

**STATE OF NEW MEXICO  
VILLAGE OF ENCINO**

**Independent Accountants' Report on  
Applying Agreed-Upon Procedures**

**For the Year Ended  
June 30, 2015**

**STATE OF NEW MEXICO**

**VILLAGE OF ENCINO**

Table of Contents

	Page
<b>Official Roster</b> .....	1
<b>Independent Accountants' Report on Applying Agreed-Upon Procedures</b> .....	2
<b>Schedule of Capital Projects</b> .....	10
<b>Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis)</b>	
General Fund .....	11
Special Revenue Funds.....	12
Enterprise Fund .....	13
Internal Service / Trust & Agency Fund .....	14
<b>Year-End Financial Report Submitted to DFA</b> .....	15-20
<b>Schedule of Findings and Responses</b> .....	21-23
<b>Exit Conference</b> .....	24

**STATE OF NEW MEXICO  
VILLAGE OF ENCINO  
OFFICIAL ROSTER  
JUNE 30, 2015**

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Name	Title
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Village Council

John G. Phillips III	Mayor
William Murphy	Mayor Pro-Tem
Boyd Herrington	Councilor
Ernie Garcia	Councilor
Victor Gallegos	Councilor

Staff

Loretta Chavez	Clerk/Treasurer
Martha Phillips	Maintenance
Alysha Garcia	Deputy Clerk

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To: John G. Phillips III, Mayor  
Village of Encino  
and  
Honorable Timothy M. Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

We have performed the procedures enumerated below which were agreed to by Village of Encino (Village) and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the Village's financial reporting relating to its Cash, Capital Assets, Revenues, Expenditures, Journal Entries, and Budget information and its compliance with Section 12-6-3 NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended June 30, 2015. The Village is responsible for its financial reporting as described above. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

In accordance with Tier 5 of the Audit Act – Section 12-6-3 B (5) NMSA 1978 and Section 2.2.2.16 NMAC, our procedures and associated findings are as follows:

**1. CASH**

**Procedures**

a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand. For purposes of performing our procedures "timely" means completion of the bank reconciliations within one month after the last day of the reporting month and "complete" means that statements for bank and investment accounts are all accounted for by the Village.

b) Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to Department of Finance & Administration - Local Government Division (DFA-LGD). For purposes of performing my procedures "accuracy" means that reconciling items agree to deposit slips and subsequent bank or investment statements, and the reconciliations are mathematically correct.

c) Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

### **Findings**

Bank accounts were complete and reconciled timely. 2 of 12 reconciliations were tested for accuracy and traced to the general ledger without exception. Financial reports were submitted to DFA without exception. Pledged collateral was not required.

## **2. CAPITAL ASSETS**

### **Procedures**

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

### **Findings**

The Village performed their annual capital asset inventory without exception.

## **3. REVENUE**

### **Procedures**

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

a) Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

Select a sample of revenues based on accountant's judgment and test using the following attributes:

b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

c) Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

### **Findings**

Revenue was analytically tested and met expectations without exception. 25 receipts were tested and were determined to be properly recorded as to amount, classification and period.

## **4. EXPENDITURES**

### **Procedures**

Select a sample of cash disbursements based on accountant's judgment and test using the following attributes:

- a) Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and cancelled check, as appropriate.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

### **Findings**

25 disbursements were tested. Disbursements tested were accurate as to amount, payee, date and description, were properly authorized, and were in compliance with the budget, procurement code, and the Per Diem and Mileage Act, where applicable. No exceptions were noted.

## **5. JOURNAL ENTRIES**

### **Procedures**

If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:

- a) Journal entries appear reasonable and have supporting documentation.
- b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

**Findings**

Journal entries are reviewed and approved in accordance with Village policies. No exceptions were noted.

**6. BUDGET**

**Procedures**

Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:

- a) Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b) Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.
- c) From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures – budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

**Findings**

The budget was reviewed and determined to be properly authorized and expenditures were less than budgeted amounts at the fund level, which is the legal level of budgetary control. The Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis) for all funds are presented on pages 10 through 13 of this report.

## **7. CAPITAL OUTLAY APPROPRIATIONS**

Request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year and perform the following:

Test all capital outlay expenditures during the fiscal year to:

a) Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.

### **Findings**

100% of capital outlay disbursements were tested. For all disbursements that were tested, the amount recorded as disbursed agreed to adequate supporting documentation, and the amount, payee, date and description agreed to the purchase order, contract, vendor's invoice and canceled check, where applicable.

b) Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.

### **Findings**

Disbursements were properly authorized in accordance with the budget, legal requirements and established policies and procedures.

c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).

### **Findings**

Procurement for the project was tested, and it was noted the vendor with the highest evaluation was selected, in compliance with the New Mexico Procurement Code and State Purchasing Regulations.



d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.

**Findings**

The disbursements were for right-of-way and engineering services, therefore observation of the physical asset was not possible.

e) Verify that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with the general ledger and other supporting documentation.

**Findings**

Formal status reports were not required under the grant agreement, therefore this step is not applicable.

f) If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.

**Findings**

The project was not funded in advance, therefore this step is not applicable.

g) If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor.

**Findings**

The project was not completed during the fiscal year, therefore this step is not applicable.

h) Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.

**Findings**

Not required by the grant agreement, therefore this step is not applicable.

i) Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request for reimbursement.

### **Findings**

There were 2 reimbursement requests submitted during the fiscal year. Both requests were properly supported by vendor invoices that were paid by the Village prior to requesting reimbursement.

## **8. OTHER**

### **Procedures**

a) If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10 (I) (3) (C) NMAC.

b) Test, inquire, and/or observe to assess whether fuel purchases and vehicles are used for Village business in compliance with applicable laws, regulations, policies and procedures.

c) Assess whether internal controls, such as timesheet and expense approvals, are adequate to prevent waste, fraud and abuse where both husband and wife are Village employees.

### **Findings**

Significant deficiencies in internal control and noncompliance related to fuel and vehicle usage were noted. See findings 2015-001 and 2015-002 in the schedule of findings and responses.

Internal controls over timesheet and expense approvals appear to be adequate where both husband and wife are Village employees. No fraud, waste or abuse was noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the Village's financial reporting to the State Auditor as described above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Village of Encino  
Agreed-upon Procedures  
June 30, 2015

This report is intended solely for the information and use of the Village of Encino, New Mexico Office of the State Auditor, the New Mexico Legislature, and the New Mexico Department of Finance and Administration and is not intended to be and should not be used by anyone other than those specified parties.

*James L. Hartogensis, CPA LLC*

Albuquerque, New Mexico  
November 16, 2015

**SCHEDULE OF  
CAPITAL PROJECTS**

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
**SCHEDULE OF CAPITAL PROJECTS**  
**Year Ended June 30, 2015**

<u>Project Number</u>	<u>Project Name</u>	<u>Amount Awarded</u>	<u>Amount Received</u>	<u>Amount Expended</u>	<u>Remaining Balance</u>	<u>Legislation/ Effective Dates</u>
13-1516	Encino Water System Improvements	\$ 60,000	\$ 20,230	\$ 20,230	\$ 39,770	Laws of 2013, Ch. 226/Section 23 7/1/2013 - 6/30/2017

**SCHEDULES OF REVENUES &  
EXPENDITURES - BUDGET AND  
ACTUAL (CASH BASIS)**

**State of New Mexico**  
**Village of Encino**  
Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis)  
General Fund  
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Taxes:				
Property tax - current year	\$ 1,670	\$ 1,778	\$ 1,778	\$ -
Property tax - delinquent	-	101	101	-
Gross receipts - Local Option	5,057	17,492	17,492	-
Gross Receipts - Environment	320	1,174	291	(883)
Intergovernmental - State Shared				
Gross receipts	6,356	21,959	22,541	582
Gas tax (2 cent)	8,024	8,985	8,403	(582)
Motor vehicle	-	497	496	(1)
Grants - state capital outlay	-	105,000	20,230	(84,770)
Small Cities Assistance	90,000	90,000	90,000	-
Licenses and permits	45	60	45	(15)
Charges for services	500	1,345	1,762	417
Miscellaneous	4,500	5,526	5,478	(48)
<b>Total Revenues</b>	<u>116,472</u>	<u>253,917</u>	<u>168,617</u>	<u>(85,300)</u>
<b>EXPENDITURES:</b>				
Executive - legislative	1,560	1,560	1,435	125
Infrastructure	-	105,000	20,230	84,770
Finance & administration	95,560	95,560	79,836	15,724
Highways & streets	8,075	8,075	5,356	2,719
Other - miscellaneous	2,350	2,350	1,796	554
<b>Total expenditures</b>	<u>107,545</u>	<u>212,545</u>	<u>108,653</u>	<u>103,892</u>
<b>Net change in fund balance</b>	8,927	41,372	59,964	18,592
<b>Fund balance, beginning of year</b>	<u>69,844</u>	<u>69,844</u>	<u>69,844</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 78,771</u>	<u>\$ 111,216</u>	<u>\$ 129,808</u>	<u>\$ 18,592</u>

**State of New Mexico**

**Village of Encino**

Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis)

Special Revenue Funds

For the Year Ended June 30, 2015

<u>EMS FUND</u>	Budgeted Amounts		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
State EMS grant	\$ 5,290	\$ 5,290	\$ 5,265	\$ (25)
Miscellaneous	-	-	3	3
<b>Total Revenues</b>	<u>5,290</u>	<u>5,290</u>	<u>5,268</u>	<u>(22)</u>
<b>EXPENDITURES:</b>				
EMS expenses	<u>5,325</u>	<u>5,325</u>	<u>3,487</u>	<u>1,838</u>
<b>Net change in fund balance</b>	(35)	(35)	1,781	1,816
<b>Fund balance, beginning of year</b>	<u>350</u>	<u>350</u>	<u>350</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 315</u>	<u>\$ 315</u>	<u>\$ 2,131</u>	<u>\$ 1,816</u>

<u>FIRE PROTECTION FUND</u>	Budgeted Amounts		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
State Fire Marshall allotment	\$ 49,650	\$ 49,650	\$ 49,324	\$ (326)
Miscellaneous	<u>590</u>	<u>590</u>	<u>121</u>	<u>(469)</u>
<b>Total Revenues</b>	<u>50,240</u>	<u>50,240</u>	<u>49,445</u>	<u>(795)</u>
<b>EXPENDITURES:</b>				
Fire protection	<u>60,630</u>	<u>60,630</u>	<u>42,172</u>	<u>18,458</u>
<b>Net change in fund balance</b>	(10,390)	(10,390)	7,273	17,663
<b>Fund balance, beginning of year</b>	<u>100,375</u>	<u>100,375</u>	<u>100,375</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 89,985</u>	<u>\$ 89,985</u>	<u>\$ 107,648</u>	<u>\$ 17,663</u>



**State of New Mexico**

**Village of Encino**

Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis)

Enterprise Funds

For the Year Ended June 30, 2015

<b><u>WATER FUND</u></b>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Charges for services	<u>\$ 23,580</u>	<u>\$ 23,580</u>	<u>\$ 20,373</u>	<u>\$ (3,207)</u>
<b>EXPENDITURES:</b>				
Water fund	<u>22,750</u>	<u>22,750</u>	<u>20,371</u>	<u>2,379</u>
<b>Net change in fund balance</b>	830	830	2	(828)
<b>Fund balance, beginning of year</b>	<u>2,135</u>	<u>2,135</u>	<u>2,135</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 2,965</u></u>	<u><u>\$ 2,965</u></u>	<u><u>\$ 2,137</u></u>	<u><u>\$ (828)</u></u>

<b><u>SOLID WASTE FUND</u></b>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Charges for services	<u>\$ 6,676</u>	<u>\$ 6,783</u>	<u>\$ 6,783</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
Solid Waste fund	<u>6,492</u>	<u>6,492</u>	<u>6,440</u>	<u>52</u>
<b>Net change in fund balance</b>	184	291	343	52
<b>Fund balance, beginning of year</b>	<u>1,593</u>	<u>1,593</u>	<u>1,593</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,777</u></u>	<u><u>\$ 1,884</u></u>	<u><u>\$ 1,936</u></u>	<u><u>\$ 52</u></u>

**State of New Mexico**

**Village of Encino**

Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis)

Internal Service/Trust and Agency Fund

For the Year Ended June 30, 2015

<u>METER FUND</u>	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Miscellaneous	\$ 180	\$ 203	\$ 203	\$ -
<b>EXPENDITURES:</b>				
Miscellaneous	180	180	80	100
<b>Net change in fund balance</b>	-	23	123	100
<b>Fund balance, beginning of year</b>	2,503	2,503	2,503	-
<b>Fund balance, end of year</b>	<u>\$ 2,503</u>	<u>\$ 2,526</u>	<u>\$ 2,626</u>	<u>\$ 100</u>

**YEAR-END FINANCIAL REPORT**

**SUBMITTED TO DFA**

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<u>MUNICIPALITY: Encino</u>		DEPARTMENT OF FINANCE AND ADMINISTRATION					I HEREBY CERTIFY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND THAT THIS REPORT DEPICTS ALL FUNDS:  <i>Loretta Chavez</i> <span style="float: right;">07-14-15</span> Signature <span style="float: right;">Date</span>				
<u>Period Ending: 06-30-15</u>		LOCAL GOVERNMENT DIVISION									
<u>Prepared By: Loretta Chavez</u>		SUBMIT TO LOCAL GOVERNMENT DIVISION NO LATER THAN 30 DAYS AFTER THE CLOSE OF EACH QUARTER.									
YEAR-TO-DATE TRANSACTIONS											
Fund #	FUND NAME	BEGINNING CASH BALANCE CURRENT FY (1)	REVENUES TO DATE (2)	TRANSFERS TO DATE (3)	EXPENDITURES TO DATE (4)	ADJUSTMENTS (5)	QTR ENDING CASH BALANCE (1)+(2)-(3)+(4)+(5) (6)	INVESTMENTS (7)	CASH + INVESTMENTS (8)	REQUIRED RESERVES (9)	AVAILABLE CASH (8) - (9)
101	GENERAL FUND (GF)	\$69,844	148,915	0	88,583	0	\$130,176	0	\$130,176	7,382	\$122,794
201	CORRECTION	\$0	0	0	0	0	\$0	0	\$0		\$0
202	ENVIRONMENTAL GRT	\$0	0	0	0	0	\$0	0	\$0		\$0
206	EMS	\$351	5,268	0	3,487	0	\$2,132	0	\$2,132		\$2,132
207	ENHANCED 911	\$0	0	0	0	0	\$0	0	\$0		\$0
209	FIRE PROTECTION FUND	\$100,375	49,445	0	42,172	0	\$107,648	0	\$107,648		\$107,648
211	LEPF	\$0	0	0	0	0	\$0	0	\$0		\$0
214	LODGERS' TAX	\$0	0	0	0	0	\$0	0	\$0		\$0
216	MUNICIPAL STREET	\$0	0	0	0	0	\$0	0	\$0		\$0
217	RECREATION	\$0	0	0	0	0	\$0	0	\$0		\$0
218	INTERGOVERNMENTAL GRAN	\$0	0	0	0	0	\$0	0	\$0		\$0
219	SENIOR CITIZEN	\$0	0	0	0	0	\$0	0	\$0		\$0
223	DWI PROGRAM	\$0	0	0	0	0	\$0	0	\$0		\$0
299	OTHER	\$0	0	0	0	0	\$0	0	\$0		\$0
300	CAPITAL PROJECT FUNDS	\$0	105,000	0	20,230	0	\$84,770	0	\$84,770		\$84,770
401	G. O. BONDS	\$0	0	0	0	0	\$0	0	\$0		\$0
402	REVENUE BONDS	\$0	0	0	0	0	\$0	0	\$0		\$0
403	DEBT SERVICE OTHER	\$0	0	0	0	0	\$0	0	\$0		\$0
500	ENTERPRISE FUNDS										
	Water Fund	\$2,135	20,373	0	20,371	0	\$2,137	0	\$2,137		\$2,137
	Solid Waste	\$1,593	6,783	0	6,440	0	\$1,937	0	\$1,937		\$1,937
	Waste Water	\$0	0	0	0	0	\$0	0	\$0		\$0
	Airport	\$0	0	0	0	0	\$0	0	\$0		\$0
	Ambulance	\$0	0	0	0	0	\$0	0	\$0		\$0
	Cemetery	\$0	0	0	0	0	\$0	0	\$0		\$0
	Housing	\$0	0	0	0	0	\$0	0	\$0		\$0
	Parking	\$0	0	0	0	0	\$0	0	\$0		\$0
	Other Enterprise (enter fund na	\$0	0	0	0	0	\$0	0	\$0		\$0
	Other Enterprise (enter fund na	\$0	0	0	0	0	\$0	0	\$0		\$0
	Other Enterprise (enter fund na	\$0	0	0	0	0	\$0	0	\$0		\$0
	Other Enterprise (enter fund na	\$0	0	0	0	0	\$0	0	\$0		\$0
600	INTERNAL SERVICE FUNDS	\$0	0	0	0	0	\$0	0	\$0		\$0
700	TRUST AND AGENCY FUNDS	\$2,503	203	0	80	0	\$2,626	0	\$2,626		\$2,626
<b>GRAND TOTAL</b>		<b>\$176,801</b>	<b>\$335,986</b>	<b>\$0</b>	<b>\$181,362</b>	<b>\$0</b>	<b>\$331,425</b>	<b>\$0</b>	<b>\$331,425</b>	<b>\$7,382</b>	<b>\$324,043</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**MUNICIPALITY: Encino**  
**Period Ending: 06-30-15**

**GENERAL FUND - MUNICIPALITY**

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES	BUDGETED AMOUNTS			ACTUALS Y-T-D	ENCUMBRANCES Y-T-D	Variance With Adjusted Budget Positive (Negative)	
	Approved Budget	Budget Adjustments	Adjusted Budget			\$	%
<b>REVENUES</b>							
<b>Taxes:</b>							
Property Tax - Current Year	\$1,670	\$108	\$1,778	\$1,778		\$0	100.00%
Property Tax - Delinquent	\$0	\$101	\$101	\$101		\$0	100.00%
Property Tax - Penalty & Interest	\$0	\$0	\$0	\$0		\$0	n/a
Oil and Gas - Equipment	\$0	\$0	\$0	\$0		\$0	n/a
Oil and Gas - Production	\$0	\$0	\$0	\$0		\$0	n/a
Franchise Fees	\$0	\$0	\$0	\$0		\$0	n/a
Gross receipts - Local Option	\$5,057	\$12,435	\$17,492	\$17,492		\$0	100.00%
Gross Receipts - Infrastructure	\$0	\$0	\$0	\$0		\$0	n/a
Gross Receipts - Environment	\$320	\$854	\$1,174	\$1,174		\$0	100.00%
Gross Receipts - Other Dedication	\$0	\$0	\$0	\$0		\$0	n/a
<b>Intergovernmental -State Shared:</b>							
Gross receipts	\$6,356	\$15,603	\$21,959	\$21,959		\$0	100.00%
Cigarette Tax	\$0	\$0	\$0	\$0		\$0	n/a
Gas Tax [1 cent]	\$0	\$0	\$0	\$0		\$0	n/a
Gas Tax [2 cent]	\$8,024	\$961	\$8,985	\$8,985		\$0	100.00%
Motor Vehicle	\$0	\$497	\$497	\$496		(\$1)	99.80%
Grants - Federal	\$0	\$0	\$0	\$0		\$0	n/a
Grants - State	\$0	\$0	\$0	\$0		\$0	n/a
Grants - Local	\$0	\$0	\$0	\$0		\$0	n/a
Legislative Appropriations	\$0	\$0	\$0	\$0		\$0	n/a
Small Counties Assistance	\$90,000	\$0	\$90,000	\$90,000		\$0	100.00%
<b>Licenses and Permits</b>	\$45	\$15	\$60	\$60		\$0	100.00%
<b>Charges for Services</b>	\$500	\$845	\$1,345	\$1,345		\$0	100.00%
<b>Fines and Forfeits</b>	\$0	\$0	\$0	\$0		\$0	n/a
<b>Interest on Investments</b>	\$0	\$0	\$0	\$0		\$0	n/a
<b>Miscellaneous</b>	\$4,500	\$1,026	\$5,526	\$5,525		(\$1)	99.98%
<b>TOTAL GENERAL FUND REVENUES</b>	\$116,472	\$32,445	\$148,917	\$148,915		(\$2)	100.00%
<b>EXPENDITURES</b>							
Executive-Legislative	\$1,560	\$0	\$1,560	\$1,435	\$0	\$125	91.99%
Judicial	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Elections	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Finance & Administration	\$95,560	\$0	\$95,560	\$79,836	\$0	\$15,724	83.55%
Public Safety	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Highways & Streets	\$8,075	\$0	\$8,075	\$5,356	\$0	\$2,719	66.33%
Senior Citizens	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Sanitation	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Health and Welfare	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Culture and Recreation	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Economic Development & Housing	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Airport	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Other - Miscellaneous	\$2,350	\$0	\$2,350	\$1,956	\$0	\$394	83.23%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	\$107,545	\$0	\$107,545	\$88,583	\$0	\$18,962	82.37%
<b>OTHER FINANCING SOURCES</b>							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures				\$60,332			

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
FOR THE YEAR ENDED JUNE 30, 2015

**MUNICIPALITY: Encino**  
**Period Ending: 06-30-15**

**SPECIAL REVENUES - MUNICIPALITY - QUARTERLY REPORT**

SPECIAL REVENUES - RESOURCES	Fund	BUDGET			ACTUALS		Budget Balance	Budget Variance %
		Approved Budget	Resolutions Adj. Budget	Adjusted Budget	Year to Date Total	Encumbrances (expend line only)		
<b>CORRECTIONS</b>	<b>201</b>							
REVENUES								
Correction Fees	201	0	0	0	0		0	n/a
Miscellaneous	201	0	0	0	0		0	n/a
<b>TOTAL Revenues</b>		0	0	0	0		0	n/a
EXPENDITURES	201	0	0	0	0	0	0	n/a
OTHER FINANCING SOURCES								
Transfers In	201	0	0	0	0		0	n/a
Transfers (Out)	201	0	0	0	0		0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>		0	0	0	0		0	n/a
Excess (deficiency) of revenues over ex	201				0			
<b>ENVIRONMENTAL</b>	<b>202</b>							
REVENUES								
GRT - Environmental	202	0	0	0	0		0	n/a
Miscellaneous	202	0	0	0	0		0	n/a
<b>TOTAL Revenues</b>		0	0	0	0		0	n/a
EXPENDITURES	202	0	0	0	0	0	0	n/a
OTHER FINANCING SOURCES								
Transfers In	202	0	0	0	0		0	n/a
Transfers (Out)	202	0	0	0	0		0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>		0	0	0	0		0	n/a
Excess (deficiency) of revenues over ex	202				0			
<b>EMS</b>	<b>206</b>							
REVENUES								
State EMS Grant	206	5,290	0	5,290	5,265		(25)	99.53%
Miscellaneous	206	0	0	0	3		3	n/a
<b>TOTAL Revenues</b>		5,290	0	5,290	5,268		(22)	99.59%
EXPENDITURES	206	5,325	0	5,325	3,487	0	1,838	65.49%
OTHER FINANCING SOURCES								
Transfers In	206	0	0	0	0		0	n/a
Transfers (Out)	206	0	0	0	0		0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>		0	0	0	0		0	n/a
Excess (deficiency) of revenues over ex	206				1,781			
<b>E911</b>	<b>207</b>							
REVENUES								
State-E-911 Enhancement	207	0	0	0	0		0	n/a
Network & Data Base Grant	207	0	0	0	0		0	n/a
Miscellaneous	207	0	0	0	0		0	n/a
<b>TOTAL Revenues</b>		0	0	0	0		0	n/a
EXPENDITURES	207	0	0	0	0	0	0	n/a
OTHER FINANCING SOURCES								
Transfers In	207	0	0	0	0		0	n/a
Transfers (Out)	207	0	0	0	0		0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>		0	0	0	0		0	n/a
Excess (deficiency) of revenues over ex	207				0			
<b>FIRE PROTECTION</b>	<b>209</b>							
REVENUES								
State - Fire Marshall Allotment	209	49,650	0	49,650	49,324		(326)	99.34%
Miscellaneous	209	590	0	590	121		(469)	20.44%
<b>TOTAL Revenues</b>		50,240	0	50,240	49,445		(795)	98.42%
EXPENDITURES	209	60,630	0	60,630	42,172	0	18,458	69.56%
OTHER FINANCING SOURCES								
Transfers In	209	0	0	0	0		0	n/a
Transfers (Out)	209	0	0	0	0		0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>		0	0	0	0		0	n/a
Excess (deficiency) of revenues over ex	209				7,273			

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA**  
**FOR THE YEAR ENDED JUNE 30, 2015**

MUNICIPALITY: Encino  
 Period Ending: 06-30-15

**CAPITAL PROJECTS**

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES	BUDGETED AMOUNTS			ACTUALS Y-T-D	ENCUMBRAN CES Y-T-D	Variance With Adjusted Budget	
	Approved Budget	Budget Adjustments	Adjusted Budget			Positive (Negative)	
						\$	%
<b>REVENUES</b>							
GRT- Dedication	\$0	\$0	\$0	\$0		\$0	n/a
GRT- Infrastructure	\$0	\$0	\$0	\$0		\$0	n/a
Bond Proceeds	\$0	\$0	\$0	\$0		\$0	n/a
State Grants	\$0	\$0	\$0	\$0		\$0	n/a
CDBG funding	\$0	\$0	\$0	\$0		\$0	n/a
State Grants	\$0	\$0	\$0	\$0		\$0	n/a
Federal Grants (other)	\$0	\$0	\$0	\$0		\$0	n/a
Legislative Appropriations	\$0	\$105,000	\$105,000	\$105,000		\$0	100.00%
Investment Income	\$0	\$0	\$0	\$0		\$0	n/a
Miscellaneous	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL CAPITAL PROJECTS REVENUES</b>	\$0	\$105,000	\$105,000	\$105,000		\$0	100.00%
<b>EXPENDITURES</b>							
Parks/Recreation	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Housing	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Equipment & Buildings	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Facilities	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Transit	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Airports	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Infrastructure	\$0	\$105,000	\$105,000	\$20,230	\$0	\$84,770	19.27%
Debt Service Payments (P&I)-GO Bonds	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Debt Service Payments (P&I)-Rev. Bonds	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Other	\$0	\$0	\$0	\$0	\$0	\$0	n/a
<b>TOTAL CAPITAL PROJECTS EXPENDITURE</b>	\$0	\$105,000	\$105,000	\$20,230	\$0	\$84,770	19.27%
<b>OTHER FINANCING SOURCES</b>							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>	\$0	\$0	\$0	\$0		\$0	n/a
<b>Excess (deficiency) of revenues over expenditures</b>				\$84,770			

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
FOR THE YEAR ENDED JUNE 30, 2015

MUNICIPALITY: Encino  
Period Ending: 06-30-15

**ENTERPRISE FUNDS**

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES	BUDGETED AMOUNTS			ACTUALS Y-T-D	ENCUMBRAN CES Y-T-D	Variance With Adjusted Budget	
	Approved Budget	Budget Adjustments	Adjusted Budget			Positive (Negative)	
						\$	%
<b>REVENUES</b>							
<b>Water Fund</b>							
Charges for Services	\$23,580	\$0	\$23,580	\$20,373		(\$3,207)	86.40%
Interest on Investments	\$0	\$0	\$0	\$0		\$0	n/a
Gross Receipts - dedicated	\$0	\$0	\$0	\$0		\$0	n/a
Grants - Federal	\$0	\$0	\$0	\$0		\$0	n/a
Grants - State	\$0	\$0	\$0	\$0		\$0	n/a
Legislative Appropriation	\$0	\$0	\$0	\$0		\$0	n/a
Other	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL REVENUES - Water Fund</b>	<b>\$23,580</b>	<b>\$0</b>	<b>\$23,580</b>	<b>\$20,373</b>		<b>(\$3,207)</b>	<b>86.40%</b>
<b>EXPENDITURES</b>							
<b>Water Fund</b>	<b>\$22,750</b>		<b>\$22,750</b>	<b>\$20,371</b>	<b>\$0</b>	<b>\$2,379</b>	<b>89.54%</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL-OTHER FINANCING SOURCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>n/a</b>
Excess (deficiency) of revenues over expenditures				\$2			
<b>REVENUES</b>							
<b>Solid Waste</b>							
Charges for Services	\$6,676	\$107	\$6,783	\$6,783		(\$0)	100.00%
Interest on Investments	\$0	\$0	\$0	\$0		\$0	n/a
Gross Receipts - dedicated	\$0	\$0	\$0	\$0		\$0	n/a
Grants - Federal	\$0	\$0	\$0	\$0		\$0	n/a
Grants - State	\$0	\$0	\$0	\$0		\$0	n/a
Legislative Appropriation	\$0	\$0	\$0	\$0		\$0	n/a
Other	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL REVENUES - Solid Waste Fund</b>	<b>\$6,676</b>	<b>\$107</b>	<b>\$6,783</b>	<b>\$6,783</b>		<b>(\$0)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>							
<b>Solid Waste</b>	<b>\$6,492</b>	<b>\$0</b>	<b>\$6,492</b>	<b>\$6,440</b>	<b>\$0</b>	<b>\$52</b>	<b>99.19%</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL-OTHER FINANCING SOURCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>n/a</b>
Excess (deficiency) of revenues over expenditures				\$343			



**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
FOR THE YEAR ENDED JUNE 30, 2015

MUNICIPALITY: Encino  
Period Ending: 06-30-15

**INTERNAL SERVICE / TRUST & AGENCY FUNDS**

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES	BUDGETED AMOUNTS			ACTUALS Y-T-D	ENCUMBRANCES Y-T-D	Variance With Adjusted Budget	
	Approved Budget	Budget Adjustments	Adjusted Budget			Positive (Negative)	
						\$	%
<b>INTERNAL SERVICE FUNDS [600]</b>							
REVENUES							
Charges for Services	\$0	\$0	\$0	\$0		\$0	n/a
Interest on Investments	\$0	\$0	\$0	\$0		\$0	n/a
Miscellaneous revenues	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL REVENUES</b>	\$0	\$0	\$0	\$0		\$0	n/a
EXPENDITURES							
Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	n/a
<b>TOTAL EXPENDITURES</b>	\$0	\$0	\$0	\$0	\$0	\$0	#REF!
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures				\$0			
<b>TRUST AND AGENCY FUNDS [700]</b>							
REVENUES							
Investments	\$0	\$0	\$0	\$0		\$0	n/a
Interest on Investments	\$0	\$0	\$0	\$0		\$0	n/a
Tax Revenues	\$0	\$0	\$0	\$0		\$0	n/a
Miscellaneous revenues	\$180	\$23	\$203	\$203		(\$0)	99.77%
<b>TOTAL REVENUES</b>	\$180	\$23	\$203	\$203		(\$0)	99.77%
EXPENDITURES							
General Government/Benefits	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Miscellaneous	\$180	\$0	\$180	\$80	\$0	\$100	44.44%
<b>TOTAL EXPENDITURES</b>	\$180	\$0	\$180	\$80	\$0	\$100	44.44%
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
<b>TOTAL - OTHER FINANCING SOURCES</b>	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures				\$123			

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2015

**1. Current Year Findings**

**2015-001 Lack of Internal Controls Over Fuel (Significant Deficiency)**

**Condition:**

Deficiencies in internal control over fuel usage were noted. Fuel usage logs do not include vehicle mileage or equipment hours. Mileage for Village vehicles is not tracked. Fuel tanks are secured, and only authorized employees have access, however, Village employees are not monitored by an authorized, key carrying member of management while dispensing fuel.

**Criteria:**

Internal controls over Village assets (fuel) should include adequate processes and information in order to prevent fraud, waste and abuse, including safeguarding the fuel and monitoring usage.

**Cause:**

Because of the relatively low level of fuel usage and cost to the Village, the Village has not required a detailed amount of information at the time fuel or diesel is dispensed from the tanks. The Village has historically monitored fuel usage by the number of times the fuel and diesel tanks are refilled each year, which is typically 1-2 times.

**Effect:**

Not having adequate information and monitoring exposes the Village to theft of fuel.

**Recommendation:**

We recommend that the log for fuel usage should be revised to include the vehicle mileage on the log. If the fuel is for equipment, the hours from the equipment's hour meter should be added to the log. These steps will help the Village assess whether fuel usage is reasonable. Each time one of the tanks is replenished, the amount of fuel delivered should be compared to the usage logs to determine whether the amount is reasonable and accounted for. This should be documented.

We also recommend that either the Village Clerk or Mayor observe while fuel is being withdrawn. If the Maintenance Supervisor is withdrawing, then the Clerk should observe, as the Mayor is related to the Maintenance Supervisor. Evidence of observation can be completed by initialing the log. If this is not practical, then periodic checks should be made to compare the mileage/hours recorded in the logs to the actual readings on the vehicles and equipment.

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED  
YEAR ENDED JUNE 30, 2015

**1. Current Year Findings - continued**

**2015-001 Lack of Internal Controls Over Fuel - continued**

**Management's Response:**

The Village of Encino has corrected this issue by incorporating a new fuel log which includes vehicle/equipment hour or mileage readings. The fuel log also indicates when and how much fuel is delivered. A new fuel key policy has been instituted: fuel keys will be kept at the Village Hall and must be checked out when an employee is fueling.

**2015-002 Village Vehicles - Lack of Internal Controls and Noncompliance (Significant Deficiency, Noncompliance)**

**Condition:**

Vehicle logs are not maintained for Village vehicles. The Mayor and Maintenance Supervisor both take their vehicle home each night, which is less than one mile from the Village office, because they are on call for after-hours Village emergencies. This is not reported as taxable income on their W-2.

**Criteria:**

Proper internal controls over vehicles should include documentation for all usage, including the dates, mileage, destination and purpose for every time a Village vehicle is used. The Internal Revenue Service (IRS) Rev. 1.274-5T(k)(3) requires a government agency to report taxable income to an employee who takes an agency vehicle home, unless the vehicle is a qualified non-personal use vehicle.

**Cause:**

The Village has monitored vehicle usage by reviewing fuel logs and fill-ups for reasonableness, but has not required enough detailed information on vehicle usage in order to prevent and detect fraud, waste or abuse. The Village was not aware that take-home vehicles create taxable income to employees. The Village does not have a written policy for vehicle usage.

**Effect:**

By not requiring detailed information, the Village cannot determine whether there is fraud, waste or abuse related to vehicle usage. The Village may be exposed to liability to the IRS for unpaid payroll taxes related to taxable fringe benefits.

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED  
YEAR ENDED JUNE 30, 2015

**1. Current Year Findings – continued**

2015-002 Village Vehicles - Lack of Internal Controls and Noncompliance - continued

**Recommendation:**

We recommend the Village draft and approve a vehicle policy. The policy should prohibit personal usage of Village vehicles. It should allow for taking home vehicles when deemed necessary, and also allow for proper IRS reporting if applicable. Emergency vehicles, as long as they are clearly marked, can be taken home for valid reasons, and not taxed as a fringe benefit.

All vehicle usage should be clearly documented in the form of a log for each vehicle. The log should include the driver, date, destination, purpose of the trip, beginning and ending odometer readings. Vehicles should only be used for official Village business, in accordance with policy.

**Management's Response:**

The Village of Encino has corrected this issue by maintaining vehicle logs for all village vehicles. The Mayor and Maintenance Supervisor no longer take vehicles home.

**2. Prior Year Findings**

None.

**STATE OF NEW MEXICO**  
**VILLAGE OF ENCINO**  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2015

The report contents were discussed at an exit conference held on November 16, 2015 with the following in attendance:

**Village of Encino**

John G Phillips III	Mayor
Loretta Chavez	Clerk/Treasurer
Alysha Garcia	Deputy Clerk

**James L. Hartogenesis, CPA LLC**

James Hartogenesis, CPA, CGFM	Principal
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