

**STATE OF NEW MEXICO
VILLAGE OF HOPE**

**INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF TIER 6
AGREED-UPON PROCEDURES
AND COMPILED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
VILLAGE OF HOPE
TABLE OF CONTENTS
JUNE 30, 2018**

	Page Number
INTRODUCTORY SECTION	
Table of Contents	i
Official Roster.....	ii
 FINANCIAL SECTION	
Independent Accountant’s Report on the Application of Tier 6 Agreed-Upon Procedures.....	1
Scope of Procedures and Results.....	2
<u>Compiled Financial Statements:</u>	
Independent Accountant’s Compilation Report	7
Combined Balance Sheet - Modified Accrual Basis – Governmental Funds.....	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Accrual Basis - Governmental Funds.....	10
Statement of Net Position - Water and Sewer Fund.....	12
Statement of Revenues, Expenses, and Changes in Net Position - Water and Sewer Fund.....	13
Notes to the Financial Statements	14
Schedules of Revenues and Expenditures – Budget and Actual (Non-GAAP)	
General Fund	25
Fire Protection Fund	26
Law Enforcement Protection Fund	27
EMS Fund	28
Water and Sewer Fund	29
Year-end Financial Report Submitted to Department of Finance and Administration.....	30
 INTERNAL CONTROL AND COMPLIANCE	
Schedule of Findings and Responses	39
Schedule of Status of Prior Year Findings.....	40
Exit Conference and Other Disclosures.....	41

**STATE OF NEW MEXICO
VILLAGE OF HOPE
OFFICIAL ROSTER
JUNE 30, 2018**

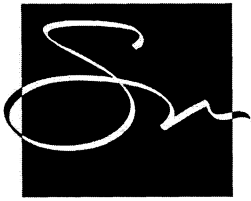
VILLAGE COUNCIL

Name	Title
Charles Fletcher	Mayor
Bob Rogers	Mayor Pro-Tem
Marc Kincaid	Councilor
Bob Stewart	Councilor
Jeremiah Fletcher	Councilor

VILLAGE PERSONNEL

Sonia Carbajal	Clerk
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FINANCIAL SECTION



SCOTT NORTHAM, CPA, PC
Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON THE
APPLICATION OF TIER 6 AGREED-UPON PROCEDURES**

Wayne Johnson, New Mexico State Auditor, and
Honorable Mayor and Village Councilors of
Village of Hope
Hope, New Mexico

We have performed the procedures enumerated below for the Village of Hope (the Village), for the year ended June 30, 2018. The Village was determined to be a Tier 6 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the Village through the Office of the New Mexico State Auditor. The Village's management is responsible for the organization's accounting records. 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.

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

Our 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. We were 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 Village's financial position and operations as of and for the year ended June 30, 2018. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to those parties specified in the report.

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

Scott Northam, CPA, PC
Ruidoso, New Mexico
October 4, 2018

**STATE OF NEW MEXICO
VILLAGE OF HOPE
SCOPE OF PROCEDURES AND RESULTS
JUNE 30, 2018**

1. 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.”

Tier 6 Requirements – Cash basis revenues excluding capital outlay funds, federal or private grants of \$250,000 or more but less than \$500,000.	The Village’s cash basis revenues excluding capital outlay funds, federal or private grants totaled \$324,388. The Village is correctly categorized as a Tier 6 agency.
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2. Cash Procedures

a. Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements are complete and on-hand.	All fiscal year bank reconciliations and statements were on-hand and available for compliance examination. Reconciliations were performed timely performed within a reasonable time after the end of the month.
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-Local Government Division.	A review of all fiscal year bank reconciliations noted the reconciliations were accurate and agreed with the general ledger and DFA reports.
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.	The Village’s funds on deposit with the financial institution exceeded the \$250,000 FDIC maximum insured coverage during the year. The financial institution provided sufficient additional pledged collateralization to be compliant with state statutes.

3. Capital Assets

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.	The Village provided a capital asset inventory listing as required under Section 12-6-10 NMSA 1978, which was approved by the Village Council.
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4. Debt

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.	The Village made the required debt payments to NMFA during the fiscal year. The NMFA debt does not require the Village to hold reserves.
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**STATE OF NEW MEXICO
VILLAGE OF HOPE
SCOPE OF PROCEDURES AND RESULTS
JUNE 30, 2018**

5. Revenue Identify the nature and amount of revenue from all 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.	Analytical review and tests of actual revenue compared to budgeted revenue for the fiscal year noted no exceptions.
b. Select a sample equal to at least 30% of the total dollar amount and test following attributes: Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.	Revenue transactions amounting to approximately 86% of total Village revenue recorded in the general ledger agreed with deposit slips, utility reports and other supporting documentation provided and the bank statements with no exceptions.
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 record on: cash basis, modified accrual basis, or accrual basis.	Amounts were properly recorded on the cash basis as to classification, amount and period per review of supporting documentation.

6. Expenditures Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test the following attributes:	
a. Determine that the 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.	A representative sample of disbursement transactions totaling approximately 72% of total disbursements noted no exceptions with respect to amount, payee, date and description
b. Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.	The representative sample of disbursements noted no exceptions as to authorization and approval for payment, budget compliance and compliance with 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).	Disbursement testwork revealed no exceptions to the process (or request for proposal process, if applicable), purchase orders, contracts and agreements being 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).

**STATE OF NEW MEXICO
VILLAGE OF HOPE
SCOPE OF PROCEDURES AND RESULTS
JUNE 30, 2018**

7. Journal Entries 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.	There were no non-routine journal entries posted to the general ledger
b. The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.	There were no non-routine journal entries posted to the general ledger. The Village has policies in place that require any journal entries made by the village clerk to be reviewed and approved by the Mayor and Village Council.

8. Budget Obtain the original fiscal year budget and all budget adjustments 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 body's governing body and DFA-LGD.	The original and final budgets were approved by the Board of Directors and DFA-LGD. No budget adjustments for the fiscal year were made.
b. Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.	The Village exceeded the final budgetary expectations for the Fire Protection Fund. See Finding 2018-001 .
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.	The Schedules of Revenue and Expenditures – Budget and Actual accompanying these procedures are prepared on the cash basis used by the Village and prepared from the original and final approved budgets and general ledger.

**STATE OF NEW MEXICO
VILLAGE OF HOPE
SCOPE OF PROCEDURES AND RESULTS
JUNE 30, 2018**

<p>9. Capital Outlay Appropriations The scope of the agreed-upon procedures engagement shall encompass any and all state-funded capital 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 funds expended by the recipient during the fiscal year that meet TIER 6 criteria. Perform the following tests on all state-funded capital outlay expenditures:</p>	
<p>a. Determine that the amount recorded as disbursed agrees to the adequate supporting documentation. Verify that amount, payee, date and description to agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>b. Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>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 131-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>d. Determine the physical existence (by observation) of the capital asset based on expenditures to date.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>e. Verify that status reports were submitted to the state agency per terms of the agreement and amounts in the status report agree with the general ledger and supporting documentation.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>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</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>g. If the project is complete, determine if there is an unexpected balance and whether it was reverted per statute and agreement with the grantor.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>h. Determine whether cash received for the award was accounted for in a separate fund or a separate bank account that is non-interest bearing if so required by the capital outlay award agreement.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>

**STATE OF NEW MEXICO
VILLAGE OF HOPE
SCOPE OF PROCEDURES AND RESULTS
JUNE 30, 2018**

<p>9. Capital Outlay Appropriations (Cont.) The scope of the agreed-upon procedures engagement shall encompass any and all state-funded capital 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 funds expended by the recipient during the fiscal year that meet TIER 6 criteria. Perform the following tests on all state-funded capital outlay expenditures:</p>	
<p>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 of the reimbursement.</p>	<p>The Village did not receive or spend any state-funded capital appropriations from the New Mexico Legislature during the fiscal year.</p>
<p>10. Other</p>	
<p>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.</p>	<p>No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts or internal control deficiencies.</p>



SCOTT NORTHAM, CPA, PC
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Wayne Johnson, New Mexico State Auditor, and
Honorable Mayor and Village Trustees of
Village of Hope
Hope, New Mexico

Management is responsible for the accompanying financial statements of Village of Hope, New Mexico, which comprise the balance sheets - governmental funds, and the statements of net position- proprietary funds, for each individual fund, as of June 30, 2018 and the related statements of revenues, expenditures and changes in fund balances - governmental funds, statements of revenues, expenses and changes in net position - proprietary funds for each individual fund for the year 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).

We 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. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we 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; (2) the proprietary fund financial statements prepared using the accrual basis of accounting; and (3) only the notes related to those financial statements. However, in complying with these requirements, management has omitted the following financial statements and notes required by accounting principles generally accepted in the United States of America (GAAP): (a) the accompanying governmentwide financial statements; (b) the statement of cash flows - proprietary funds; and (3) note disclosures related to items (a) and (b). These omissions result in the financial statements being presented on a basis of accounting other than GAAP.

Management has also omitted the Management Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such omitted information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Scott Northam, CPA, PC
Ruidoso, New Mexico
October 4, 2018

**STATE OF NEW MEXICO
VILLAGE OF HOPE
COMBINING BALANCE SHEET
MODIFIED ACCRUAL BASIS
JUNE 30, 2018**

GOVERNMENTAL FUNDS			
	General Fund	Fire Protection Fund	Fire Excise Tax Fund
ASSETS			
ASSETS			
Cash and Cash Equivalents	\$ 576,523	\$ 75,356	\$ 14,469
Grant Receivable	148,914		
Taxes Receivable			
Property	283	-	-
Gross Receipts	10,589	-	-
Gasoline	866	-	-
Motor Vehicle	83	-	-
Total Assets	\$ 737,258	\$ 75,356	\$ 14,469
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 170,721	\$ -	\$ -
Accrued Payroll Liabilities	6,142	-	-
Total Fund Balances	176,863	-	-
 FUND BALANCES			
Assigned	-	75,356	14,469
Unassigned	560,395	-	-
Total Fund Balances	560,395	75,356	14,469
Total Liabilities and Fund Balances	\$ 737,258	\$ 75,356	\$ 14,469

GOVERNMENTAL FUNDS

Law Enforcement Protection Fund	EMS Fund	Total Governmental Funds
\$ 24,902	\$ 2,402	\$ 693,652 148,914
-	-	283
-	-	10,589
-	-	866
-	-	83
<u>\$ 24,902</u>	<u>\$ 2,402</u>	<u>\$ 854,387</u>
\$ -	\$ -	\$ 170,721 6,142
-	-	-
-	-	176,863
24,902	2,402	117,129 560,395
-	-	-
<u>24,902</u>	<u>2,402</u>	<u>677,524</u>
<u>\$ 24,902</u>	<u>\$ 2,402</u>	<u>\$ 854,387</u>

**STATE OF NEW MEXICO
VILLAGE OF HOPE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MODIFIED ACCRUAL BASIS
YEAR ENDED JUNE 30, 2018**

	GOVERNMENTAL FUNDS		
	General Fund	Fire Protection Fund	Fire Excise Tax Fund
REVENUES			
Taxes			
Property	\$ 20,033	\$ -	\$ -
Gross Receipts	27,812	-	-
Gasoline	5,273	-	-
Motor Vehicle	869	-	-
Intergovernmental			
State	90,000	83,401	-
Local	15,590	-	-
Capital Grants	168,300		
Fines and Fees	20,895	-	-
Licenses and Permits	30	-	-
Interest	1,491	-	-
Other Revenue		32	-
	Total Revenues	83,433	-
EXPENDITURES			
Current			
Finance and Administration	80,183	-	-
Judicial	16,454	-	-
Public Safety	34,960	45,948	-
Public Works	48,092	-	-
Capital Outlay	212,276	50,000	-
	Total Expenditures	95,948	-
	Excess (Deficit) of Revenues over Expenditures	(12,515)	-
	(41,672)	(12,515)	-
Fund Balance, Beginning of Year	602,067	87,871	14,469
Fund Balance, End of Year	\$ 560,395	\$ 75,356	\$ 14,469

GOVERNMENTAL FUNDS

Law Enforcement Protection Fund	EMS Fund	Total Governmental Funds
\$ -	\$ -	\$ 20,033
-	-	27,812
-	-	5,273
-	-	869
20,600	5,000	199,001
-	-	15,590
		168,300
-	-	20,895
-	-	30
-	-	1,491
-	-	32
<u>20,600</u>	<u>5,000</u>	<u>459,326</u>
-	-	80,183
-	-	16,454
20,437	3,117	104,462
.	-	48,092
<u>11,000</u>	<u>-</u>	<u>273,276</u>
<u>31,437</u>	<u>3,117</u>	<u>522,467</u>
(10,837)	1,883	(63,141)
<u>35,739</u>	<u>519</u>	<u>740,665</u>
<u>\$ 24,902</u>	<u>\$ 2,402</u>	<u>\$ 677,524</u>

**STATE OF NEW MEXICO
VILLAGE OF HOPE
STATEMENT OF NET POSITION
WATER AND SEWER FUND
JUNE 30, 2018**

	Water and Sewer Fund
ASSETS	
ASSETS	
Cash and Cash Equivalents	\$ 207,436
Accounts Receivable, Net	3,756
Capital Assets, Net	<u>631,689</u>
Total Assets	<u><u>\$ 842,881</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
NMFA Loans Payable	<u>\$ 27,207</u>
Total Liabilities	<u>27,207</u>
NET POSITION	
Net Investment in Capital Assets	604,482
Unrestricted	<u>211,192</u>
Total Net Position	<u>815,674</u>
Total Liabilities and Net Position	<u><u>\$ 842,881</u></u>

STATE OF NEW MEXICO
VILLAGE OF HOPE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER AND SEWER FUND
YEAR ENDED JUNE 30, 2018

	Water and Sewer Fund
OPERATING REVENUES	
Charges for Services	
Water Service	\$ 31,273
Sewer Service	660
Other Revenue	1,429
	33,362
Total Operating Revenues	
 OPERATING EXPENSES	
Water Expenses	17,731
Sewer Expenses	370
Depreciation	29,495
	47,596
Total Operating Expenses	
Operating Loss	(14,234)
Beginning Net Position	829,908
Net Position, End of Year	\$ 815,674

STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This following summary presentation of significant accounting policies of the Village of Hope (the Village) is to assist in the understanding of the Village's financial statements. The financial statements and notes are the representation of the Village's management who is responsible for their integrity and objectivity. The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units, and the Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures, and Financial Accounting Standards Board (FASB) pronouncements applicable to governmental agencies.

Departure from Generally Accepted Accounting Principles - 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; (2) the proprietary fund financial statements prepared using the accrual basis of accounting; and (3) only the notes related to those financial statements. However, in complying with these requirements, management has omitted the following financial statements and notes required by accounting principles generally accepted in the United States of America (GAAP): (a) the accompanying governmentwide financial statements; (b) the statement of cash flows - proprietary funds; and (3) note disclosures related to items (a) and (b). These omissions result in the financial statements being presented on a basis of accounting other than GAAP.

Organization - The Village is a political subdivision of the State of New Mexico and was incorporated under provisions of Chapter 3, Article 2, NMSA 1978 as amended. The Village operates under the mayor-trustee form of government. The Village provides the following authorized services: public safety (police and fire), highways and streets, water, sanitation, health and welfare, social services, culture and recreation, public improvements, and general administrative services. The Village's basic financial statements include all activities and accounts of the Village's financial reporting entity.

The financial reporting entity consists of the primary government, and any another organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The GASB 14 definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Based upon the GASB 14 criteria above, there are no component units of the Village, nor is the Village considered a component unit of another governmental agency during the fiscal year ended June 30, 2018.

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Measurement Focus, Basis of Accounting, Financial Statement Presentation

Governmental Fund Financial Statements - Governmental fund level financial statements report activity using the current financial resources measurement focus and the modified accrual basis of accounting. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income. Revenue recognition is as soon as they are both measurable and available.

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds.

Management also has the option to report a fund as major even though it does not fit the criteria. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the supplementary information section of the report.

The Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Generally, intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property, franchise, sales and public service tax revenues associated with the current fiscal period are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is immaterial.

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

Program revenues reduce the cost of the function to be financed from the Village's general revenues. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Investment earnings are recorded as earned since they are measurable and available.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

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

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

The Village reports the following major governmental fund:

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

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

The Village maintains four other governmental funds that are considered non-major funds and are classified as **special revenue** funds. A description of each non-major governmental fund is as follows:

- The **Fire Protection Fund** accounts for the proceeds of the state fire allotment, and the expenditures for public safety there from. New Mexico state law requires that these funds be used to help maintain the fire department. The fund was established by local ordinance and in accordance with Section 59A-53-1, of the New Mexico State Insurance Code. Section 59A-53-8 of the code restricts the use of the funds for only the maintenance of the Village's fire department.
- The **Fire Excise Tax Fund** is an inactive fund holding fire excise tax funds distributed from Eddy County for the volunteer fire department and established by Village ordinance upon request from Eddy County.
- The **Law Enforcement Protection Fund** accounts for the state grant to be used for the repair and/or replacement of law enforcement equipment, according to state law, section 29-13.1 through 29-13.9 NMSA 1978. The fund was established by local ordinance to comply with state statutes. Section 29-13-17 A NMSA 1978 limits distributions from the fund for law enforcement related expenditures, including, but not limited to, the purchase of equipment, expenses associated with advanced law enforcement planning and training.

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

- The *EMS Fund* accounts for the operation and maintenance of the Village EMS Department with funding provided primarily from an annual EMS allotment and fees collected for emergency transportation. The fund was created by the authority of Section 24-10A-3 NMSA 1978.
- The *Community Development Block Grant Fund* was established by local ordinance and by federal requirement. This fund accounts for federal, state and local sources, revenues and expenditures for capital projects throughout the Village.

The Village reports the following major proprietary fund:

- The *Water and Sewer Fund* is used to account for the provision of water, sewer, and solid waste services to the residents of the Village and is considered an enterprise fund. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

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

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

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

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statement of Revenues, Expenses and Changes in Net Position (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2017 is presented.

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

Cash and Investments - Cash includes amounts in demand deposits and short-term investments. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value which is determined by using selected bases. Interest income and realized gains and losses on investment transactions are included for financial statement purposes as investment income.

Cash Flow Liquidity - For purposes of the statement of cash flows, the 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.

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Restricted Cash - The Village restricts a compensating amount of cash equal to the amount of the customer deposits held on hand. These reserves are not required but are separated by management.

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

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

Allowance for Doubtful Accounts - It is the opinion of management that no allowance for doubtful accounts was necessary as of June 30, 2018 because services will be disconnected should an account become delinquent.

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

Property and Equipment - Capital assets which may include software, property, plant, equipment, vehicles, and infrastructure assets (e.g., building, roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. 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. Land owned by the Village is always capitalized.

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* allows Phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets. The Village has elected not to retroactively record infrastructure assets since being considered a Phase III municipality.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

Analysis of Impairments - Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is determined based on comparison of future cash flows to the recorded value of the assets. Impairment losses are measured based on the fair value of the impaired assets. No such impairment losses were recorded during the year ended June 30, 2018.

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

STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities within the statement of net position. Issuance costs associated with notes entered into are expensed in the year of issuance.

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

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

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

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

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

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

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

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

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

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

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

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

Pensions and OPEB - The Village has elected not to participate in either the New Mexico Public Employees Retirement Association (PERA) or the New Mexico Retiree Health Care Act. Therefore, the Village is not required to implement the following GASB statements:

- GASB Statement No. 68 - *Financial Reporting for Pension Plans – An Amendment to GASB Statement 27*,
- GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*,
- GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

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

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

Subsequent Events - GASB 56 requires reporting entities to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or available to be issued. Management has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued.

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE B - CASH AND CASH EQUIVALENTS

During the fiscal year, the Village combined several accounts held with New Mexico State Treasurer and a local financial institution into one account for better control and utilization. At June 30, 2018, the Village had cash and cash equivalents on deposit with the local financial institution in a demand deposit account. Following is a schedule as of June 30, 2018, of the cash and cash equivalents.

	Bank Balance June 30, 2018	Net Items Outstanding	Book Balance June 30, 2018
First American Bank			
General Checking:			
General Operating Account	\$ 917,405	\$ (19,981)	\$ 897,424
Total – First American Bank	<u>\$ 917,405</u>	<u>\$ (19,981)</u>	<u>\$ 897,424</u>
Western Bank			
General Checking:			
Special Account	\$ 3,664	\$ -	\$ 3,664
Total – Western Bank	<u>\$ 3,664</u>	<u>\$ -</u>	<u>\$ 3,664</u>
	Governmental Funds	Enterprise Fund	Total
First American Bank	\$ 689,988	\$ 207,436	\$ 897,424
Western Bank	<u>3,664</u>	<u>-</u>	<u>3,664</u>
Total Cash	<u>\$ 693,652</u>	<u>\$ 207,436</u>	<u>\$ 901,088</u>

In accordance with Section 6-10-17, NMSA 1978 compilation, deposits of public monies are required to be collateralized. Pledged collateral is required in amounts in aggregate equal to one half of the amount of uninsured public money in each account during the fiscal year. Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted as security at par value; all other securities are accepted as security at market value. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation.

	First American Bank	Western Bank	Totals
Deposits	\$ 917,405	\$ 3,664	\$ 921,069
Less FDIC Coverage	<u>(250,000)</u>	<u>(3,664)</u>	<u>(253,664)</u>
Uninsured Funds	667,405	<u>\$ -</u>	667,405
Pledged Securities	<u>539,286</u>		<u>539,286</u>
Uninsured and Uncollateralized	<u>\$ 128,119</u>		<u>\$ 128,119</u>
50% Pledged Collateral Requirement per Statute	\$ 333,703		\$ 333,703
Pledged Collateral	<u>539,286</u>		<u>539,286</u>
(Over) Collateralized	<u>\$ (205,583)</u>		<u>\$ (205,583)</u>

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE B - CASH AND CASH EQUIVALENTS (Cont.)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to them. The Village does not have a deposit policy for custodial credit risk other than that of state statutes. As of June 30, 2018, \$667,405 of the Village's bank balance of \$917,405 was exposed to custodial credit risk before applying the pledged collateral. The Federal Home Loan Bank, Dallas, Texas, holds the securities pledged toward the Village by First American Bank.

Frist American Bank Pledged Collateral:	CUSIP	Maturity	Market Value	Par Value
Roswell ISD	78550HCO	08/01/2020	\$ 101,391	\$ 100,000
Tularosa SD	899172JQ4	10/15/2020	75,851	75,000
Clovis Muni SD	189414KS3	08/01/2022	199,816	200,000
Mosquero SD #5	619636EV1	10/15/2025	51,521	50,000
GNMA 30Yr	36213CWR7	09/15/2035	<u>110,707</u>	<u>104,370</u>
		Total Collateral Pledged	<u>\$ 539,286</u>	<u>\$ 529,370</u>

NOTE C - CAPITAL ASSETS

The Village presents the Governmental Funds on a modified accrual basis of accounting. The Village's capital asset basis, accumulated depreciation and annual depreciation are not reported in the accompanying basic fund financial statements, and any capital purchases are reported as capital outlay expenditures in the respective funds. The following capital asset activity for the year ended June 30, 2018 is for additional disclosure and was as follows:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Governmental Funds:				
Non-depreciable Capital Assets				
Land	\$ 7,275	\$ -	\$ -	\$ 7,275
Total Non-depreciable Capital Assets	7,275	-	-	7,275
Depreciable Capital Assets				
Infrastructure	541,617	-	-	541,617
Buildings and Improvements	1,147,699	262,276	-	1,409,975
Equipment	<u>810,128</u>	<u>11,000</u>	-	<u>821,128</u>
Total Depreciable Capital Assets	<u>2,499,444</u>	<u>273,276</u>	-	<u>2,772,720</u>
Accumulated Depreciation				
Infrastructure	(422,484)	(10,832)	-	(433,316)
Buildings and Improvements	(437,243)	(24,279)	-	(461,522)
Equipment	<u>(674,208)</u>	<u>(33,477)</u>	-	<u>(707,685)</u>
Total Accumulated Depreciation	<u>(1,533,935)</u>	<u>(68,588)</u>	-	<u>(1,602,523)</u>
Total Depreciable Capital Assets, Net	<u>965,509</u>	<u>204,688</u>	-	<u>1,170,197</u>
Capital Assets, Net	<u>\$ 972,784</u>	<u>\$ 204,688</u>	<u>\$ -</u>	<u>\$ 1,177,472</u>

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE C - CAPITAL ASSETS (Cont.)

	Balance			Balance
	June 30, 2017	Increases	Decreases	June 30, 2018
Proprietary Funds:				
Non-depreciable Capital Assets				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total Non-depreciable Capital Assets	10,000	-	-	10,000
Depreciable Capital Assets				
Buildings and Improvements	10,000	-	-	10,000
Water System	921,935	-	-	921,935
Sewer System	74,734	-	-	74,734
Total Depreciable Capital Assets	<u>1,006,669</u>	<u>-</u>	<u>-</u>	<u>1,006,669</u>
Accumulated Depreciation				
Buildings and Improvements	(2,200)	(200)	-	(2,400)
Water System	(278,551)	(29,295)	-	(307,846)
Sewer System	(74,734)	-	-	(74,734)
Total Accumulated Depreciation	<u>(355,485)</u>	<u>(29,495)</u>	<u>-</u>	<u>(384,980)</u>
Total Depreciable Capital Assets, Net	<u>651,184</u>	<u>(29,495)</u>	<u>-</u>	<u>621,689</u>
Capital Assets, Net	<u>\$ 661,184</u>	<u>\$ (29,495)</u>	<u>\$ -</u>	<u>\$ 631,689</u>

NOTE D - LONG-TERM DEBT

The Village uses funds from the Water and Sewer Fund to pay for the debt service. The following long-term debt activity for the year ended June 30, 2018 was as follows:

CIF-2806 - Colonias Infrastructure Project Grant - The Village entered into an agreement with NMFA to administer a Grant/Loan project to improve the water and wastewater infrastructure of the Village to remain in compliance with NMED and the EPA. The Village has committed to approximately \$268,000 of water system pumps and improvements, of which \$241,304 is grant funds and the remaining \$26,696 is a loan financed through NMFA. Terms of the loan are 20 annual, non-interest-bearing payments of approximately \$1,348, and maturing in June 2033.

CIF-2997 - Colonias Infrastructure Project Grant - The Village entered into an agreement with NMFA to administer a Grant/Loan project to improve the water and wastewater infrastructure of the Village to remain in compliance with NMED and the EPA. The Village has committed to approximately \$87,272 of system improvements, of which \$78,545 is grant funds and the remaining \$8,727 is a loan financed through NMFA. Terms of the loan are 20 annual, non-interest-bearing payments of approximately \$437, and maturing in June 2034.

Long-term debt activity for the year ended June 30, 2018 was as follows:

Obligation	Balance			Balance	Due Within
	June 30, 2017	Increases	Decreases	June 30, 2018	One Year
NMFA - CIF-2806	\$ 21,562	\$ -	\$ (1,348)	\$ 20,214	\$ 1,348
NMFA - CIF-2997	<u>7,430</u>	<u>-</u>	<u>(437)</u>	<u>6,993</u>	<u>437</u>
Total Long-term Debt	<u>\$ 28,992</u>	<u>\$ -</u>	<u>\$ (1,785)</u>	<u>\$ 27,207</u>	<u>\$ 1,785</u>

**STATE OF NEW MEXICO
VILLAGE OF HOPE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE D - LONG-TERM DEBT (Cont.)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,785	\$ -	\$ 1,785
2020	1,785	-	1,785
2021	1,785	-	1,785
2022	1,785	-	1,785
2023	1,785	-	1,785
2024-2028	8,925	-	8,925
2029-2033	8,925	-	8,925
2034	<u>432</u>	<u>-</u>	<u>432</u>
Totals	<u>\$ 27,207</u>	<u>\$ -</u>	<u>\$ 27,207</u>

NOTE E - COMMITMENTS

CIF-4114 - Colonias Infrastructure Project Grant - The Village entered into an agreement with NMFA on December 29, 2017 to administer a Grant/Loan project to improve the water and wastewater infrastructure of the Village to remain in compliance with NMED and the EPA. The Village has committed to approximately \$571,200 of system improvements, of which \$514,080 is grant funds and the remaining \$57,120 is a loan financed through NMFA. Terms of the loan are 20 annual, non-interest-bearing payments of approximately \$2,856, and maturing in June 2039. No funds have been drawn against this grant/loan agreement as of June 30, 2018. The Village has until June 30, 2021 to draw on the grant funds before the funds revert back to the state.

**STATE OF NEW MEXICO
VILLAGE OF HOPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Property	\$ 24,000	\$ 24,000	\$ 19,834	\$ (4,166)
Gross Receipts	22,004	22,004	19,342	(2,662)
Gasoline	5,004	5,004	5,251	247
Motor Vehicle	700	700	938	238
State Assistance and Subsidies	90,000	90,000	90,000	-
County Assistance and Subsidies			15,590	15,590
Capital Grants	1,570,000	1,570,000	19,386	(1,550,614)
Fines and Fees	25,000	25,000	20,895	(4,105)
Licenses and Permits	20	20	30	10
Interest	780	780	1,491	711
Other Revenue	34,785	34,785	-	(34,785)
Total Revenues	<u>1,772,293</u>	<u>1,772,293</u>	<u>192,757</u>	<u>(1,579,536)</u>
EXPENSES				
Current				
Finance and Administration	76,200	76,200	78,782	(2,582)
Judicial	15,000	15,000	16,454	(1,454)
Public Safety	40,355	40,355	34,960	5,395
Public Works	48,004	48,004	48,092	(88)
Capital Outlay	<u>1,600,000</u>	<u>1,600,000</u>	<u>44,049</u>	<u>1,555,951</u>
Total Expenditures	<u>1,779,559</u>	<u>1,779,559</u>	<u>222,337</u>	<u>1,557,222</u>
Excess (Deficit) of Revenues over Expenditures	(7,266)	(7,266)	(29,580)	<u>\$ (22,314)</u>
Cash Balance, Beginning of Year	<u>606,103</u>	<u>606,103</u>	<u>606,103</u>	
Cash Balance, End of Year	<u>\$ 598,837</u>	<u>\$ 598,837</u>	<u>\$ 576,523</u>	
Reconciliation to GAAP Basis				
Excess of Revenues over Expenditures - Budget Basis			\$ (29,580)	
Change in:				
Grant Receivable			148,914	
Taxes Receivable				
Property			199	
Gross Receipts			8,470	
Gasoline			22	
Motor Vehicle			(69)	
Accounts Payable			(168,227)	
Accrued Payroll Liabilities			(1,401)	
Excess of Revenues over Expenditures - GAAP Basis			<u>\$ (41,672)</u>	

**STATE OF NEW MEXICO
VILLAGE OF HOPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State Assistance and Subsidies	\$ 61,667	\$ 61,667	\$ 83,401	\$ 21,734
Total Revenues	61,667	61,667	83,433	21,766
EXPENSES				
Current				
Public Safety	87,042	87,042	45,948	41,094
Capital Outlay	-	-	50,000	(50,000)
Total Expenditures	87,042	87,042	95,948	(8,906)
Excess (Deficit) of Revenues over Expenditures	(25,375)	(25,375)	(12,515)	<u>\$ 12,860</u>
Cash Balance, Beginning of Year	87,871	87,871	87,871	
Cash Balance, End of Year	<u>\$ 62,496</u>	<u>\$ 62,496</u>	<u>\$ 75,356</u>	
Reconciliation to GAAP Basis				
Excess of Revenues over Expenditures - Budget Basis			<u>\$ (12,515)</u>	
Excess of Revenues over Expenditures - GAAP Basis			<u>\$ (12,515)</u>	

**STATE OF NEW MEXICO
VILLAGE OF HOPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LAW ENFORCEMENT PROTECTION FUND
YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State Assistance and Subsidies	\$ 21,200	\$ 21,200	\$ 20,600	\$ (600)
Total Revenues	21,200	21,200	20,600	(600)
EXPENSES				
Current				
Public Safety	32,196	32,196	20,437	11,759
Capital Outlay			11,000	(11,000)
Total Expenditures	32,196	32,196	31,437	759
Excess (Deficit) of Revenues over Expenditures	(10,996)	(10,996)	(10,837)	\$ 159
Cash Balance, Beginning of Year	35,739	35,739	35,739	
Cash Balance, End of Year	\$ 24,743	\$ 24,743	\$ 24,902	
Reconciliation to GAAP Basis				
Excess of Revenues over Expenditures - Budget Basis			\$ (10,837)	
Excess of Revenues over Expenditures - GAAP Basis			\$ (10,837)	

**STATE OF NEW MEXICO
VILLAGE OF HOPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EMS FUND
YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State Assistance and Subsidies	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Total Revenues	5,000	5,000	5,000	-
EXPENSES				
Current				
Public Safety	5,000	5,000	3,117	1,883
Total Expenditures	5,000	5,000	3,117	1,883
Excess (Deficit) of Revenues over Expenditures	-	-	1,883	\$ 1,883
Cash Balance, Beginning of Year	519	519	519	
Cash Balance, End of Year	\$ 519	\$ 519	\$ 2,402	
Reconciliation to GAAP Basis				
Excess of Revenues over Expenditures - Budget Basis			\$ 1,883	
Excess of Revenues over Expenditures - GAAP Basis			\$ 1,883	

STATE OF NEW MEXICO
VILLAGE OF HOPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
WATER AND SEWER FUND
YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services				
Water Service	\$ 31,000	\$ 31,000	\$ 32,108	\$ 1,108
Sewer Service	720	720	660	(60)
Other Revenue	-	-	1,429	1,429
Total Revenues	31,720	31,720	34,197	2,477
EXPENSES				
Current				
Water Expense	31,000	31,000	17,731	13,269
Sewer Expense	400	400	370	30
Debt Service	1,785	1,785	1,785	-
Total Expenditures	33,185	33,185	19,886	13,299
Excess of Revenues over Expenditures	(1,465)	(1,465)	14,311	\$ 15,776
Cash Balance, Beginning of Year	193,035	193,035	193,035	
Cash Balance, End of Year	\$ 191,570	\$ 191,570	\$ 207,346	

Reconciliation to GAAP Basis

Change in Net Position - Budget Basis	\$ 14,311
Adjustments from Budget to GAAP Basis:	
Debt Service	1,785
Depreciation	(29,495)
Change in:	
Accounts Receivable, Net	(835)
Change in Net Position - GAAP Basis	\$ (14,234)

**STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018**

MUNICIPALITY: VILLAGE OF

**DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION**

Period Ending: 06/30/2018

*SUBMIT TO LOCAL GOVERNMENT DIVISION NO LATER THAN 30 DAYS
AFTER THE CLOSE OF EACH QUARTER.*

Prepared By: Sonia D. Carbajal

Fund #	FUND NAME	BEGINNING CASH BALANCE CURRENT FY (1)	YEAR-TO-DATE TRANSACTIONS			
			REVENUES TO DATE (2)	TRANSFERS TO DATE (3)	EXPENDITURES TO DATE (4)	ADJUSTMENTS (5)
101	GENERAL FUND (GF)	\$896,809	167,697	0	163,138	(41,022)
201	CORRECTION	\$5,419	0	0	0	0
202	ENVIRONMENTAL GRT	\$0	0	0	0	0
206	EMS	\$809	5,000	0	3,117	0
207	ENHANCED 911	\$0	0	0	0	0
209	FIRE PROTECTION FUND	\$25,375	83,433	0	95,948	0
211	LEPF	\$10,996	20,600	0	31,436	0
214	LODGERS' TAX	\$0	0	0	0	0
216	MUNICIPAL STREET	\$5,410	0	0	0	0
217	RECREATION	\$227	0	0	0	0
218	INTERGOVERNMENTAL GRANTS	\$0	0	0	0	0
219	SENIOR CITIZEN	\$0	0	0	0	0
223	DWI PROGRAM	\$12,001	5,590	0	4,791	0
299	OTHER	\$0	0	0	0	0
300	CAPITAL PROJECT FUNDS	\$3,590	19,386	0	44,049	0
401	G. O. BONDS	\$0	0	0	0	0
402	REVENUE BONDS	\$0	0	0	0	0
403	DEBT SERVICE OTHER	\$0	0	0	1,785	0
500	ENTERPRISE FUNDS					
	Water Fund	\$21,403	33,087	0	16,061	0
	Solid Waste	\$0	0	0	0	0
	Waste Water	\$3,369	660	0	370	0
	Airport	\$0	0	0	0	0
	Ambulance	\$0	0	0	0	0
	Cemetery	\$0	0	0	0	0
	Housing	\$0	0	0	0	0
	Parking	\$0	0	0	0	0
	Other Enterprise (enter fund n	\$0	0	0	0	0
	Other Enterprise (enter fund n	\$0	0	0	0	0
	Other Enterprise (enter fund n	\$0	0	0	0	0
	Other Enterprise (enter fund n	\$0	0	0	0	0
600	INTERNAL SERVICE FUNDS	\$0	0	0	0	0
700	TRUST AND AGENCY FUNDS	\$1,475	450	0	0	0
GRAND TOTAL		\$986,883	\$335,903	\$0	\$360,695	(\$41,022)

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:

Sonia D. Carbajal

06/30/2018

Signature

Date

QTR ENDING CASH BALANCE (1)+(2)-(3)+(4)+(5) (6)	INVESTMENTS (7)	CASH + INVESTMENTS (8)	REQUIRED RESERVES (9)	AVAILABLE CASH (8) - (9)
\$860,346	0	\$860,346	13,595	\$846,751
\$5,419	0	\$5,419		\$5,419
\$0	0	\$0		\$0
\$2,692	0	\$2,692		\$2,692
\$0	0	\$0		\$0
\$12,860	0	\$12,860		\$12,860
\$160	0	\$160		\$160
\$0	0	\$0		\$0
\$5,410	0	\$5,410		\$5,410
\$227	0	\$227		\$227
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$12,800	0	\$12,800		\$12,800
\$0	0	\$0		\$0
(\$21,073)	0	(\$21,073)		(\$21,073)
\$0	0	\$0		\$0
\$0	0	\$0		\$0
(\$1,785)	0	(\$1,785)		(\$1,785)
\$38,429	0	\$38,429		\$38,429
\$0	0	\$0		\$0
\$3,659	0	\$3,659		\$3,659
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$0	0	\$0		\$0
\$1,925	0	\$1,925		\$1,925
\$921,069	\$0	\$921,069	\$13,595	\$907,474

STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018

MUNICIPALITY: VILLAGE OF HOPE
 Period Ending: 06/30/2018

GENERAL FUND - MUNICIPALITY

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES	BUDGETED AMOUNTS			ACTUALS Y-T-D	ENCUMBRAN CES Y-T-D	Variance With Adjusted Budget Positive (Negative)	
	Approved Budget	Budget Adjustments	Adjusted Budget			\$	%
REVENUES							
Taxes:							
Property Tax - Current Year	\$24,000	\$0	\$24,000	\$19,750		(\$4,250)	82.29%
Property Tax - Delinquent	\$0	\$0	\$0	\$0		\$0	n/a
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	\$8,500	\$0	\$8,500	\$9,671		\$1,171	113.78%
Gross Receipts - Infrastructure	\$0	\$0	\$0	\$0		\$0	n/a
Gross Receipts - Environment	\$0	\$0	\$0	\$0		\$0	n/a
Gross Receipts - Hold Harmless	\$0	\$0	\$0	\$0		\$0	n/a
Gross Receipts - Other Dedication	\$0	\$0	\$0	\$0		\$0	n/a
Intergovernmental -State Shared:							
Gross receipts	\$8,500	\$0	\$8,500	\$9,671		\$1,171	113.78%
Cigarette Tax	\$0	\$0	\$0	\$0		\$0	n/a
Gas Tax [1 cent]	\$5,004	\$0	\$5,004	\$5,251		\$247	104.94%
Gas Tax [2 cent]	\$0	\$0	\$0	\$0		\$0	n/a
Motor Vehicle	\$700	\$0	\$700	\$938		\$238	134.00%
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 Cities Assistance	\$90,000	\$0	\$90,000	\$90,000		\$0	100.00%
Licenses and Permits	\$20	\$0	\$20	\$30		\$10	150.00%
Charges for Services	\$0	\$0	\$0	\$0		\$0	n/a
Fines and Forfeits	\$25,000	\$0	\$25,000	\$20,895		(\$4,105)	83.58%
Interest on Investments	\$780	\$0	\$780	\$1,491		\$711	191.15%
Miscellaneous	\$34,785	\$0	\$34,785	\$10,000		(\$24,785)	28.75%
TOTAL GENERAL FUND REVENUES	\$197,289	\$0	\$197,289	\$167,697		(\$29,592)	85.00%
EXPENDITURES							
Executive-Legislative	\$500	\$0	\$500	\$0	\$0	\$500	0.00%
Judicial	\$15,000	\$0	\$15,000	\$16,454	\$0	(\$1,454)	109.69%
Elections	\$1,200	\$0	\$1,200	\$863	\$0	\$337	71.92%
Finance & Administration	\$74,500	\$0	\$74,500	\$67,560	\$0	\$6,940	90.68%
Public Safety	\$32,500	\$0	\$32,500	\$30,169	\$0	\$2,331	92.83%
Highways & Streets	\$43,000	\$0	\$43,000	\$48,092	\$0	(\$5,092)	111.84%
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	\$30,000	\$0	\$30,000	\$0	\$0	\$30,000	0.00%
TOTAL GENERAL FUND EXPENDITURES	\$196,700	\$0	\$196,700	\$163,138	\$0	\$33,562	82.94%
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures				\$4,559			

**STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018**

MUNICIPALITY: VILLAGE OF HOPE
Period Ending: 06/30/2018

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)		
CORRECTIONS	201							
REVENUES								
Correction Fees	201	0	0	0	0		0	n/a
Miscellaneous	201	0	0	0	0		0	n/a
TOTAL Revenues		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
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenses	201				0			
ENVIRONMENTAL	202							
REVENUES								
GRT - Environmental	202	0	0	0	0		0	n/a
Miscellaneous	202	0	0	0	0		0	n/a
TOTAL Revenues		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
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenses	202				0			
EMS	206							
REVENUES								
State EMS Grant	206	5,000	0	5,000	5,000		0	100.00%
Miscellaneous	206	0	0	0	0		0	n/a
TOTAL Revenues		5,000	0	5,000	5,000		0	100.00%
EXPENDITURES	206	5,000	0	5,000	3,117	0	1,883	62.34%
OTHER FINANCING SOURCES								
Transfers In	206	0	0	0	0		0	n/a
Transfers (Out)	206	0	0	0	0		0	n/a
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenses	206				1,883			
STATE E-911	207							
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
TOTAL Revenues		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
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenses	207				0			

**STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018**

MUNICIPALITY: VILLAGE OF HOPE
Period Ending: 06/30/2018

SPECIAL REVENUES - MUNICIPALITY - QUARTERLY REPORT

SPECIAL REVENUES - RESOURCES	Fund	BUDGET			ACTUALS	Encumbrances (expend line only)	Budget Balance	Budget Variance %
		Approved Budget	Resolutions Adj. Budget	Adjusted Budget	Year to Date Total			
FIRE PROTECTION	209							
REVENUES								
State - Fire Marshall Allotment	209	61,667	0	61,667	83,433		21,766	135.30%
Miscellaneous	209	0	0	0	0		0	n/a
TOTAL Revenues		61,667	0	61,667	83,433		21,766	135.30%
EXPENDITURES	209	87,042	0	87,042	95,948	0	(8,906)	110.23%
OTHER FINANCING SOURCES								
Transfers In	209	0	0	0	0		0	n/a
Transfers (Out)	209	0	0	0	0		0	n/a
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenditures	209				(12,515)			
LAW ENFORCEMENT PROTECTION	211							
REVENUES								
State-Law Enforcement Protection	211	21,200	0	21,200	20,600		(600)	97.17%
Miscellaneous	211	0	0	0	0		0	n/a
TOTAL Revenues		21,200	0	21,200	20,600		(600)	97.17%
EXPENDITURES	211	32,196	0	32,196	31,436	0	760	97.64%
OTHER FINANCING SOURCES								
Transfers In	211	0	0	0	0		0	n/a
Transfers (Out)	211	0	0	0	0		0	n/a
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenditures	211				(10,836)			
LODGERS TAX	214							
REVENUES								
Lodgers' Tax	214	0	0	0	0		0	n/a
Miscellaneous	214	0	0	0	0		0	n/a
TOTAL Revenues		0	0	0	0		0	n/a
EXPENDITURES	214	0	0	0	0	0	0	n/a
OTHER FINANCING SOURCES								
Transfers In	214	0	0	0	0		0	n/a
Transfers (Out)	214	0	0	0	0		0	n/a
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenditures	214				0			
VEHICLE ADVERT	216							
REVENUES								
GRT - Infrastructure (1/8 cent)	216	5,004	0	5,004	0		(5,004)	0.00%
GRT - Municipal	216	0	0	0	0		0	n/a
Gasoline Tax - (1 cent / 2 cent)	216	0	0	0	0		0	n/a
Motor Vehicle - Registration (all)	216	0	0	0	0		0	n/a
State Grants	216	0	0	0	0		0	n/a
Federal Grants	216	0	0	0	0		0	n/a
Miscellaneous	216	0	0	0	0		0	n/a
TOTAL Revenues		5,004	0	5,004	0		(5,004)	0.00%
EXPENDITURES	216	5,004	0	5,004	0	0	5,004	0.00%
OTHER FINANCING SOURCES								
Transfers In	216	0	0	0	0		0	n/a
Transfers (Out)	216	0	0	0	0		0	n/a
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a
Excess (deficiency) of revenues over expenditures	216				0			

**STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018**

MUNICIPALITY: VILLAGE OF HOPE
Period Ending: 06/30/2018

SPECIAL REVENUES - MUNICIPALITY - QUARTERLY REPORT

SPECIAL REVENUES - RESOURCES	Fund	BUDGET			ACTUALS		Encumbrances (expend line only)	Budget Balance	Budget Variance %
		Approved Budget	Resolutions Adj. Budget	Adjusted Budget	Year to Date Total				
REVENUES									
Cigarette Tax - (1 cent)	217	0	0	0	0		0	n/a	
Miscellaneous	217	0	0	0	0		0	n/a	
TOTAL Revenues		0	0	0	0		0	n/a	
EXPENDITURES	217	0	0	0	0	0	0	n/a	
OTHER FINANCING SOURCES									
Transfers In	217	0	0	0	0		0	n/a	
Transfers (Out)	217	0	0	0	0		0	n/a	
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a	
Excess (deficiency) of revenues over expenditures	217				0				
INTERGOVERNMENTAL GRANTS									
REVENUES									
State Grants	218	0	0	0	0		0	n/a	
Federal Grants	218	0	0	0	0		0	n/a	
Miscellaneous	218	0	0	0	0		0	n/a	
TOTAL Revenues		0	0	0	0		0	n/a	
EXPENDITURES	218	0	0	0	0	0	0	n/a	
OTHER FINANCING SOURCES									
Transfers In	218	0	0	0	0		0	n/a	
Transfers (Out)	218	0	0	0	0		0	n/a	
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a	
Excess (deficiency) of revenues over expenditures	218				0				
SENIOR CITIZENS									
REVENUES									
State Grants	219	0	0	0	0		0	n/a	
Federal Grants	219	0	0	0	0		0	n/a	
Miscellaneous	219	0	0	0	0		0	n/a	
TOTAL Revenues		0	0	0	0		0	n/a	
EXPENDITURES	219	0	0	0	0	0	0	n/a	
OTHER FINANCING SOURCES									
Transfers In	219	0	0	0	0		0	n/a	
Transfers (Out)	219	0	0	0	0		0	n/a	
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a	
Excess (deficiency) of revenues over expenditures	219				0				
DFA									
REVENUES									
State - Formula Distribution (DFA)	223	0	0	0	0		0	n/a	
State - Local Grant (DFA)	223	0	0	0	0		0	n/a	
State Other	223	0	0	0	0		0	n/a	
Federal Grants	223	0	0	0	0		0	n/a	
Miscellaneous	223	7,855	0	7,855	5,590		(2,265)	71.16%	
TOTAL Revenues		7,855	0	7,855	5,590		(2,265)	71.16%	
EXPENDITURES	223	7,855	0	7,855	4,791	0	3,064	60.99%	
OTHER FINANCING SOURCES									
Transfers In	223	0	0	0	0		0	n/a	
Transfers (Out)	223	0	0	0	0		0	n/a	
TOTAL - OTHER FINANCING SOURCES		0	0	0	0		0	n/a	
Excess (deficiency) of revenues over expenditures	223				799				
OTHER SPECIAL									
REVENUES	299	0	0	0	0		0	n/a	
EXPENDITURES	299	0	0	0	0	0	0	n/a	
TOTAL - OTHER FINANCING SOURCES	299	0	0	0	0		0	n/a	
Excess (deficiency) of revenues over expenditures	299				0				

**STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018**

MUNICIPALITY: VILLAGE OF HOPE
Period Ending: 06/30/2018

CAPITAL PROJECTS

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			\$	%	
REVENUES								
GRT- Dedication	\$0	\$0	\$0	\$0		\$0	n/a	
GRT- Hold Harmless	\$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	
Local Grants	\$0	\$0	\$0	\$0		\$0	n/a	
CDBG funding	\$920,000	\$0	\$920,000	\$19,386		(\$900,614)	2.11%	
State Grants	\$650,000	\$0	\$650,000	\$0		(\$650,000)	0.00%	
Federal Grants (other)	\$0	\$0	\$0	\$0		\$0	n/a	
Legislative Appropriations	\$0	\$0	\$0	\$0		\$0	n/a	
Investment Income	\$0	\$0	\$0	\$0		\$0	n/a	
Miscellaneous	\$0	\$0	\$0	\$0		\$0	n/a	
TOTAL CAPITAL PROJECTS REVENUES	\$1,570,000	\$0	\$1,570,000	\$19,386		(\$1,550,614)	1.23%	
EXPENDITURES								
Parks/Recreation	\$0	\$0	\$0	\$0	\$0	\$0	n/a	
Housing	\$0	\$0	\$0	\$0	\$0	\$0	n/a	
Equipment & Buildings	\$920,000	\$0	\$920,000	\$44,049	\$0	\$875,951	4.79%	
Facilities	\$0	\$0	\$0	\$0	\$0	\$0	n/a	
Transit	\$0	\$0	\$0	\$0	\$0	\$0	n/a	
Utilities	\$650,000	\$0	\$650,000	\$0	\$0	\$650,000	0.00%	
Airports	\$0	\$0	\$0	\$0	\$0	\$0	n/a	
Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	n/a	
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	
TOTAL CAPITAL PROJECTS EXPENDITURE	\$1,570,000	\$0	\$1,570,000	\$44,049	\$0	\$1,525,951	2.81%	
OTHER FINANCING SOURCES								
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a	
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a	
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a	
Excess (deficiency) of revenues over expenditures				(\$24,663)				

**STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018**

MUNICIPALITY: VILLAGE OF HOPE
Period Ending: 06/30/2018

DEBT SERVICE

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			\$	%
GENERAL OBLIGATION BONDS [FUND 401]							
REVENUES:							
General Obligation - (Property tax)	\$0	\$0	\$0	\$0		\$0	n/a
Investment Income	\$0	\$0	\$0	\$0		\$0	n/a
Other - Misc	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL REVENUES	\$0	\$0	\$0	\$0		\$0	n/a
EXPENDITURES							
General Obligation - Principal	\$0	\$0	\$0	\$0	\$0	\$0	n/a
General Obligation - Interest	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Other Costs (Fiscal Agent Fees/Other Fees/Misc)	\$0	\$0	\$0	\$0	\$0	\$0	n/a
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	n/a
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures [401]				\$0			
REVENUE BONDS [FUND 402]							
REVENUES:							
Bond Proceeds	\$0	\$0	\$0	\$0		\$0	n/a
Revenue Bonds - GRT	\$0	\$0	\$0	\$0		\$0	n/a
Investment Income	\$0	\$0	\$0	\$0		\$0	n/a
Revenue Bonds - Other	\$0	\$0	\$0	\$0		\$0	n/a
REVENUE BOND REVENUE - TOTAL	\$0	\$0	\$0	\$0		\$0	n/a
EXPENDITURES							
Revenue Bonds - Principal	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Revenue Bonds - Interest	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Other Revenue Bond Payments	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Other Costs (Fiscal Agent Fees/Other Fees/Misc)	\$0	\$0	\$0	\$0	\$0	\$0	n/a
TOTAL DEBT SERVICE FUND EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	n/a
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures [402]				\$0			
OTHER DEBT SERVICE [FUND 403]							
REVENUES:							
Investment Income	\$0	\$0	\$0	\$0		\$0	n/a
Loan Revenue	\$0	\$0	\$0	\$0		\$0	n/a
OTHER DEBT SERVICE REVENUE - TOTAL	\$0	\$0	\$0	\$0		\$0	n/a
EXPENDITURES							
NMFA Loan Payments	\$1,785	\$0	\$1,785	\$1,785	\$0	\$0	100.00%
Board of Finance Loan Payments	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Other Debt Service - Misc	\$0	\$0	\$0	\$0	\$0	\$0	n/a
TOTAL DEBT SERVICE FUND EXPENDITURES	\$1,785	\$0	\$1,785	\$1,785	\$0	\$0	100.00%
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures [403]				(\$1,785)			

STATE OF NEW MEXICO
VILLAGE OF HOPE
YEAR END FINANCIAL REPORT TO DFA
YEAR ENDED JUNE 30, 2018

MUNICIPALITY: VILLAGE OF HOPE
 Period Ending: 06/30/2018

ENTERPRISE FUNDS

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			\$	%
REVENUES							
Water Fund							
Charges for Services	\$31,000	\$0	\$31,000	\$32,108		\$1,108	103.57%
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	\$420	\$0	\$420	\$979		\$559	233.10%
TOTAL REVENUES - Water Fund	\$31,420	\$0	\$31,420	\$33,087		\$1,667	105.31%
EXPENDITURES							
Water Fund	\$31,000	\$0	\$31,000	\$16,061	\$0	\$14,939	51.81%
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL-OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures				\$17,026			
REVENUES							
Solid Waste							
Charges for Services	\$0	\$0	\$0	\$0		\$0	n/a
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
TOTAL REVENUES - Solid Waste Fund	\$0	\$0	\$0	\$0		\$0	n/a
EXPENDITURES							
Solid Waste	\$0	\$0	\$0	\$0	\$0	\$0	n/a
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL-OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures				\$0			
REVENUES							
Waste Water							
Charges for Services	\$720	\$0	\$720	\$660		(\$60)	91.67%
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
TOTAL REVENUES - Waste Water Fund	\$720	\$0	\$720	\$660		(\$60)	91.67%
EXPENDITURES							
Waste Water	\$400	\$0	\$400	\$370	\$0	\$30	92.50%
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL-OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures				\$290			

INTERNAL CONTROL AND COMPLIANCE

**STATE OF NEW MEXICO
VILLAGE OF HOPE
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018**

CURRENT YEAR FINDINGS:

2018-001 - Legal Compliance with Budget – Compliance

CONDITION - The Village's actual expenditures exceeded authorized budgetary expenditures in the Fire Protection Fund by approximately \$8,906.

CRITERIA - Section 6-6-6 NMSA 1978 requires the Village to keep expenditures within the approved budget.

CAUSE - The final budget was not adjusted for the additional expenditures in the Fire Protection Fund.

EFFECT - The Village may not have accurate information for planning activities and cash flows in the funds that exceed the budgeted amounts.

RECOMMENDATION - The Village should review budget versus actual comparison periodically to ensure that budget adjustments are warranted, approved by Council and forwarded to DFA for approval.

MANAGEMENT RESPONSE AND PLANNED CORRECTIVE ACTION – With the implementation of the online budgeting system by DFA, the Village Clerk will be more cognizant of budget variances and will work with the Council and department heads to identify any unusual or one-time increases in the expenditures and will adjust the budget accordingly. This finding should be resolved by the final budget submission deadline for the 2019 Fiscal Year.

**STATE OF NEW MEXICO
VILLAGE OF HOPE
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018**

PRIOR YEAR FINDINGS:

Finding	Status
2016-001 – Segregation of Duties	Resolved

**STATE OF NEW MEXICO
VILLAGE OF HOPE
EXIT CONFERENCE
JUNE 30, 2018**

An entrance conference with the Village of Hope, New Mexico representatives was conducted on October 4, 2018. The exit conference was held and the contents of this report were discussed with the Village of Hope, New Mexico representatives on October 4, 2018. The following individuals were present for the conference:

Village of Hope

Scott Northam, CPA, PC

Bob Rogers – Mayor Pro-Tem
Sonia Carbajal – Village Clerk

Scott Northam, CPA

The agreed-upon procedures and results thereon, compiled financial statements, and budgetary comparisons of the Village of Hope, New Mexico were prepared by Scott Northam, CPA, PC, from original books and records provided by and with assistance from the management of the District.

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