
STATE OF NEW MEXICO
Village of Folsom

Compilation Report of Independent Accountant
and
Compiled Financial Statements
June 30, 2019

*Sandra Rush CPA PC
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STATE OF NEW MEXICO
VILLAGE OF FOLSOM
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June 30, 2019

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STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Office of the State Auditor Tier 6 Agreed-Upon Procedures

Official Roster
For the year ended June 30, 2019

Village Council

Stephanie King

Mayor

Terry McNabb

Mayor Pro-Tem

Tristan McNabb

Councilor

Barbara Schoonover

Councilor

Derek Karr

Councilor

Administrative Officials

Brisenth Doherty

Clerk-Treasurer

Compilation Report of Independent Public Accountant

Brian Colón
New Mexico State Auditor
Mayor and Village Council
Village of Folsom
Folsom, New Mexico

Management is responsible for the accompanying financial statements of Village of Folsom (Village), which comprise the balance sheet - governmental funds, for each individual fund, as of June 30, 2019 and the related statements of revenues, expenditures and changes in cash balances- governmental funds, for each individual fund for the years then ended, and the related notes to the financial statements in accordance with the requirements of Section 2.2.2.16 *New Mexico Administrative Code* (NMAC). I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

In order to comply with the requirements of Section 12-6-3(B) NMSA 1978 and 2.2.2.16 NMAC, management has presented: (1) the governmental fund financial statements prepared using the modified accrual basis of accounting; and (2) only the notes related to those financial statements. However, in complying with these requirements, management has elected to omit the management's discussion and analysis, government-wide financial statements, and notes related to the government-wide financial statements required by accounting principles generally accepted in the United States of America. These omissions result in the financial statements being presented on a basis of accounting other than GAAP

If the omitted management's discussion and analysis, government-wide financial statements, and related note disclosures were included in the financial statements, it might influence the user's conclusions about the Village's financial position, respective changes in financial position, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

This report is intended solely for the information and use of the Village of Folsom, 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 these specified parties.

Sandra Rush CPA PC
Sandra Rush CPA PC
Clovis, New Mexico
October 4, 2019

Governmental Fund Financial Statements

STATE OF NEW MEXICO
 VILLAGE OF FOLSOM
 Balance Sheet
 Governmental Funds
 June 30, 2019

	General 101	Fire 209	Law Enforcement Protection 211	Road 216	Recreation 217	EMS 206	Total Governmental Funds
ASSETS							
Cash in banks	\$ 291,419	\$ 269,675	\$ 4,849	\$ 59,801	\$ 34,883	\$ -	\$ 660,627
Investments	-	145,000	-	-	-	-	145,000
Accounts receivable							
Taxes	1,167	-	-	439	-	-	1,606
Grantor	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total assets	\$ 292,586	\$ 414,675	\$ 4,849	\$ 60,240	\$ 34,883	\$ -	\$ 807,233
LIABILITIES							
Accounts payables	\$ 1,110	\$ 255	\$ -	\$ -	\$ -	\$ -	\$ 1,365
Total liabilities	1,110	255	-	-	-	-	1,365
FUND BALANCE							
Restricted for							
Special revenue funds	-	414,420	4,849	60,240	34,883	-	514,392
Unassigned							
General government fund	291,476	-	-	-	-	-	291,476
Total fund balance	291,476	414,420	4,849	60,240	34,883	-	805,868
Total liabilities and fund balance	\$ 292,586	\$ 414,675	\$ 4,849	\$ 60,240	\$ 34,883	\$ -	\$ 807,233

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

STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended June 30, 2019

	General 101	Fire 209	Law Enforcement Protection 211	Road 216	Recreation 217	EMS 206	Total Governmental Funds
Revenue							
Property tax	\$ 5,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,728
Gross receipts tax local	2,081	-	-	-	-	-	2,081
Gross receipts tax infrastructure	678	-	-	-	-	-	678
Gross receipts tax environment	339	-	-	-	-	-	339
GRT state shared equivalent distribution	7,567	-	-	-	-	-	7,567
Gas tax	-	-	-	5,811	-	-	5,811
MVD state shared excise tax	482	-	-	-	-	-	482
Other state shared taxes	2	-	-	-	-	-	2
Interest	6,230	8,394	240	1,523	230	25	16,642
Miscellaneous	556	-	-	-	-	-	556
State grant	-	179,147	20,000	30,000	-	-	229,147
Small cities assistance	90,000	-	-	-	-	-	90,000
Total revenues	113,663	187,541	20,240	37,334	230	25	359,033
Expenditures							
Current							
General government							
Executive - legislative	2,400	-	-	-	-	-	2,400
Finance and administration	82,055	-	-	-	-	-	82,055
Public safety	449	87,706	15,391	-	-	3,061	106,607
Public works	6,203	-	-	49,855	-	-	56,058
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	91,107	87,706	15,391	49,855	-	3,061	247,120
Excess (deficiency) of revenues over expenditures	22,556	99,835	4,849	(12,521)	230	(3,036)	111,913
Other financing sources (uses)							
Operating transfers (net)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	22,556	99,835	4,849	(12,521)	230	(3,036)	111,913
Fund balances, beginning	268,920	314,585	-	72,761	34,653	3,036	693,955
Retatement	-	-	-	-	-	-	-
Fund balances, beginning restated	268,920	314,585	-	72,761	34,653	3,036	693,955
Fund balances, ending	\$ 291,476	\$ 414,420	\$ 4,849	\$ 60,240	\$ 34,883	\$ -	\$ 805,868

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

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

The financial statements of the Village of Folsom (the "Village") have been prepared on a modified accrual basis of accounting. The New Mexico Office of the State Auditor is responsible for establishing the modified accrual basis for state and local governments through its pronouncements. The more significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village of Folsom was incorporated under the laws of the State of New Mexico during 1915. The Village operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (fire), highways and streets, sanitation, education, public improvements, planning and zoning, and general administrative service matters.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, set rates or charges and issue bonded debt.

The Village has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected Village members are financially accountable. There are no other primary governments with which the Village Council Members are financially accountable. There are no other primary governments with which the Village has a significant relationship.

The accounts of the Village are organized and operated based on funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

B Basis of Presentation

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following governmental funds:

General Fund

The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds.

Special Revenue Funds

Fire Fund

To account for the operation and maintenance of the Village Fire Department. Financing is primarily from State grants. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

Law Enforcement Protection Fund

To account for the operation and maintenance of the police department authorized by the State Statute Chapter 289, Laws of 1983. Financing is provided by a grant from the State of New Mexico.

Road Fund

To account for the operation and maintenance of the streets in the Village. Financing is provided by a gasoline tax. The fund was created by the authority of state grant provisions.

EMS Fund

To account for the operation and maintenance of the Village EMS Department. Financing is primarily from an annual EMS allotment and fees collected for emergency transportation. The fund was created by the authority of state grant provisions.

Recreation Fund

To account for recreational services. The fund was created by the authority of state grant provisions.

C Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers property taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

The specific revenue recognition policy for property taxes are recognized when levied, derived tax revenue (such as gross receipts tax) are recognized when the underlying transaction takes place, and grants are recognized when all the eligibility requirements have been met.

The revenues susceptible to accrual are property taxes, licenses, charges for services, interest income and intergovernmental revenues. Gross receipts taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

D Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

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

The Village is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit

its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments - All money not immediately necessary for the public uses of the Village may be invested in:

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or Village which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government; or
- (c) in contracts with banks, savings and loan associations, or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Prepaid Items - Prepaid balances are for payments made by the Village in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for their subsequent expenditures.

Receivables and Payables - Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes - The County collects the Village's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Village monthly. The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues for the budget presentation.

Restricted Funds - Restricted assets for the Village are the required minimum cash reserve. These assets may only be expended for the specific purposes as noted, due to externally imposed provisions.

Capital Assets - Capital assets, which include property, buildings, equipment, and infrastructure assets are reported in the fund financial statements for proprietary funds. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the Village as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The construction period interest is not capitalized in the proprietary funds.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Assets	Years
Building, improvements and infrastructure equipment	20-50
Equipment	3-15

Use of Restricted Funds - When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Compensated Absences - The Village does not provide for vacation or sick leave benefits.

Deferred Inflows - Within the governmental funds, revenues must be available in order to be recognized. Revenues such as real estate taxes that are not available are recorded as deferred inflows and reflected within the balance sheet.

Net Position - The government-wide activities fund financial statements utilize a net position presentation. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, and then unrestricted resources as needed.

Unrestricted Net Position - This category reflects net position of the Village, not restricted for any project or other purpose.

Fund Balance - In the fund financial statements, governmental fund balances are classified as follows:

Nonspendable - fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes amounts to be held in perpetuity.

Restricted - Fund balance should be reported when constraints placed on the use of resources are either:

(a) Externally imposed by creditors (such as through debt covenants), granters, contributors, or laws or regulations of other governments; or

(b) Imposed by law through constitutional provisions or enabling legislation. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation.

Unassigned - fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Village's policy is to apply restricted resources first, committed sources second, assigned resources third, and unassigned resources last when an expense is incurred for purposes for which all or any fund balance classification is available.

Inter-Fund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing

fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

Estimates - The preparation of financial statements in conformity with Generally Accepted Accounting principles 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.

Note 2 Stewardship, Compliance and Accountability

Budgetary Information

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

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

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue funds.

The Village is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

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.

Budgetary Control

1. Prior to June 1, the Village's Clerk-Treasurer submits the budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in May and June to obtain taxpayers comments.
2. Prior to July 1, the budget is legally enacted through passage of an ordinance and then must be approved by Local Government Division of the State Department of Finance and Administration.
3. The Village Council is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the State Department of Finance and Administration.
4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. The level of budget authority is at the fund level.

Note 3 Cash and Deposits with Financial Institutions and Investments

New Mexico State Statutes provide authoritative guidance regarding the deposit of cash and idle cash.

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more bank or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States of America or by collateral deposited as security or by bond given by the financial institution. The rate of interest in no case shall be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

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

The Village maintains cash in one financial institution within Union County, New Mexico. The Village's deposits are carried at cost.

As of June 30, 2019, the amount of cash reported on the financial statements differs from the amount on deposit with the financial institution because of transactions in transit and outstanding checks. A summary of the reconciliation is as follows:

	Amount Per Bank	Deposits in Transit	Outstanding Checks	Book Balance
Farmers & Stockmen's Bank	\$ 818,530	\$ -	\$ (12,903)	\$ 805,627

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the Village.

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

	Farmers & Stockmen's Bank Clayton, NM	Type
Total amount on deposit on June 30, 2019		
Village of Folsom	\$ 638,647	Checking
Village of Folsom	179,883	Savings/CD
Total deposited	<u>818,530</u>	
Less FDIC coverage demand accounts	(250,000)	
Less FDIC coverage time accounts	<u>(179,883)</u>	
Total uninsured public funds	<u>388,647</u>	
50% collateral requirement		
as per Section 6-10-17, NMSA 1978	<u>194,324</u>	
Pledged securities		
Schedule below	<u>350,000</u>	
Over (under)	<u>\$ 155,676</u>	

A detailed listing of the pledged collateral is contained in the supplemental financial information section of this report. According to the Federal Deposit Insurance Corporation, public unit deposits are owned by the public unit. Demand, time deposits, savings deposits and interest-bearing money market accounts at a public unit in an institution in the same state will be insured up to \$250,000 in aggregate.

Custodial Credit Risk - Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2019, \$38,647 of the Village's bank balance of \$818,530 was exposed to custodial credit risk.

Custodial Credit Risk Deposits	
Account Balance	\$ 818,530
FDIC Insurance	429,883
Collateral:	
Collateral held by the pledging bank, not in the District's name	350,000
Uninsured and uncollateralized	<u>38,647</u>
Total Deposits	<u>\$ 818,530</u>

Note 4 Capital Assets

Capital asset activity for the Village's primary government for the year ended June 30, 2019 was as follows:

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 3,980	\$ -	\$ -	\$ 3,980
Capital assets being depreciated				
Buildings	12,000	-	-	12,000
Infrastructure	247,243	-	-	247,243
Equipment	<u>1,388,361</u>	<u>-</u>	<u>-</u>	<u>1,388,361</u>
Total assets being depreciated	<u>1,647,604</u>	<u>-</u>	<u>-</u>	<u>1,647,604</u>
Less accumulated depreciation				
Buildings	(12,000)	-	-	(12,000)
Infrastructure	(100,156)	(2,055)	-	(102,211)
Equipment	<u>(890,175)</u>	<u>(66,095)</u>	<u>-</u>	<u>(956,270)</u>
Total accumulated depreciation	<u>(1,002,331)</u>	<u>(68,150)</u>	<u>-</u>	<u>(1,070,481)</u>
Governmental activity capital assets, net	<u>\$ 649,253</u>	<u>\$ (68,150)</u>	<u>\$ -</u>	<u>\$ 581,103</u>

Depreciation expense was charged to governmental activities as follows:

Public Safety	<u>\$ 68,150</u>
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Note 5 Property Taxes

Union County collects the Village's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Village monthly. The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues for the budget presentation.

Note 6 Risk Management

The Village is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

To manage these risks the Village participates as a member of the New Mexico Self Insurer's Fund, a pooled joint powers Insurance Authority. The Authority is administered by the New Mexico Municipal League, a nonprofit, comprised of 103 public entities. The Authority is organized under joint powers agreements as provided by Section 11-1-1 et. Seq, NMSA, 1978. The purpose of the Authority is to arrange and administer programs for pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverage. Each member government participates in the election of Board of Directors, who appoints the Insurance Board of Trustees. Insurance premiums paid to the Authority for fiscal year 2019 amounted to \$27,414.

Tort claims are generally limited by the Tort Claims Act, Section 41-4-1 et. Seq, NMSA, 1978. The Village retains some risk for coverage which may be less than the tort claims limitation. Certain claims relating to certain public construction, operation of motor vehicles, building maintenance and certain health care activities are exempt from the Act.

Surety Bond: The officials and certain employees of the Village are covered by a surety bond as required by Section 12- 6-7, NMSA, 1978 Compilation.

Note 7 Subsequent Events

Management has evaluated subsequent events through October 4, 2019 the date the financial statements were available to be issued.

Note 8 Public Employees Retirement Act (PERA)

The Village does not participate in PERA.

Note 9 Retiree Health Care

The Village does not participate in Retiree Health Care.

Supplementary Information

STATE OF NEW MEXICO
 VILLAGE OF FOLSOM
 Supplemental Information – Compiled Financial Statements
 Year Ended June 30, 2019

Schedule of Depositories

<u>Fund</u>	<u>Type</u>	<u>Amount Per Bank</u>	<u>Outstanding Deposits</u>	<u>Outstanding Checks</u>	<u>Balance Per Books</u>
General Fund	Checking	\$ 90	\$ -	\$ -	\$ 90
General Fund	Checking	47,943	-	-	47,943
General Fund	Checking	251,028	-	(7,642)	243,386
		<u>299,061</u>	<u>-</u>	<u>(7,642)</u>	<u>291,419</u>
Fire Protection Fund	Checking	274,336	-	(4,661)	269,675
Fire Protection Fund	CD	145,000	-	-	145,000
		<u>419,336</u>	<u>-</u>	<u>(4,661)</u>	<u>414,675</u>
Road Fund	Checking	60,401	-	(600)	59,801
LEPF Fund	Checking	4,849	-	-	4,849
Recreation Fund	Savings	34,883	-	-	34,883
		<u>\$ 818,530</u>	<u>\$ -</u>	<u>\$ (12,903)</u>	<u>\$ 805,627</u>

Schedule of Pledged Collateral

<u>Description</u>	<u>Number</u>	<u>Market Value</u>	<u>Date</u>	<u>Location</u>
FHLB LOC	3615000073	\$ 350,000	8/28/2019	FHLB Dallas Texas

Financial Statement Preparation

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

Exit Conference

The contents of this report were discussed with, Barbara Schoonover Councilor, Brisenth Doherty Clerk/Treasurer, and Sandra Rush, CPA, in an exit conference on October 4, 2019.

STATE OF NEW MEXICO
Village of Folsom

Independent Accountants' Report on
Applying Agreed-Upon Procedures
June 30, 2019

*Sandra Rush CPA PC
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Clovis, New Mexico 88101*

STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Office of the State Auditor Tier 6 Agreed-Upon Procedures

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June 30, 2019

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STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Office of the State Auditor Tier 6 Agreed-Upon Procedures

Official Roster
For the year ended June 30, 2019

Village Council

Stephanie King

Mayor

Terry McNabb

Mayor Pro-Tem

Tristan McNabb

Councilor

Barbara Schoonover

Councilor

Derek Karr

Councilor

Administrative Officials

Brisenth Doherty

Clerk-Treasurer

Independent Accountants'
Report on Applying Agreed-Upon Procedures

Brian Colón
New Mexico State Auditor
Mayor and Village Council
Village of Folsom
Folsom, New Mexico

I have performed the procedures enumerated in the attached schedule of procedures and results, which were agreed to by the Office of the State Auditor and the Village of Folsom, New Mexico, have specified, listed in the attached schedule, as require by Tier 6 of the Audit Act - Section 12-6-3B(6) NMSA 1978 and Section 2.2.2.16 NMAC for the year ended June 30, 2019. Village of Folsom, New Mexico's management is responsible for the Village's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I make no representation regarding the sufficiency of the procedures described in the attached schedule of procedures and responses either for the purpose for which this report has been requested or for any other purpose.

The procedures and results are detailed under Scope of Procedures and Results as noted in the table of contents.

My findings related to the procedures in the Scope of Procedures and Results are presented in the accompanying Schedule of Findings and Responses as listed in the table of contents.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter of the Village of Folsom for the year ending June 30, 2019. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

Sandra Rush CPA PC

Sandra Rush CPA PC
Clovis, New Mexico
October 04, 2019

1. Revenue Calculation and Tier Determination

Procedure

Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page."

Results of Procedures Performed

Verified the Association's revenue calculation and tier determination. No exceptions noted.

2. 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.
- b) Test at least 30% of the bank reconciliations for accuracy. Also trace ending balances to the general ledger, supporting documentation, and the financial reports submitted to DFA-LGD.
- 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.

Results Procedures

- a) The Village has 7 (seven) checking accounts, 1 (one) savings account, and 3 (three) certificates of deposits (CD's) and utilizes QuickBooks to record cash transactions. The Village does not account for the 3 (three) CD's on QuickBooks. Random test of thirty-two (32) reconciliations revealed the reconciliations were performed timely and all bank statements were complete and on-hand. Finding 2019-001
- b) Randomly tested thirty-two (32) reconciliations which represented approximately 33% of the bank reconciliations and traced the cash balances to the QuickBooks general ledger and the financial reports submitted to DFA-LGD. The reconciled cash balances did not agree with the QuickBooks general ledger. The \$145,000 difference is the balance of the three CD's that are not reported on the QuickBooks general ledger. The reconciled balances did not agree to the financial reports submitted to DFA-LGD the total difference was \$117,675. Finding 2019-002
- c) 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.

3. Capital Assets

Procedure

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

Results of Procedure

The Village has no record of when the last capital asset inventory count and observation completed. Finding 2019-003.

4. Debt

Procedure

If the local public body has any debt, verify that the required payments were made during the year. If the debt agreement requires reserves, verify that the local public body is in compliance with those requirements.

Results of Procedure

The local public body has no debt for the year ended June 30, 2019.

5. 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 equal to at least 30% of the total dollar amount and test 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.

Results of Procedures

a) Actual revenue compared to budgeted revenue for the fiscal year is reasonable and within expectations. The variance analysis for the budget to actual may be noted in the budgetary analysis in pages 9-14.

b) A sample of 17 revenue items totaling \$327,975 approximately 59% of total revenue were tested. No exceptions were noted as a result of this procedure. Amounts recorded in the general ledger agreed with supporting documents and with the corresponding bank account.

c) A sample of 17 revenue items totaling \$327,975 approximately 59% of total revenue were tested. No exceptions were noted as a result of this procedure. Amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation.

6. Expenditures

Procedures

Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test 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 canceled 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 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Results of Procedures

a) A sample of 23 expenditure items totaling \$112,836 approximately 40% of total expenditures were tested No exceptions were noted as a result of this procedure. The amount recorded as disbursed agrees to adequate supporting documentation, amount, payee, date and description agree to the vendor's invoice, contract and canceled check, as appropriate.

b) A sample of 23 expenditure items totaling \$112,836 approximately 40% of total expenditures were tested No exceptions were noted as a result of this procedure. The disbursements were properly authorized and approved in compliance with the budget, legal requirements, and established policies and procedures.

c) A sample of 23 expenditure items totaling \$112,836 approximately 40% of total expenditures were tested No exceptions were noted as a result of this procedure. The bid process (or request for proposal process, (if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico 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).

7. Journal Entries Procedures

Procedures

Test all non-routine journal entries, adjustments, and reclassifications posted to the general ledger 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.

Results of Procedures

a) Per inquiry with management and scan through the general ledger, the Village did not record any adjusting journal entries the only journal entries were made to void checks.

b) Per inquiry with management, testing of journal entries, and review of board minutes the Village has implemented review procedures for the journal entries.

8. Budget Procedures

Procedures

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

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 budgets 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.

Results of Procedures

a) The review of board minutes and letter from the State indicated that the budget and budget adjustments were approved by the board and the DFA-LGD.

b) Total actual expenditures from the general ledger did not exceed budgeted amounts as disclosed in the variance analysis for budget to actual on pages 9-14.

c) A schedule of revenue and expenses - budget and actual were prepared from the Village records on cash budgetary basis on pages 9-14.

9 Capital Outlay Appropriations Procedures

Procedures

The scope of the agreed-upon procedures engagement shall encompass any and all state-funded capital outlay appropriations of the New Mexico Legislature that meet Tier 6 criteria.; 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 that meet the Tier 6 criteria. Perform the following tests on all state-funded capital outlay expenditures:

Procedures

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.

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

c) Determine that the bid process (or request for proposal process is 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 i NMAC).

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

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.

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.

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.

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.

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.

Results of Procedures

- a) There were no disbursements for state-funded capital outlay.
- b) There were no disbursements for state-funded capital outlay: the budget, legal requirements and established policies and procedures reflected this.
- c) There was no bid process activity during the year.
- d) No state-funded capital assets were purchased during the year.
- e) No state-funded capital assets were purchased, no oversight agency is involved.
- f) No project funds in advance.
- g) All past projects have been completed. No unexpected balances are reflected to be reverted to the grantor.
- h) There was no cash received for state-funded capital outlay during the year.
- i) There was no cost incurred during the year.

10. Other Procedure

Procedure

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(1)(3)(C) NMAC.

Results of Procedure

Please refer to the schedule of findings and responses on pages 19-21.

STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Office of the State Auditor Tier 6 Agreed-Upon Procedures
Schedule of Revenues, Expenses, and Changes in Cash Balance
Budget and Actual (Non - GAAP Budgetary Basis)
General Fund - 101
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Property tax	\$ 5,000	\$ 5,894	\$ 5,894	\$ -
Gross receipts tax local	4,000	2,026	2,081	55
Gross receipts tax infrastructure	400	678	678	-
Gross receipts tax environment	200	339	339	-
GRT state shared equivalent distribution	4,000	7,141	7,141	-
Gas tax	-	-	-	-
MVD state shared excise tax	-	442	442	-
Other state shared taxes	-	2	2	-
Interest	250	5,190	6,230	1,040
Miscellaneous	5,000	276	556	280
State grants	-	-	-	-
Small cities assistance	90,000	90,000	90,000	-
Total revenue	108,850	111,988	113,363	1,375
Expenditures				
Current				
General government				
Executive - legislative	2,400	2,400	2,400	-
Finance and administration	40,200	87,847	81,279	6,568
Public safety	-	-	449	(449)
Public works	7,500	7,500	6,728	772
Culture and recreation	-	-	-	-
Capital outlay	13,768	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	63,868	97,747	90,856	6,891
Excess (deficiency) revenues over (under) expenditures	44,982	14,241	22,507	8,266
Other financing sources (uses):				
Operating transfers net	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	44,982	14,241	22,507	8,266
Cash balance, beginning	-	-	268,912	268,912
Cash balance, ending	\$ 44,982	\$ 14,241	\$ 291,419	\$ 277,178

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

STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Office of the State Auditor Tier 6 Agreed-Upon Procedures
Schedule of Revenues, Expenses, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
Special Revenue Fund - Fire Fund - 209
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Gross receipts tax local	-	-	-	-
Gross receipts tax infrastructure	-	-	-	-
Gross receipts tax environment	-	-	-	-
GRT state shared equivalent distribution	-	-	-	-
Gas tax	-	-	-	-
MVD state shared excise tax	-	-	-	-
Other state shared taxes	-	-	-	-
Interest	1,000	7,211	8,394	1,183
Miscellaneous	-	-	-	-
State grants	140,000	140,000	179,147	39,147
Small cities assistance	-	-	-	-
Total revenues	141,000	147,211	187,541	40,330
Expenditures				
Current				
General government				
Executive - legislative	-	-	-	-
Finance and administration	-	-	-	-
Public safety	103,400	87,657	87,595	62
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	103,400	87,657	87,595	62
Excess (deficiency) revenues over (under) expenditures	37,600	59,554	99,946	40,392
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	30,750	30,750	-	(30,750)
Total other financing sources (uses)	30,750	30,750	-	(30,750)
Net change in cash balances	68,350	90,304	99,946	9,642
Cash balance, beginning	-	-	314,729	314,729
Cash balance, ending	\$ 68,350	\$ 90,304	\$ 414,675	\$ 324,371

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

STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Office of the State Auditor Tier 6 Agreed-Upon Procedures
Schedule of Revenues, Expenses, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
Special Revenue Fund - Law Enforcement Protection Fund - 211
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Gross receipts tax local	-	-	-	-
Gross receipts tax infrastructure	-	-	-	-
Gross receipts tax environment	-	-	-	-
GRT state shared equivalent distribution	-	-	-	-
Gas tax	-	-	-	-
MVD state shared excise tax	-	-	-	-
Other state shared taxes	-	-	-	-
Interest	-	211	240	29
Miscellaneous	-	-	-	-
State grants	20,000	20,000	20,000	-
Small cities assistance	-	-	-	-
Total revenues	20,000	20,211	20,240	29
Expenditures				
Current				
General government				
Executive - legislative	-	-	-	-
Finance and administration	-	-	-	-
Public safety	20,553	15,840	15,391	449
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	20,553	15,840	15,391	449
Excess (deficiency) revenues over (under) expenditures	(553)	4,371	4,849	478
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	(553)	4,371	4,849	478
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ (553)	\$ 4,371	\$ 4,849	\$ 478

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

STATE OF NEW MEXICO
 VILLAGE OF FOLSOM
 Office of the State Auditor Tier 6 Agreed-Upon Procedures
 Schedule of Revenues, Expenses, and Changes in Cash Balances
 Budget and Actual (Non - GAAP Budgetary Basis)
 Special Revenue Fund - Road Fund - 216
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Gross receipts tax local	-	-	-	-
Gross receipts tax infrastructure	-	-	-	-
Gross receipts tax environment	-	-	-	-
GRT state shared equivalent distribution	-	-	-	-
Gas tax	5,000	5,372	5,372	-
MVD state shared excise tax	-	-	-	-
Other state shared taxes	-	-	-	-
Interest	15	1,523	1,523	-
Miscellaneous	-	-	-	-
State grants	-	30,000	30,000	-
Small cities assistance	-	-	-	-
Total revenues	5,015	36,895	36,895	-
Expenditures				
Current				
General government				
Executive - legislative	-	-	-	-
Finance and administration	-	-	-	-
Public safety	-	-	-	-
Public works	2,500	49,855	49,855	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,500	49,855	49,855	-
Excess (deficiency) revenues over (under) expenditures	2,515	(12,960)	(12,960)	-
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	-	72,761	-	(72,761)
Total other financing sources (uses)	-	72,761	-	(72,761)
Net change in cash balances	2,515	59,801	(12,960)	(72,761)
Cash balance, beginning	-	-	72,761	72,761
Cash balance, ending	\$ 2,515	\$ 59,801	\$ 59,801	\$ -

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

STATE OF NEW MEXICO
VILLAGE OF FOLSOM
Office of the State Auditor Tier 6 Agreed-Upon Procedures
Schedule of Revenues, Expenses, and Changes in Cash Balances
Budget and Actual (Non - GAAP Budgetary Basis)
Special Revenue Fund - Recreation Fund - 217
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Gross receipts tax local	-	-	-	-
Gross receipts tax infrastructure	-	-	-	-
Gross receipts tax environment	-	-	-	-
GRT state shared equivalent distribution	-	-	-	-
Gas tax	-	-	-	-
MVD state shared excise tax	-	-	-	-
Other state shared taxes	-	-	-	-
Interest	-	230	230	-
Miscellaneous	-	-	-	-
State grants	-	-	-	-
Small cities assistance	-	-	-	-
Total revenues	-	230	230	-
Expenditures				
Current				
General government				
Executive - legislative	-	-	-	-
Finance and administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) revenues over (under) expenditures	-	230	230	-
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	-	230	230	-
Cash balance, beginning	-	-	34,653	34,653
Cash balance, ending	\$ -	\$ 230	\$ 34,883	\$ 34,653

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

STATE OF NEW MEXICO
 VILLAGE OF FOLSOM
 Office of the State Auditor Tier 6 Agreed-Upon Procedures
 Schedule of Revenues, Expenses, and Changes in Cash Balances
 Budget and Actual (Non - GAAP Budgetary Basis)
 Special Revenue Fund - EMS Fund - 206
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Gross receipts tax local	-	-	-	-
Gross receipts tax infrastructure	-	-	-	-
Gross receipts tax environment	-	-	-	-
GRT state shared equivalent distribution	-	-	-	-
Gas tax	-	-	-	-
MVD state shared excise tax	-	-	-	-
Other state shared taxes	-	-	-	-
Interest	-	25	25	-
Miscellaneous	-	-	-	-
State grants	-	-	-	-
Small cities assistance	-	-	-	-
Total revenues	-	25	25	-
Expenditures				
Current				
General government				
Executive - legislative	-	-	-	-
Finance and administration	-	-	-	-
Public safety	-	3,061	3,061	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	3,061	3,061	-
Excess (deficiency) revenues over (under) expenditures	-	(3,036)	(3,036)	-
Other financing sources (uses)				
Operating transfers net	-	-	-	-
Designated cash	-	3,036	-	(3,036)
Total other financing sources (uses)	-	3,036	-	(3,036)
Net change in cash balances	-	-	(3,036)	(3,036)
Cash balance, beginning	-	-	3,036	3,036
Cash balance, ending	\$ -	\$ -	\$ -	\$ -

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

State of New Mexico
Local Government Budget Management System (LGBMS)

Year-to-Date Actuals - Fiscal Year 2018-2019 - FY 2019 Q4
Folsom (Village) - Approved
Summary Report Sorted by Fund and Department

Printed from LGBMS on 2019-11-23 09:38:34

11000 General Operating Fund

10000 Assets

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	260,165.33	0.00	260,165.33	253,372.95	6,792.38	97.39
12000 Receivables	0.00	0.00	0.00	0.00	0.00	0.00
0001 Totals	260,165.33	0.00	260,165.33	253,372.95	6,792.38	97.39
10000 Assets Totals	260,165.33	0.00	260,165.33	253,372.95	6,792.38	97.39

20000 Liabilities

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
21000 Payables	0.00	0.00	0.00	0.00	0.00	0.00
0001 Totals	0.00	0.00	0.00	0.00	0.00	0.00
20000 Liabilities Totals	0.00	0.00	0.00	0.00	0.00	0.00

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
41000 Taxes Local Effort	9,600.00	0.00	9,600.00	8,938.97	663.03	93.09
42000 Taxes State Shared	4,000.00	0.00	4,000.00	7,585.07	(3,585.07)	189.63
44000 Charges for Services	0.00	0.00	0.00	0.00	0.00	0.00
46000 Miscellaneous Revenues	5,250.00	0.00	5,250.00	5,465.65	(215.65)	104.11
47000 Intergovernmental Grants (Distributions)	90,000.00	0.00	90,000.00	90,000.00	0.00	100.00
0001 Totals	108,850.00	0.00	108,850.00	111,987.69	(3,137.69)	102.88
40000 Revenues Totals	108,850.00	0.00	108,850.00	111,987.69	(3,137.69)	102.88

50000 Expenditures

1001 Governing Body	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	22,400.00	0.00	22,400.00	25,367.70	(2,967.70)	113.25
53000 Travel Costs	200.00	0.00	200.00	210.10	(10.10)	105.05
54000 Purchased Property Services	5,000.00	0.00	5,000.00	30,336.17	(25,336.17)	606.72
55000 Contractual Services	4,500.00	0.00	4,500.00	4,473.74	26.26	99.42
56000 Supplies	500.00	0.00	500.00	4,432.38	(3,932.38)	886.48
57000 Operating Costs	3,000.00	0.00	3,000.00	10,784.93	(7,784.93)	359.50
1001 Totals	35,600.00	0.00	35,600.00	75,605.02	(40,005.02)	212.37
2002 General Administration	Original	Adjustments	Adjusted	YTD	Balance	% Realized
57000 Operating Costs	5,000.00	0.00	5,000.00	12,642.40	(7,642.40)	252.85
2002 Totals	5,000.00	0.00	5,000.00	12,642.40	(7,642.40)	252.85
2006 Operations & Maintenance	Original	Adjustments	Adjusted	YTD	Balance	% Realized
57000 Operating Costs	0.00	0.00	0.00	0.00	0.00	0.00
58000 Capital Purchases	13,768.00	0.00	13,768.00	0.00	13,768.00	0.00
2006 Totals	13,768.00	0.00	13,768.00	0.00	13,768.00	0.00
3003 Emergency Services/Ambulance	Original	Adjustments	Adjusted	YTD	Balance	% Realized
55000 Contractual Services	2,500.00	0.00	2,500.00	0.00	2,500.00	0.00
3003 Totals	2,500.00	0.00	2,500.00	0.00	2,500.00	0.00
4003 Parks & Recreation	Original	Adjustments	Adjusted	YTD	Balance	% Realized
54000 Purchased Property Services	5,000.00	0.00	5,000.00	0.00	5,000.00	0.00
55000 Contractual Services	2,000.00	0.00	2,000.00	0.00	2,000.00	0.00
4003 Totals	7,000.00	0.00	7,000.00	0.00	7,000.00	0.00
50000 Expenditures Totals	63,868.00	0.00	63,868.00	88,247.42	(24,379.42)	138.17

60000 Other Financing Sources

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
0001 No Department						
61000 Transfers	(165,560.00)	0.00	(165,560.00)	(165,608.31)	48.31	100.03
0001 Totals	(165,560.00)	0.00	(165,560.00)	(165,608.31)	48.31	100.03
60000 Other Financing Sources Totals	(165,560.00)	0.00	(165,560.00)	(165,608.31)	48.31	100.03

20300 County Property Valuation

40000 Revenues

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
0001 No Department						
46000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00	0.00
0001 Totals	0.00	0.00	0.00	0.00	0.00	0.00
40000 Revenues Totals	0.00	0.00	0.00	0.00	0.00	0.00

20500 Hold Harmless GRT

50000 Expenditures

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
2002 General Administration						
55000 Contractual Services	0.00	0.00	0.00	0.00	0.00	0.00
2002 Totals	0.00	0.00	0.00	0.00	0.00	0.00
50000 Expenditures Totals	0.00	0.00	0.00	0.00	0.00	0.00

20600 Emergency Medical Services

40000 Revenues

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
0001 No Department						
46000 Miscellaneous Revenues	0.00	0.00	0.00	25.19	(25.19)	0.00
0001 Totals	0.00	0.00	0.00	25.19	(25.19)	0.00
40000 Revenues Totals	0.00	0.00	0.00	25.19	(25.19)	0.00

50000 Expenditures

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
2002 General Administration						
59000 Debt Service	0.00	0.00	0.00	3,060.68	(3,060.68)	0.00
2002 Totals	0.00	0.00	0.00	3,060.68	(3,060.68)	0.00
50000 Expenditures Totals	0.00	0.00	0.00	3,060.68	(3,060.68)	0.00

60000 Other Financing Sources

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
0001 No Department						
61000 Transfers	0.00	0.00	0.00	0.00	0.00	0.00
0001 Totals	0.00	0.00	0.00	0.00	0.00	0.00
60000 Other Financing Sources Totals	0.00	0.00	0.00	0.00	0.00	0.00

20900 Fire Protection

10000 Assets

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
0001 No Department						
10100 Cash Assets	316,188.00	0.00	316,188.00	316,188.00	0.00	100.00
0001 Totals	316,188.00	0.00	316,188.00	316,188.00	0.00	100.00
10000 Assets Totals	316,188.00	0.00	316,188.00	316,188.00	0.00	100.00

40000 Revenues

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
0001 No Department						
46000 Miscellaneous Revenues	1,000.00	0.00	1,000.00	7,210.72	(6,210.72)	721.07
47000 Intergovernmental Grants (Distributions)	140,000.00	0.00	140,000.00	0.00	140,000.00	0.00
0001 Totals	141,000.00	0.00	141,000.00	7,210.72	133,789.28	5.11
40000 Revenues Totals	141,000.00	0.00	141,000.00	7,210.72	133,789.28	5.11

50000 Expenditures

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
2002 General Administration						
57000 Operating Costs	0.00	0.00	0.00	2,676.79	(2,676.79)	0.00
2002 Totals	0.00	0.00	0.00	2,676.79	(2,676.79)	0.00

3002 Fire Protection

	Original	Adjustments	Adjusted	YTD	Balance	% Realized
53000 Travel Costs	5,000.00	0.00	5,000.00	0.00	5,000.00	0.00
54000 Purchased Property Services	50,000.00	0.00	50,000.00	30,060.35	19,939.65	60.12
55000 Contractual Services	2,500.00	0.00	2,500.00	0.00	2,500.00	0.00

56000 Supplies	12,500.00	0.00	12,500.00	3,828.30	8,671.70	30.63
57000 Operating Costs	33,400.00	0.00	33,400.00	29,494.35	3,905.65	88.31
3002 Totals	103,400.00	0.00	103,400.00	63,383.00	40,017.00	61.30
50000 Expenditures Totals	103,400.00	0.00	103,400.00	66,059.79	37,340.21	63.89

60000 Other Financing Sources

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
61000 Transfers	165,560.00	0.00	165,560.00	161,828.00	3,732.00	97.75
0001 Totals	165,560.00	0.00	165,560.00	161,828.00	3,732.00	97.75
60000 Other Financing Sources Totals	165,560.00	0.00	165,560.00	161,828.00	3,732.00	97.75

21100 Law Enforcement Protection

10000 Assets

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	553.00	0.00	553.00	553.00	0.00	100.00
0001 Totals	553.00	0.00	553.00	553.00	0.00	100.00
10000 Assets Totals	553.00	0.00	553.00	553.00	0.00	100.00

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
46000 Miscellaneous Revenues	0.00	0.00	0.00	211.34	(211.34)	0.00
47000 Intergovernmental Grants (Distributions)	20,000.00	0.00	20,000.00	20,000.00	0.00	100.00
0001 Totals	20,000.00	0.00	20,000.00	20,211.34	(211.34)	101.06
40000 Revenues Totals	20,000.00	0.00	20,000.00	20,211.34	(211.34)	101.06

50000 Expenditures

3001 Law Enforcement	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	4,000.00	0.00	4,000.00	0.00	4,000.00	0.00
54000 Purchased Property Services	3,000.00	0.00	3,000.00	0.00	3,000.00	0.00
56000 Supplies	7,553.00	0.00	7,553.00	15,840.05	(8,287.05)	209.72
57000 Operating Costs	6,000.00	0.00	6,000.00	0.00	6,000.00	0.00
3001 Totals	20,553.00	0.00	20,553.00	15,840.05	4,712.95	77.07
50000 Expenditures Totals	20,553.00	0.00	20,553.00	15,840.05	4,712.95	77.07

21600 Municipal Street

10000 Assets

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	74,471.00	0.00	74,471.00	74,471.00	0.00	100.00
0001 Totals	74,471.00	0.00	74,471.00	74,471.00	0.00	100.00
10000 Assets Totals	74,471.00	0.00	74,471.00	74,471.00	0.00	100.00

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
42000 Taxes State Shared	5,000.00	0.00	5,000.00	5,371.84	(371.84)	107.44
46000 Miscellaneous Revenues	15.00	0.00	15.00	1,523.12	(1,508.12)	10,154.13
0001 Totals	5,015.00	0.00	5,015.00	6,894.96	(1,879.96)	137.49
40000 Revenues Totals	5,015.00	0.00	5,015.00	6,894.96	(1,879.96)	137.49

50000 Expenditures

2002 General Administration	Original	Adjustments	Adjusted	YTD	Balance	% Realized
54000 Purchased Property Services	0.00	0.00	0.00	44,500.00	(44,500.00)	0.00
55000 Contractual Services	2,500.00	0.00	2,500.00	5,355.12	(2,855.12)	214.20
2002 Totals	2,500.00	0.00	2,500.00	49,855.12	(47,355.12)	1,994.20
50000 Expenditures Totals	2,500.00	0.00	2,500.00	49,855.12	(47,355.12)	1,994.20

60000 Other Financing Sources

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
61000 Transfers	0.00	0.00	0.00	30,000.00	(30,000.00)	0.00
0001 Totals	0.00	0.00	0.00	30,000.00	(30,000.00)	0.00
60000 Other Financing Sources Totals	0.00	0.00	0.00	30,000.00	(30,000.00)	0.00

21700 Recreation

40000 Revenues							
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
46000 Miscellaneous Revenues	0.00	0.00	0.00	229.84	(229.84)	0.00	
0001 Totals	0.00	0.00	0.00	229.84	(229.84)	0.00	
40000 Revenues Totals	0.00	0.00	0.00	229.84	(229.84)	0.00	

69900 Other Internal Service

10000 Assets							
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
10100 Cash Assets	43,367.00	0.00	43,367.00	43,367.00	0.00	100.00	
0001 Totals	43,367.00	0.00	43,367.00	43,367.00	0.00	100.00	
10000 Assets Totals	43,367.00	0.00	43,367.00	43,367.00	0.00	100.00	

40000 Revenues							
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
46000 Miscellaneous Revenues	0.00	0.00	0.00	5,570.70	(5,570.70)	0.00	
0001 Totals	0.00	0.00	0.00	5,570.70	(5,570.70)	0.00	
40000 Revenues Totals	0.00	0.00	0.00	5,570.70	(5,570.70)	0.00	

50000 Expenditures							
2015 Internal Services	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
57000 Operating Costs	0.00	0.00	0.00	12,608.59	(12,608.59)	0.00	
2015 Totals	0.00	0.00	0.00	12,608.59	(12,608.59)	0.00	
50000 Expenditures Totals	0.00	0.00	0.00	12,608.59	(12,608.59)	0.00	

60000 Other Financing Sources							
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
61000 Transfers	0.00	0.00	0.00	(26,219.69)	26,219.69	0.00	
0001 Totals	0.00	0.00	0.00	(26,219.69)	26,219.69	0.00	
60000 Other Financing Sources Totals	0.00	0.00	0.00	(26,219.69)	26,219.69	0.00	

ALL FUNDS							
10000 Assets	694,744.33	0.00	694,744.33	687,951.95	6,792.38	99.02	
20000 Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	
40000 Revenues	274,865.00	0.00	274,865.00	152,130.44	122,734.56	55.35	
50000 Expenditures	190,321.00	0.00	190,321.00	235,871.65	(45,350.65)	123.83	
60000 Other Financing Sources	0.00	0.00	0.00	0.00	0.00	0.00	

Prior Year Findings

2018-001 (2011-001)	Actual Expenditures Exceeded Approved Budget	Resolved
2018-002 (2012-001)	Cash	Revised and Repeated
2018-003 (2012-002)	Capital Assets	Revised and Repeated
2018-004 (2012-003)	Journal Entries	Resolved
20018-005	Internal Control Over Cash Disbursements	Resolved

Current Year Findings

2019-001 (2018-002) (2012-001) Cash and Investments Material Weakness

Condition

The Village has 7 (seven) checking accounts, 1 (one) savings account, and 3 (three) certificates of deposits (CD's) and utilizes QuickBooks to record cash transactions. The Village does not account for the 3 (three) CD's on QuickBooks. Limited progress was made correcting this finding.

The Village's cash balance on the financial report submitted to DFA-LGD are incorrect.

Criteria

Bank statements should be reconciled to the balance in the general ledger and subsidiary ledgers as required by 6-10-2 NMSA 1978. All bank and investment accounts should be included on the general ledger and the DFA-LGD report.

As the oversight agency, the Department of Finance and Administration Local Government Division (DFA-LGD) requires that the Village maintain accurate accounting records and file accurate and timely reports to DFA-LGD pursuant to 6-6-3 NMSA 1978.

Cause

A lack of required record keeping, internal control, and policies and procedures designed to detect and correct such situations and conditions.

Effect

Errors and irregularities may not be detected in a timely manner.

Recommendation

It is recommended that the Village review the reconciliation process and establish internal controls to mitigate the risk of error. Reconciliations should be reviewed and approved by management.

Agency response

The Village added the three CD's to their QuickBooks as of 10/08/19. Treasurers' reports are always and have always been approved by the council at the council meeting each month. DFA-LGD balances have been corrected via a BAR as of 10/08/2019 as requested by our DFA analyst for the new fiscal year.

Expected Correction Date: 10/08/2019

Employee Responsible: Clerk

2019-002 DFA-LGD Financial Reports

Significant Deficiency and Other Compliance

Condition

The reconciled cash balances did not agree with the financial reports submitted to DFA-LGD the differences are listed below.

Fund	Cash Per General Ledger	Cash per DFA-LGD Report	Difference
General	\$ 291,419	\$ 296,740	\$ (5,321)
Fire Protection	414,675	316,188	98,487
LEPF	4,849	553	4,296
Road	59,801	74,471	(14,670)
Recreation	34,883	-	34,883
	<u>\$ 805,627</u>	<u>\$ 687,952</u>	<u>\$ 117,675</u>

Criteria

Per Section 6-10-2 NMSA 1978, it is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily to show the balance of public money on hand at the close of each day's business.

Section 6-6-2 NMSA, 1978 states that every local public body shall make all reports as may be required by the Department of Finance and Administration-Local Government Division (DFA-LGD) and conform to the rules and regulations adopted by the DFA-LGD.

Cause

Village failed to verify amounts reported to DFA-LGD agreed with the QuickBooks general ledger.

Effect

The Village has not complied with Section 6-10-2 and Section 6-6-2 NMSA 1978.

Recommendation

It is recommended the Village review the financial reports and verify the reports agree with the QuickBooks general ledger prior to submitting the reports to DFA-LGD.

Response

DFA-LGD balances have been corrected via a BAR as of 10/08/2019 as requested by our DFA analyst for the new fiscal year. The Village will verify that the general ledger matched the report that is submitted to the DFA- LGD.

Expected Correction Date: 2019-2020 Fiscal Year
 Employee Responsible: Clerk/ Council

2019-003 (2012-002) Capital Asset Inventory

Significant Deficiency and Other Compliance

Condition

The Village does not maintain a capital asset inventory schedule, nor did they perform a physical inventory count at June 30, 2019. Thus, there was no capital asset inventory for the council to certify as correct. There has been no progress made from the prior year report.

Criteria

NMSA 1978, Section 12-6-10 states "the governing authority of each agency shall, at the end of each fiscal year, conduct a physical inventory of movable chattels and equipment costing more than \$5,000 and under the control of the governing authority. This inventory shall include all movable chattels and equipment procured through the capital program fund under Section 15-3B- 1 6 NMSA 1978, which are assigned to the agency designated by the director of the facilities management division of the general services department as the user agency. The inventory shall list the chattels and equipment and the date and cost of acquisition. Upon completion the inventory shall be certified by the governing authority as to correctness".

GASB 34 requires movements to report general infrastructure assets in the Statement of Net Position. State law requires an annual inventory of capital assets be performed. Section 12-6-10, NMSA 1978, requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year.

Cause

The Village failed maintain a capital asset and depreciation schedule that complies with GASB 34 and they did not conduct an inventory count and certify the correctness of the annual inventory.

Effect

Lack of a capital asset and depreciation and inventory counts can cause an incorrect representation of capital assets. The Village has not complied with NMSA 1978, Section 12-6-10.

Recommendation

It is recommended that the Village develop a capital asset and depreciation schedule that complies with GASB 34 and conduct an annual capital asset inventory and certify the correctness of the inventory.

Response

The Village will do a timely capital assets inventory schedule this upcoming fiscal year.

Expected Correction Date: 2019-2020 Fiscal Year

Employee Responsible: Clerk

The contents of this report were discussed with, Barbara Schoonover Councilor, Brisenth Doherty Clerk/Treasurer, and Sandra Rush, CPA, in an exit conference on September 21, 2019.