<u>225,533</u>
(Over) Under Collateralized	<u>\$ 22,640</u>

JP Stone Community Bank Pledged Collateral:	CUSIP	Maturity	Market Value	Par Value
Alamogordo Muni School District #1	011464JG0	08/01/2019	\$ 75,025	\$ 75,000
Questa NM ISD #9 GO Bond	748352CS8	09/01/2019	<u>150,508</u>	<u>150,000</u>
Total Collateral Pledged			<u>\$ 225,533</u>	<u>\$ 225,000</u>

New Mexico Finance Authority Deposits – The Town has approximately \$466 on deposit with the New Mexico Finance Authority (NMFA). The amounts on deposits are being held in escrow by NMFA for debt service purposes. The amounts on deposit with NMFA are not covered by FDIC and not considered in the collateralization requirement calculation.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE B - CASH AND CASH EQUIVALENTS (Cont.)

Deposits with LGIP - The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Section 6-10-10 I through 6-10-10 P and Sections 6-10-10-1 A and E, NMSA 1978. The investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The New Mexico State Treasurer is responsible for approving all changes in the pledged collateral and monitoring the collateral requirements for all deposits maintained by the State Treasurer. The State Treasurer's office issues separate financial statements which disclose the collateral pledged to secure those deposits.

LGIP does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in this pool is voluntary. The independent auditor's report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditor's report on compliance and internal controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

At the 2019 fiscal year end, the Village has approximately \$7 on deposit with the LGIP reported in the Corrections Special Revenue Fund.

NOTE C - RECEIVABLES

Government Activities – The following receivables are reported in the Governmental Activities column on the Statement of Net Position:

Property Taxes - The Town fully reserves delinquent property taxes that are outstanding as of fiscal year-end. Total delinquent property taxes receivable and fully reserved as of June 30, 2019 is approximately \$371.

Ambulance - The Town operates the local ambulance service and bills Medicaid and other private insurance carriers for their services, with the transported patient billed for any remainder not covered by insurance. As of June 30, 2019, the Town has approximately \$6,513 in outstanding ambulance charges. The amount of the ambulance receivables is fully reserved at fiscal year-end, and any subsequent collections are reported as income when received.

Senior Center - The Town receives federal and state grant funds through the Non-metro Area Agency on Aging to assist in the operations of the Senior Center. As of June 30, 2019, the Town has an outstanding federal and state grant amounts of approximately \$707 and \$1,181, respectively, for a total of \$1,888. These funds were collected by August 2019.

Taxes - The Town records gross receipts, franchise and other taxes collected within sixty days of year end as receivables at year end. The following amount are considered receivable at the fiscal year end.

	Total
Gross Receipts Tax	\$ 12,157
Motor Vehicle	64
Gasoline	1,798
Property	<u>255</u>
Total Taxes Receivables	<u>\$ 14,274</u>

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE C – RECEIVABLES (Cont.)

Business-type Activities – The Town reports the following receivables in the Business-type activities on the Statement of Net Position:

Accounts Receivable - The Town carries utility receivables and reserves a portion of the utility accounts receivable due to the accounts not being susceptible to collection. The net receivable amount for the Proprietary Funds is below as of the fiscal year end:

	Water	Solid Waste	Total
Gross Accounts Receivable	\$ 11,711	\$ 2,501	\$ 14,212
Less Allowance for Doubtful Accounts	<u>(5,153)</u>	<u>-</u>	<u>(5,153)</u>
Accounts Receivable - Net	<u>\$ 6,558</u>	<u>\$ 2,501</u>	<u>\$ 9,059</u>

Concentrations of Risk - The Town depends on financial resources flowing from, or associated with, property taxes, gross receipts taxes, the Federal Government and the State of New Mexico. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations; changes in gross receipts tax rates, collections, tourism, and property values.

NOTE D - CAPITAL ASSETS

The following capital asset activity for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Non-depreciable Capital Assets				
Land	<u>\$ 14,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,707</u>
Total Non-depreciable Capital Assets	<u>14,707</u>	<u>-</u>	<u>-</u>	<u>14,707</u>
Depreciable Capital Assets				
Infrastructure	1,916,461	-	-	1,916,461
Buildings and Improvements	1,954,794	9,014	-	1,963,808
Equipment	612,341	-	(25,000)	587,341
Vehicles	<u>245,825</u>	<u>33,758</u>	<u>(35,477)</u>	<u>244,106</u>
Total Depreciable Capital Assets	<u>4,729,421</u>	<u>42,772</u>	<u>(60,477)</u>	<u>4,711,716</u>
Accumulated Depreciation				
Infrastructure	(1,108,445)	(73,300)	-	(1,181,745)
Buildings and Improvements	(404,140)	(50,906)	-	(455,046)
Equipment	(295,560)	(35,511)	25,000	(306,071)
Vehicles	<u>(164,514)</u>	<u>(24,337)</u>	<u>35,477</u>	<u>(153,374)</u>
Accumulated Depreciation	<u>(1,972,659)</u>	<u>(184,054)</u>	<u>60,477</u>	<u>(2,096,236)</u>
Total Depreciable Capital Assets, Net	<u>2,756,762</u>	<u>(141,282)</u>	<u>-</u>	<u>2,615,480</u>
Capital Assets, Net	<u>\$ 2,771,469</u>	<u>\$ (141,282)</u>	<u>\$ -</u>	<u>\$ 2,630,187</u>

Management has elected to present the Governmental Activities depreciation expense of \$184,054 as a separate line-item expense on the Statement of Activities rather than allocating the expense to each function within the primary government.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE D - CAPITAL ASSETS (Cont.)

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Business-type Activities:				
Non-depreciable Capital Assets				
Land and Water Rights	\$ 104,994	\$ -	\$ -	\$ 104,994
Construction in Progress	<u>48,846</u>	<u>-</u>	<u>-</u>	<u>48,846</u>
Total Non-depreciable Capital Assets	<u>153,840</u>	<u>-</u>	<u>-</u>	<u>153,840</u>
Depreciable Capital Assets				
Infrastructure	1,812,533	-	-	1,812,533
Equipment	23,583	116,219	-	139,802
Vehicles	<u>35,086</u>	<u>-</u>	<u>-</u>	<u>35,086</u>
Total Depreciable Capital Assets	<u>1,871,202</u>	<u>116,219</u>	<u>-</u>	<u>1,987,421</u>
Accumulated Depreciation				
Infrastructure	(889,786)	(37,133)	-	(926,919)
Equipment	(19,088)	(7,287)	-	(26,375)
Vehicles	<u>(32,656)</u>	<u>(2,429)</u>	<u>-</u>	<u>(35,085)</u>
Accumulated Depreciation	<u>(941,530)</u>	<u>(46,849)</u>	<u>-</u>	<u>(988,379)</u>
Total Depreciable Capital Assets, Net	<u>929,672</u>	<u>(46,849)</u>	<u>-</u>	<u>999,042</u>
Capital Assets, Net	<u>\$ 1,083,512</u>	<u>\$ (46,849)</u>	<u>\$ -</u>	<u>\$ 1,152,882</u>

NOTE E - TRANSFERS

The Town transfers between funds to subsidize or reimburse other funds for expenditures, either by statute or by Trustee authorization. The schedule below details the transfers between funds for the fiscal year.

From Fund	To Fund	Reason	Amount
General Fund	State Forestry Fund	Transfer State Funds into Account	\$ 6,000
	Senior Citizens Fund	Support Operations	7,344
Capital Projects Fund	General Fund	Transfer Capital Grant Funds	9,182
Correction Fund	General Fund	Reimburse Expenditures	8,900
Environmental GRT	General Fund	Close Fund and Combine with General	9,131
Ambulance Fund	General Fund	Reimburse Expenditures	5,000
State Forestry Fund	General Fund	Reimburse Expenditures	2,594
Recreation Fund	General Fund	Close Fund and Combine with General	<u>77</u>
Total Transfers			<u>\$ 48,228</u>

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE F - COMPENSATED ABSENCES

Vacation and sick leave are earned by employees during the year based on time worked, are non-cumulative and considered to be a long-term liability. Vacation leave due, if any, is paid upon an employee's termination. Compensation for sick leave is limited to time off and is not monetarily compensated. The activity of the accrued leave due to employees as of June 30, 2019 is detailed below. Vacation for the governmental activities is paid by the General Fund. The Water and Solid Waste Funds incur the expenditures for the Business-type activities for the employees assigned to the respective fund.

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities	\$ 3,462	\$ 4,070	\$ (3,574)	\$ 3,958
Business-type Activities	<u>4,896</u>	<u>2,994</u>	<u>-</u>	<u>7,890</u>
Total	<u>\$ 8,358</u>	<u>\$ 7,064</u>	<u>\$ (3,574)</u>	<u>\$ 11,848</u>

NOTE G - LONG-TERM DEBT

The Town had the following long-term debt obligations as of June 30, 2019:

Governmental Activities:

NMFA 3638-PP – Fire Station - The Town entered into an agreement with New Mexico Finance Authority (NMFA) in January 2017 to fund the planning and construction of the Town's fire station. Initial principal was \$125,945 with interest only payments through November 2020 then seven annual payments of approximately \$17,175, bearing a blended interest rate of 1.96% with interest paid semi-annually and maturing in May 2028. The debt is to be paid from intercept funds out of the Fire Protection Fund. The Town has drawn approximately \$113,083 on the loan, with the remaining \$12,862 to be drawn before January 2020, prior to any extensions being granted.

NMFA 3078-PP – Wildland Fire Truck - The Town entered into an agreement with NMFA in January 2014 to fund the purchase of a wildland brush fire truck. Initial principal was \$125,945 with repayment terms of four annual payments of approximately \$25,270, bearing a blended interest rate of 0.21% and maturing in May 2019. The debt is paid from intercept funds from the Fire Protection Fund.

Portales Escrow - House - The Town entered into an agreement with an individual to finance the purchase of a residence in August 2017. Initial principal was \$25,000 with repayment terms of 84 monthly payments of approximately \$365 plus interest at 6.00% and maturing in June 2024. The debt is paid from the General Fund and is budgeted as a police department expense.

The Town paid approximately \$3,184 in interest expense during the fiscal year from the Law Enforcement Protection Fund and from the General Fund. Long-term debt activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Governmental					
NMFA 3638-PP	\$ 113,083	\$ -	\$ -	\$ 113,083	\$ -
NMFA 3078-PP	25,245	-	(25,245)	-	-
Portales Escrow	<u>22,474</u>	<u>-</u>	<u>(3,395)</u>	<u>19,079</u>	<u>3,328</u>
Total Long-term Debt	<u>\$ 160,802</u>	<u>\$ -</u>	<u>\$ (28,640)</u>	<u>\$ 132,162</u>	<u>\$ 3,328</u>

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE G - LONG-TERM DEBT (Cont.)

Long-term debt service requirements to maturity for the Town are as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 3,328	\$ 3,481	\$ 6,809
2021	18,282	3,275	21,557
2022	18,737	2,820	21,557
2023	19,240	2,317	21,557
2024	20,039	1,774	21,813
2025-2028	52,536	3,302	55,838
	\$ 132,162	\$ 16,969	\$ 149,131

Commitment:

NMFA 4941-PPRF – Fire Ambulance - The Town entered into an agreement with New Mexico Finance Authority (NMFA) in June 2019 to fund the purchase of a new ambulance. Initial principal is \$92,038 with five annual payments of approximately \$18,478 starting in May 2021, bearing a blended interest rate of 0.01% with interest paid semi-annually and maturing in May 2025. The debt is to be paid from intercept funds out of the Fire Protection Fund. The Town has not drawn on the loan as of June 30, 2019 and has three years (June 2022) to drawn down the loan, prior to any extensions being granted.

Prior Period Adjustment:

The financial statements for the Fiscal Year Ended June 30, 2019 were audited by another auditor whose report dated December 1, 2018 presented an unmodified opinion. Those audited financial statements contained a discrepancy between the Government-wide State of Net Position and the related disclosure note for long-term debt. The Statement of Net Position reported a long-term debt liability of \$157,856, while long-term debt note disclosure reported an ending liability of \$160,802. A prior period adjustment to the Government-wide Financial Statement has been made for the \$2,946 difference, decreasing net position for the variance. The Fund Financial Statements were not affected by this prior period adjustment.

NOTE H - PERA PENSION PLAN

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 payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE H - PERA PENSION PLAN (Cont.)

Plan Description. The 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 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-B.

Benefits Provided. For a description of the benefits provided and recent changes to the benefits see Note D in the PERA audited financial statements for the fiscal year ended June 30, 2018 available at: <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report> and select the appropriate year from the drop-down menu.

Contributions. The contribution requirements of defined benefit plan members and the Association 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 FY18 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures within the PERA FY18 annual audit report. The PERA coverage options that apply to the Town are: General Division and Police Division.

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, 2018. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2018, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2018.

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 Association'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, 2018.

Only employer contributions for the pay period end dates that fell within the period of July 1, 2017 to June 30, 2018 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2018 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.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE H - PERA PENSION PLAN (Cont.)

PERA Fund Division - General. At June 30, 2019, the Town reported a liability of \$116,389 for its proportionate share of the net pension liability at June 30, 2018. At June 30, 2018, the Town's proportion was 0.0073%, which was slightly higher than its 0.0069% proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized PERA Fund - General pension expense of approximately \$15,150.

At June 30, 2018, the Town reported PERA Fund Division - 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
Changes in Assumption	\$ 10,552	\$ 669
Changes in Proportion	4,812	7,213
Differences Between Expected and Actual Experience	3,364	3,056
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,632	-
Post Measurement Date Employer Contributions	<u>6,017</u>	<u>-</u>
Totals	<u>\$ 33,377</u>	<u>\$ 10,938</u>

For the General Division, \$30,421 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date June 30, 2018 and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2020	\$ 10,004
2021	3,610
2022	2,361
2023	<u>447</u>
Totals	<u>\$ 16,422</u>

PERA Fund Division - Police. At June 30, 2019, the Town reported a liability of \$120,086 for its proportionate share of the net pension liability at June 30, 2018. As of June 30, 2018, the Town's proportion was 0.0176%, which was slightly higher than its 0.0139% proportion measured as of June 30, 2016.

For the year ended June 30, 2019, the Town recognized PERA Fund - Police pension expense of approximately \$5,599.

At June 30, 2018, the Town reported PERA Fund Division - Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE H - PERA PENSION PLAN (Cont.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumption	\$ 13,702	\$ 734
Changes in Proportion	15,908	19,488
Differences Between Expected and Actual Experience	5,878	11,904
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,264	-
Post Measurement Date Employer Contributions	<u>7,107</u>	<u>-</u>
Totals	<u>\$ 50,859</u>	<u>\$ 32,126</u>

For the Police Division, \$7,107 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date June 30, 2018 and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2020	\$ 1,050
2021	2,118
2022	7,975
2023	<u>483</u>
Totals	<u>\$ 11,626</u>

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, 2017 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, 2018 using generally accepted actuarial principles.

Actuarial Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay, Open
Amortization Period	Solved for Based on Statutory Rates
Asset Valuation Method	4-Year smoothed Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.25% Annual Rate, Net of Investment Expense
Projected Benefit Payment	100 Years
Payroll Growth	3.00% annual rate
Projected Salary Increases	3.25% to 13.5% Annual Rate
Included Inflation at	2.50%
Mortality Assumption	RP-2014 Mortality Tables
Experience Study Dates	July 1, 2008 – June 30, 2017 (demographic) July 1, 2010 – June 30, 2018 (economic)

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE H- PERA PENSION PLAN (Cont.)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 actuarial valuation.

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
Global Equity	43.5%	7.39 %
Risk Reduction & Mitigation	21.5	1.79
Credit Oriented Fixed Income	15.0	5.77
Real Assets to Include Real Estate Equity	<u>20.0</u>	7.35
Totals	<u>100.0%</u>	

Discount Rate: A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Sensitivity of the Association's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following table show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Association's net pension liability in each PERA Fund Division in which the Association participates, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

Proportionate Share of Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
General	\$ 179,348	\$ 116,389	\$ 64,344
Police	<u>184,643</u>	<u>120,086</u>	<u>67,457</u>
	<u>\$ 363,991</u>	<u>\$ 236,475</u>	<u>\$ 131,801</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY18 PERA financial report.

Payables to the Pension Plan - At June 30, 2019, the Town did not have any outstanding contributions to the pension plan.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE I – OPEB/RETIREE HEALTH CARE FUND

Plan description - Employees of the Town are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

Benefits provided - The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

Employees covered by benefit terms – At June 30, 2018, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan Membership

Current Retirees and Surviving Spouses	51,205
Inactive and Eligible for Deferred Benefit	11,471
Current Active Members	<u>93,349</u>
Total Plan Membership	<u>156,025</u>

Active Membership

State General	19,593
State Police and Corrections	1,886
Municipal General	17,004
Municipal Police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
Total Active Membership	<u>93,349</u>

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the Town were \$2,885 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2019, the Town reported a liability of \$135,234 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The Town’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the Town’s proportion was 0.00311%.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE I – OPEB/RETIREE HEALTH CARE FUND (Cont.)

For the year ended June 30, 2019, the Town recognized net amortized OPEB expense of \$2,932. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumption	\$ -	\$ 25,248
Changes in Proportion	14,690	-
Differences Between Expected and Actual Experience	-	8,007
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	1,688
Post Measurement Date Employer Contributions	<u>2,885</u>	<u>-</u>
Totals	<u>\$ 17,575</u>	<u>\$ 34,943</u>

Deferred outflows of resources totaling \$2,885 represent Town contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	
2020	\$ (5,766)
2021	(5,766)
2022	(5,766)
2023	(3,744)
2024	<u>789</u>
Totals	<u>\$ (20,253)</u>

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal, level percent of pay, calculated on individual employee basis
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Investment Rate of Return	7.25% Annual Rate, Net of Investment Expense and Margin for Adverse Deviation Including Inflation
Projected Salary Increases	3.25% to 12.50% based on years of service, including inflation
Included Inflation at	2.50% for ERB, 2.25% for PERA
Health Care Cost Trend Rate	8% Graded Down to 4.5% over 14 Years for Non-Medicare Medical Plan Costs, and 7.5% Graded Down to 4.5% over 12 Years for Medicare Medical Plan Costs
Mortality	ERB Member: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females); PERA Members: RP-2000 Combined Healthy Mortality

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE I – OPEB/RETIREE HEALTH CARE FUND (Cont.)

Rate of Return - The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The 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	Long-Term Expected Real Rate of Return
US Core Fixed Income	2.1%
US Equity – Large Cap	7.1
Non-US – Emerging Markets	10.2
Non-US – Developed Equities	7.8
Private Equity	11.8
Credit & Structured Finance	5.3
Real Estate	4.9
Absolute Return	4.1
US Equity – Small/Mid Cap	7.1

Discount Rate - The discount rate used to measure the Fund’s total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates - The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

Proportionate Share of Net Pension Liability	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
	<u>\$ 163,665</u>	<u>\$ 135,234</u>	<u>\$ 112,824</u>

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE I – OPEB/RETIREE HEALTH CARE FUND (Cont.)

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Proportionate Share of Net Pension Liability	1% Decrease (3.08%)	Current Trend Rate (4.08%)	1% Increase (5.08%)
	<u>\$ 114,320</u>	<u>\$ 135,234</u>	<u>\$ 151,631</u>

OPEB plan fiduciary net position - Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2019.

Payable Changes in the Net OPEB Liability - The Town had no amount due to NMRHCA for the year ended June 30, 2019.

REQUIRED SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
TOWN OF ELIDA
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND REQUIRED CONTRIBUTIONS
LAST 10 FISCAL YEARS***

<u>Municipal General Division</u>					
Actuarial Valuation Date	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
Proportionate Share of Net Pension Liability					
Proportion of Net Pension Liability	0.0042%	0.0086%	0.0078%	0.0069%	0.0073%
Net Pension Liability	52,267	87,684	124,617	94,812	116,389
Annual Covered Payroll	79,978	77,754	78,869	77,630	81,304
NPL as Percentage of Covered Payroll	65.35%	112.77%	158.00%	122.13%	143.15%
Fiduciary Net Position as a Percentage of Total Pension Liability	81.29%	76.99%	69.18%	73.74%	71.13%
Schedule of Required Contributions					
Contractually Required Contribution	6,140	6,742	5,994	5,664	6,017
Contributions Made	6,140	6,742	5,994	5,664	6,017
Contributions as Percentage of Covered Payroll	7.67%	8.67%	7.60%	7.30%	7.40%

<u>Municipal Police Division</u>					
Actuarial Valuation Date	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
Proportionate Share of Net Pension Liability					
Proportion of Net Pension Liability	0.0243%	0.0256%	0.0176%	0.0139%	0.0176%
Net Pension Liability	79,215	123,099	129,858	77,224	120,086
Annual Covered Payroll	50,394	44,707	31,785	34,647	37,601
NPL as Percentage of Covered Payroll	157%	275.35%	408.55%	222.89%	319.37%
Fiduciary Net Position as a Percentage of Total Pension Liability	81.29%	76.99%	69.18%	73.74%	71.13%
Schedule of Required Contributions					
Contractually Required Contribution	8,959	6,339	5,626	6,762	7,107
Contributions Made	8,959	6,339	5,626	6,762	7,107
Contributions as Percentage of Covered Payroll	17.78%	14.18%	17.70%	19.52%	18.90%

*The amounts presented above for trend analysis are determined as of June 30. These schedules are 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
SCHEDULES OF PROPORTIONATE SHARE OF NMRHCA/OPEB
LIABILITY AND REQUIRED CONTRIBUTIONS
LAST 10 FISCAL YEARS***

Actuarial Valuation Date	6/30/18	6/30/19
Proportionate Share of OPEB Liability		
Proportion of OPEB Liability	0.00279%	0.01116%
OPEB Liability	\$ 126,434	\$ 135,234
Annual Covered Payroll	123,578	133,438
OPEB Liability as Percentage of Covered Payroll	102.31%	101.35%
Fiduciary Net Position as a Percentage of Total Pension Liability	11.34%	13.14%
Schedule of Required Contributions		
Contractually Required Contribution	\$ 2,658	\$ 4,860
Contributions Made	2,658	4,801
Contributions as Percentage of Covered Payroll	2.15%	3.60%

*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 available years.

**STATE OF NEW MEXICO
TOWN OF ELIDA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2019**

PERA Plan:

Changes of Benefit Terms. The Public Employees Retirement Association of New Mexico (PERA) Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY18 audit available at: <http://www.nmpera.org/assets/uploads/downloads/GASB/Final-Version-NMPERA-2018-GASB-68-Report.pdf>

Changes of Assumptions. PERA Annual Actuarial Valuation as of June 30, 2018 report is available at: www.nmpera.org/financial-overview/comprehensive-annual-financial-report.

RHCA Plan:

Changes in Benefit Provisions. There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

Changes in assumptions and methods. There were no modifications to the assumptions and methods that were reflected in the actuarial valuation as of June 30, 2018.

SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
TOWN OF ELIDA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2019**

Correction Fund - Accounts for the fees imposed upon conviction of an individual as stipulated under Sections 34-9-12 and 35-14-11 NMSA 1978. The funds collected are restricted to be used in the operation and maintenance of the Town's jail facilities.

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 - Accounts for an annual ambulance subsidy from the State of New Mexico and related expenditures. Authority for this fund is Section 24-10A-3 NMSA 1978.

Ambulance Fund - Accounts for the local receipts and expenditures not covered by state funding. Established by local ordinance.

State Forestry Fund – Accounts for the receipts and expenditures for the wildfire reimbursements from the State. Established by local ordinance.

Law Enforcement Protection Fund - Accounts for the operations and maintenance of a special grant for the police department. Financing is provided by a grant from the State. The grant may be used only for the operations of the police department. Authority for creating this fund is Section 29-13-3 NMSA 1978.

Recreation Fund – Accounts for the receipts and expenditures for use in recreational areas. Established by local ordinance.

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

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

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

STATE OF NEW MEXICO
TOWN OF ELIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Correction Fund	Environmental Gross Receipts	Emergency Medical Services Fund	Ambulance Fund	State Forestry Fund
ASSETS					
ASSETS					
Cash and Cash Equivalents	\$ 228	\$ -	\$ 8,366	\$ 880	\$ 1,552
LGIP Investment Pool	7	-	-	-	-
Grants Receivable	-	-	-	-	-
Total Assets	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 8,366</u>	<u>\$ 880</u>	<u>\$ 1,552</u>
 FUND BALANCE					
FUND BALANCES					
Restricted	\$ 235	\$ -	\$ 8,366	\$ -	\$ 1,552
Assigned	-	-	-	880	-
Total Fund Balances	<u>235</u>	<u>-</u>	<u>8,366</u>	<u>880</u>	<u>1,552</u>
Total Fund Balances	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 8,366</u>	<u>\$ 880</u>	<u>\$ 1,552</u>

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

Law Enforcement Protection Fund	Recreation Fund	Senior Citizens Fund	Library Fund	Cemetery Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 6,866	\$ 1,932	\$ 9,153	\$ 28,977
-	-	-	-	-	7
-	-	1,888	-	-	1,888
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,754</u>	<u>\$ 1,932</u>	<u>\$ 9,153</u>	<u>\$ 30,872</u>

\$ -	\$ -	\$ 8,754	\$ -	\$ -	\$ 18,907
-	-	-	1,932	9,153	11,965
-	-	8,754	1,932	9,153	30,872
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,754</u>	<u>\$ 1,932</u>	<u>\$ 9,153</u>	<u>\$ 30,872</u>

STATE OF NEW MEXICO
TOWN OF ELIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Correction Fund	Environmental Gross Receipts	Emergency Medical Services Fund	Ambulance Fund	State Forestry Fund
REVENUES					
Intergovernmental					
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	7,062	-	6,577
Charges for Service	-	-	-	4,249	-
Fines and Forfeits	8,552	-	-	-	-
Miscellaneous Income	-	-	6,527	-	-
Total Revenues	<u>8,552</u>	<u>-</u>	<u>13,589</u>	<u>4,249</u>	<u>6,577</u>
EXPENDITURES					
Current					
Public Safety	2	-	-	-	16,295
Culture, Parks and Recreation	-	-	-	-	-
Health and Welfare	-	-	6,832	854	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2</u>	<u>-</u>	<u>6,832</u>	<u>854</u>	<u>16,295</u>
Excess (Deficit) of Revenues over Expenditures	8,550	-	6,757	3,395	(9,718)
OTHER FINANCING SOURCES					
Transfers In	-	-	-	-	6,000
Transfers Out	(8,900)	(9,131)	-	(5,000)	(2,594)
Total Other Financing Sources	<u>(8,900)</u>	<u>(9,131)</u>	<u>-</u>	<u>(5,000)</u>	<u>3,406</u>
Net Change in Fund Balance	(350)	(9,131)	6,757	(1,605)	(6,312)
Fund Balance, Beginning of Year	<u>585</u>	<u>9,131</u>	<u>1,609</u>	<u>2,485</u>	<u>7,864</u>
Fund Balance, End of Year	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 8,366</u>	<u>\$ 880</u>	<u>\$ 1,552</u>

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

Law Enforcement Protection Fund	Recreation Fund	Senior Citizens Fund	Library Fund	Cemetery Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 5,673	\$ -	\$ -	\$ 5,673
20,600	-	5,301	-	-	39,540
-	-	-	-	-	4,249
-	-	-	-	-	8,552
-	-	404	18	250	7,199
<u>20,600</u>	<u>-</u>	<u>11,378</u>	<u>18</u>	<u>250</u>	<u>65,213</u>
1,533	-	-	-	-	17,830
-	-	17,326	-	2,062	19,388
-	-	-	-	-	7,686
-	-	-	-	-	-
-	-	-	-	-	-
<u>33,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,758</u>
<u>35,291</u>	<u>-</u>	<u>17,326</u>	<u>-</u>	<u>2,062</u>	<u>78,662</u>
(14,691)	-	(5,948)	18	(1,812)	(13,449)
-	-	7,344	-	-	13,344
-	(77)	-	-	-	(25,702)
-	(77)	7,344	-	-	(12,358)
(14,691)	(77)	1,396	18	(1,812)	(25,807)
<u>14,691</u>	<u>77</u>	<u>7,358</u>	<u>1,914</u>	<u>10,965</u>	<u>56,679</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,754</u>	<u>\$ 1,932</u>	<u>\$ 9,153</u>	<u>\$ 30,872</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 BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CORRECTION FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Fines and Forfeits	\$ 16,005	\$ 16,010	\$ 8,552	\$ (7,458)
Total Revenues	<u>16,005</u>	<u>16,010</u>	<u>8,552</u>	<u>(7,458)</u>
EXPENSES				
Current				
Public Safety	-	4	2	2
Total Expenditures	<u>-</u>	<u>4</u>	<u>2</u>	<u>2</u>
Excess (Deficit) of Revenues over Expenditures	<u>16,005</u>	<u>16,006</u>	<u>8,550</u>	<u>(7,456)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(8,900)	(8,900)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(8,900)</u>	<u>(8,900)</u>
Net Change in Fund Balance	16,005	16,006	(350)	<u>\$ (16,356)</u>
Cash Balance, Beginning of Year	585	585	585	
Cash Balance, End of Year	<u>\$ 16,590</u>	<u>\$ 16,591</u>	<u>\$ 235</u>	

STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EMS FUND
YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
State	\$ 7,100	\$ 7,100	\$ 7,062	\$ (38)
Miscellaneous Income	-	7,150	7,150	-
Total Revenues	7,100	14,250	14,212	(38)
EXPENSES				
Current				
Public Safety	7,100	8,650	6,953	1,697
Total Expenditures	7,100	8,650	6,953	1,697
Net Change in Fund Balance	-	5,600	7,259	\$ 1,659
Cash Balance, Beginning of Year	1,107	1,107	1,107	
Cash Balance, End of Year	\$ 1,107	\$ 6,707	\$ 8,366	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ 7,259	
Change in:				
Accounts Receivable			(623)	
Accounts Payable			121	
Net Change in Fund Balance - GAAP Basis			\$ 6,757	

STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AMBULANCE FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Charges for Service	\$ 3,800	\$ 4,300	\$ 4,249	\$ (51)
Total Revenues	<u>3,800</u>	<u>4,300</u>	<u>4,249</u>	<u>(51)</u>
EXPENSES				
Current				
Public Safety	1,300	1,300	854	446
Total Expenditures	<u>1,300</u>	<u>1,300</u>	<u>854</u>	<u>446</u>
Excess (Deficit) of Revenues over Expenditures	<u>2,500</u>	<u>3,000</u>	<u>3,395</u>	<u>395</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(5,000)	(5,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balance	2,500	(2,000)	(1,605)	<u>\$ 395</u>
Cash Balance, Beginning of Year	<u>2,485</u>	<u>2,485</u>	<u>2,485</u>	
Cash Balance, End of Year	<u>\$ 4,985</u>	<u>\$ 485</u>	<u>\$ 880</u>	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			<u>\$ (1,605)</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ (1,605)</u>	

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
STATE FORESTRY FUND
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State	\$ -	\$ 6,577	\$ 6,577	\$ -
Total Revenues	<u>-</u>	<u>6,577</u>	<u>6,577</u>	<u>-</u>
EXPENSES				
Current				
Public Safety	-	17,000	16,295	705
Total Expenditures	<u>-</u>	<u>17,000</u>	<u>16,295</u>	<u>705</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>(10,423)</u>	<u>(9,718)</u>	<u>705</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	6,000	6,000
Transfers Out	-	-	(2,594)	(2,594)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,406</u>	<u>3,406</u>
Net Change in Fund Balance	<u>-</u>	<u>(10,423)</u>	<u>(6,312)</u>	<u>\$ 4,111</u>
Cash Balance, Beginning of Year	<u>7,864</u>	<u>7,864</u>	<u>7,864</u>	
Cash Balance, End of Year	<u>\$ 7,864</u>	<u>\$ (2,559)</u>	<u>\$ 1,552</u>	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			<u>\$ (6,312)</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ (6,312)</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 BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LAW ENFORCEMENT PROTECTION FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
State	\$ 20,600	\$ 20,600	\$ 20,600	\$ -
Miscellaneous Income	22,000	22,000	-	(22,000)
Total Revenues	20,600	20,600	20,600	-
EXPENSES				
Current				
Public Safety	-	-	1,533	(1,533)
Capital Outlay	42,000	42,000	33,758	8,242
Total Expenditures	42,000	42,000	35,291	6,709
Net Change in Fund Balance	(21,400)	(21,400)	(14,691)	\$ 6,709
Cash Balance, Beginning of Year	14,691	14,691	14,691	
Cash Balance, End of Year	\$ (6,709)	\$ (6,709)	\$ -	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ (14,691)	
Net Change in Fund Balance - GAAP Basis			\$ (14,691)	

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 BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SENIOR CITIZENS FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ 3,500	\$ 3,500	\$ 5,673	\$ 2,173
State	10,500	10,500	4,255	(6,245)
Miscellaneous	210	210	404	194
Total Revenues	14,210	14,210	10,332	(3,878)
EXPENSES				
Current				
Culture, Parks and Recreation	17,128	17,468	17,326	142
Total Expenditures	17,128	17,468	17,326	142
Excess (Deficit) of Revenues over Expenditures	(2,918)	(3,258)	(6,994)	(3,736)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	8,185	7,344	841
Total Other Financing Sources (Uses)	-	8,185	7,344	\$ 841
Net Change in Fund Balance	(2,918)	4,927	350	
Cash Balance, Beginning of Year	6,516	6,516	6,516	
Cash Balance, End of Year	\$ 3,598	\$ 11,443	\$ 6,866	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ 350	
Change in:				
Accounts Receivable			710	
Accounts Payable			336	
Net Change in Fund Balance - GAAP Basis			\$ 1,396	

STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CEMETERY FUND
YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Miscellaneous	415	415	250	(165)
Total Revenues	415	415	250	(165)
EXPENSES				
Current				
Culture, Parks and Recreation	1,200	2,237	2,237	-
Total Expenditures	1,200	2,237	2,237	-
Net Change in Fund Balance	(785)	(1,822)	(1,987)	\$ (165)
Cash Balance, Beginning of Year	11,140	11,140	11,140	
Cash Balance, End of Year	\$ 10,355	\$ 9,318	\$ 9,153	
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ (1,987)	
Change in:				
Accounts Receivable			175	
Net Change in Fund Balance - GAAP Basis			\$ (1,812)	

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
WATER FUND
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Charges for Services	\$ 66,000	\$ 66,000	\$ 72,425	\$ 6,425
Bulk Water Sales	-	-	1,983	1,983
Connection Charges	-	-	300	300
Gross Receipts Tax	3,300	3,300	2,771	(529)
Other Revenue	4,200	4,200	2,346	(1,854)
Total Operating Revenues	73,500	73,500	79,825	6,325
OPERATING EXPENSES				
Current				
Personnel Wages, Taxes and Benefits	-	-	25,962	(25,962)
Contracted Services	-	-	7,280	(7,280)
Insurance	-	-	9,541	(9,541)
Gross Receipts	-	-	2,842	(2,842)
Supplies	-	-	15,191	(15,191)
Repairs and Maintenance	-	-	6,951	(6,951)
Utilities	-	-	14,943	(14,943)
ENM Water Authority Contribution	-	-	5,032	(5,032)
Other Expenses	73,504	94,112	6,298	87,814
Total Operating Expenses	73,504	94,112	94,040	72
Change in Net Position	(4)	(20,612)	(14,215)	\$ 6,397
Cash - Beginning of Year	57,892	57,892	57,892	
Cash - End of Year	\$ 57,888	\$ 37,280	\$ 43,677	
Reconciliation to GAAP Basis				
Change in Net Position - Budget Basis			\$ (14,215)	
Depreciation			(45,765)	
Change in:				
Accounts Receivable			(191)	
Accounts Payable			1,850	
Accrued Compensated Absences			(2,361)	
Customer Meter Deposits			(70)	
Change in Net Position - GAAP Basis			\$ (60,752)	

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 NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
SOLID WASTE FUND
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Charges for Services	\$ 43,000	\$ 44,500	\$ 40,029	\$ (4,471)
Gross Receipts Tax	2,150	2,150	1,785	(365)
Total Operating Revenues	45,150	46,650	41,814	(4,836)
OPERATING EXPENSES				
Current				
Personnel Wages, Taxes and Benefits	-	-	28,253	(28,253)
Contracted Services	-	-	8,207	(8,207)
Insurance	-	-	1,878	(1,878)
Gross Receipts	-	-	1,621	(1,621)
Supplies	-	-	2,641	(2,641)
Repairs and Maintenance	-	-	991	(991)
Other Expenses	45,554	46,700	3,109	43,591
Total Operating Expenses	45,554	46,700	46,700	-
Change in Net Position	\$ (404)	\$ (50)	\$ (4,886)	\$ (4,836)
Cash - Beginning of Year	14,617	14,617	14,617	
Cash - End of Year	\$ 14,213	\$ 14,567	\$ 9,731	
Reconciliation to GAAP Basis				
Change in Net Position - Budget Basis			\$ (4,886)	
Depreciation			(1,084)	
Change in:				
Accounts Receivable			138	
Accrued Compensated Absences			(633)	
Change in Net Position - GAAP Basis			\$ (6,465)	

**STATE OF NEW MEXICO
TOWN OF ELIDA
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
POLICE ALLOCATION AGENCY FUND
YEAR ENDED JUNE 30, 2019**

	Balance 06/30/18	Additions	Deductions	Balance 06/30/19
ASSETS				
ASSETS				
Cash and Cash Equivalents	<u>\$ 342</u>	<u>\$ 2,562</u>	<u>\$ (2,664)</u>	<u>\$ 240</u>
Total Assets	<u><u>\$ 342</u></u>	<u><u>\$ 2,562</u></u>	<u><u>\$ (2,664)</u></u>	<u><u>\$ 240</u></u>
 LIABILITIES				
LIABILITIES				
Due to Other Agencies	<u>\$ 342</u>	<u>\$ 2,562</u>	<u>\$ (2,664)</u>	<u>\$ 240</u>
Total Liabilities	<u><u>\$ 342</u></u>	<u><u>\$ 2,562</u></u>	<u><u>\$ (2,664)</u></u>	<u><u>\$ 240</u></u>

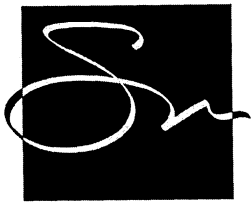
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
TOWN OF ELIDA
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
JUDICIAL EDUCATION AGENCY FUND
YEAR ENDED JUNE 30, 2019**

	Balance 06/30/18	Additions	Deductions	Balance 06/30/19
ASSETS				
ASSETS				
Cash and Cash Equivalents	<u>\$ 171</u>	<u>\$ 1,278</u>	<u>\$ (1,332)</u>	<u>\$ 117</u>
Total Assets	<u><u>\$ 171</u></u>	<u><u>\$ 1,278</u></u>	<u><u>\$ (1,332)</u></u>	<u><u>\$ 117</u></u>
 LIABILITIES				
LIABILITIES				
Due to Other Agencies	<u>\$ 171</u>	<u>\$ 1,278</u>	<u>\$ (1,332)</u>	<u>\$ 117</u>
Total Liabilities	<u><u>\$ 171</u></u>	<u><u>\$ 1,278</u></u>	<u><u>\$ (1,332)</u></u>	<u><u>\$ 117</u></u>

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

INTERNAL CONTROL AND COMPLIANCE



SCOTT NORTHAM, CPA, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

Brian Colón, New Mexico State Auditor, and
Honorable Mayor and Trustees of
Town of Elida
Elida, New Mexico

We 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 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, New Mexico as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents and have issued our report thereon dated November 26, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we 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.

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of other noncompliance or other matters that are required to be reported under *Government Auditing Standards* and Section 12-6-5 NMSA 1978 as items 2019-001 and 2019-002.

Town's Responses to Findings

The Town's responses to the findings identified in our 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, we express no opinion on them.

Purpose of this Report

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



Scott Northam, CPA, PC
Ruidoso, New Mexico
November 26, 2019

**STATE OF NEW MEXICO
TOWN OF ELIDA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2019**

SUMMARY OF AUDITOR RESULTS:

Financial Statements:

1. Type of auditors' report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
c. Noncompliance material to the financial statements noted?	No
d. Other Non-compliance	Yes (2)

FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS:

2019-001 - Late Submission of Audit Contract and IPA Recommendation – Other Non-Compliance

CONDITION - Per 2.2.2.8(G)(8) NMAC Audit Rule, the Town did not meet the deadline for submission of the audit contract and IPA recommendation by the deadline for the fiscal year ending 2019.

CRITERIA – The Audit Rule requires that the audit contract and IPA recommendation be submitted to the Office of the State Auditor by May 15th of each year for those agencies with a June 30 fiscal year end.

CAUSE - The audit contract was submitted and approved by the State Auditor's Office on August 12, 2019.

EFFECT – The Association is out of compliance with the statute.

RECOMMENDATION - We recommend the Town coordinate with the IPA regarding timing of the audit and contract submission for the 2020 fiscal audit.

MANAGEMENT RESPONSE AND PLANNED CORRECTIVE ACTION – Due to a misinterpretation of the auditor rotation section of the Audit Rule, the Town was delayed in submitting the audit contract for approval. Once the clarification was made regarding the section rotation requirements, the Town promptly submitted the contract for approval. The Town Clerk will ensure that the contract for the FY2020 audit will be submitted before the required deadline. This finding should be resolved in May 2020.

**STATE OF NEW MEXICO
TOWN OF ELIDA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2019**

2019-002 - Insufficient Pledged Collateral on Public Deposits – Other Non-Compliance

CONDITION - During the year ended June 30, 2019, the Town maintained and utilized deposits with a financial institution which were not covered by 50% of pledged collateral by State of New Mexico Statutes. As of June 30, 2019, the under collateralization at the institution was approximately \$22,640.

CRITERIA - NMAC 2.2.2.10 N. (4) (b) requires entities to obtain pledge collateral from financial institutions in the amount of 50% of deposit exceeding the \$250,000 FDIC insurance for demand accounts as well as for interest-bearing accounts.

CAUSE - The Town made several deposits totaling approximately \$130,511, including the \$116,219 capital outlay reimbursement, on June 28th, the last business day of June and the fiscal year, which significantly increased the ending balance on deposit at the institution. The bank's calculated coverage did not take these deposit transactions into consideration.

EFFECT - Lack of proper collateralization results in non-compliance with state statutes and increases the 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. The financial institution should consider adding more to the pledged securities so unanticipated deposits would be covered.

RESPONSE - The Town Clerk is working with the bank to make sure cash is appropriately collateralized. The finding should be resolved by November 2019.

**STATE OF NEW MEXICO
TOWN OF ELIDA
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2019**

Finding

Status

NONE

**STATE OF NEW MEXICO
TOWN OF ELIDA
EXIT CONFERENCE
JUNE 30, 2019**

An entrance conference was held with Elida representatives on September 10, 2019. The contents of this report were discussed with the Town of Elida representatives on November 26, 2019. The following individuals were available for the conference:

Town of Elida

Durward Dixon, Mayor
Kim Summers, Town Clerk

Scott Northam, CPA, PC

Scott Northam, CPA

The financial statements of the Town of Elida were prepared by Scott Northam, CPA, PC from original books and records provided by and with assistance from the Town's management.

Although standards strongly emphasize the Town prepare its own financial statements, the consensus between Town management and the auditor was that it would be more time and cost efficient for the auditor to prepare the financial statements and the related notes. Accordingly, the Town designated a competent management-level individual to oversee the auditor's services, make all management decisions and perform all management functions. The Town reviewed, approved, and accepted responsibility for the accompanying financial statements and related notes and Supplemental schedules, and for ensuring that the underlying accounting records adequately support the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America and that the records are current and in balance.