



OFFICE OF THE STATE AUDITOR

Hector H. Balderas

STATE OF NEW MEXICO
VILLAGE OF MAXWELL
Independent Accountants' Report on
Applying Agreed-Upon Procedures and
Accountant's Compilation Report
For the Years Ended
June 30, 2010, 2011 and 2012

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
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**STATE OF NEW MEXICO
VILLAGE OF MAXWELL**

OFFICIAL ROSTERS

Village Councilors

Year Ended June 30, 2010:

Ben Garcia	Mayor Pro-tem
Meyler Anderson	Councilor
Betty Guiney	Councilor
Christine Molina	Councilor

Year Ended June 30, 2011:

Ben Garcia	Mayor Pro-tem
Meyler Anderson	Councilor
Michael Huddleston	Councilor
Christine Sisneros	Councilor

Year Ended June 30, 2012:

Ben Garcia	Mayor Pro-tem
Meyler Anderson	Councilor
Michael Huddleston	Councilor
Christine Sisneros	Councilor

Village Officials

At June 30, 2010 and for the Fiscal Years Ended June 30, 2011 and 2012:

Karla Kay Pinkston	Mayor
Joanna Taylor	Village Clerk



State of New Mexico
OFFICE OF THE STATE AUDITOR

Hector H. Balderas
State Auditor

Carla C. Martinez
Deputy State Auditor

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

Hector H. Balderas, New Mexico State Auditor
Karla Kay Pinkston, Mayor and Members of the Village Council
Village of Maxwell
Maxwell, New Mexico

We have performed the procedures enumerated below, which were agreed to by the Mayor and the Village Council of the Village of Maxwell and the Office of the State Auditor, solely for the purpose of determining compliance in accordance with Section 12-6-3 B (6) NMSA 1978 and Section 2.2.2.16 NMAC for the years ended June 30, 2010, June 30, 2011 and June 30, 2012. 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 the parties specified in this 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.

The procedures and the associated findings are as follows for fiscal year ends 2010, 2011 and 2012:

GENERAL

Procedure

Verify the Village of Maxwell's revenue calculation and tier determination for each fiscal year.

Findings

We verified the revenue calculations and tier determinations; no exceptions were found as a result of applying the procedure.

CASH

Procedures

1. 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.
2. Perform a random test of bank reconciliations for accuracy. Also trace ending balances to the general ledger, supporting documentation, and the financial reports submitted to DFA-Local Government Division.

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

Findings

Bank account reconciliations were not performed timely for several accounts. In addition, there were unreconciled amounts between the general ledger balance and the bank statement balance noted and outstanding checks were listed as outstanding however the items had cleared the bank per review of the bank statement. Further, for six bank statements reviewed, a reconciliation was not prepared. The Village did not have any uninsured deposits. See the Schedule of Findings and Responses 2010-2 for items noted.

CAPITAL ASSETS

Procedure

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

Findings

The Village did not perform an annual physical inventory during 2010, 2011 or 2012. See the Schedule of Findings and Responses 2010-3 for items noted.

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.

Findings

The Village did not have debt agreements that required reserves. In 2010, the Village did not pay 2 out of 12 loan payments. See finding 2010-04 for items noted.

REVENUE

Procedures

1. 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.
2. Test 50% of the total amount of revenues for fiscal year 2010 and sampled revenues based on auditor judgment for fiscal years 2011 and 2012 for the following attributes:

- a. Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.
- b. Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

Findings

No exceptions were noted as a result of performing the analytical review, agreeing the amount recorded in the general ledger to the bank statement and recording the proper classification, amount and period. For three sampled revenues, the supporting documentation could not be located. See the Schedule of Findings and Responses 2010-5 for items noted.

EXPENDITURES

Procedures

1. Select a sample of cash disbursements and test at least 25 transactions and 50% of the total amount of expenditures for fiscal year 2010 and selected a sample based on auditor judgment for fiscal years 2011 and 2012 for 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).

Findings

All cash disbursements selected for test work agreed to the supporting documentation and were properly authorized and approved except for 7 disbursements the supporting documentation could not be located, for 1 disbursement the purchase order could not be located, for 1 disbursement \$40 was charged to the incorrect account code and for 1 disbursement the check signer was also the payee.

A total of 24 cash disbursements were selected for test work where the Procurement Code and State Purchasing Regulations were applicable. The disbursements followed the Procurement Code and State Purchasing Regulations except for 14 where the applicable procurement procedures were not completed or supporting documentation could not be located.

A total of 6 cash disbursements were selected for test work where the Regulations Governing the Per Diem and Mileage Act (Act) were applicable. The disbursements followed the Act except for three transactions where violations were noted.

See the Schedule of Findings and Responses 2010-6, 2010-7 and 2010-8 for items noted.

JOURNAL ENTRIES

Procedures

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

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

Findings

The Village did not record non-routine journal entries.

BUDGET

Procedures

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

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

Findings

The original fiscal year budget and all amendments were approved by the Village and DFA-LGD and a schedule of revenues and expenditures – budget and actual were prepared for each fund. Actual expenditures did not exceed the final budget at the legal level of budgetary control except for one fund in fiscal year 2011 and one fund in fiscal year 2012. See the Schedule of Findings and Responses 2011-2 for items noted.

CAPITAL OUTLAY APPROPRIATIONS

Procedures

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. Test all capital outlay expenditures during the fiscal year to:

1. 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.
2. Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.
3. Determine that the bid process (or request for proposal process if applicable), purchase orders, contract and agreements were processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).
4. Determine the physical existence (by observation) of capital asset based on expenditures to date.
5. 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.
6. 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.
7. If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor.
8. 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.
9. Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request for reimbursement.

Findings

The Village did not expend capital outlay appropriations in fiscal years 2011 and 2012. The Village had one capital outlay appropriation that was expended during fiscal year 2010 and no exceptions were found as a result of applying the procedures detailed above.

See Capital Outlay Schedule for FY 2010 on page 8.

OTHER

Procedures

1. Determine all checks each fiscal year were accounted for as issued or voided. Review outstanding checks on randomly selected bank reconciliations to ensure checks outstanding more than 6 months were investigated.
2. Determine whether blank checks were pre-signed by reviewing voided checks.
3. Review all governing board minutes for each fiscal year. Determine whether sufficient detail was included to properly document the decisions and policies of the Village (including items discussed in executive session).
4. If information comes to the IPA's attention 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.

Findings

Checks were accounted for as issued or voided in the general ledger with the exception of 168 checks that were not included. In addition, checks outstanding more than 6 months were investigated and blank checks were not pre-signed.

The governing board minutes for each fiscal year included sufficient detail to properly document the decision and policies of the Village with the exception of the discussion of the audit report that was not approved and released in an open meeting and should have been discussed in executive session.

We included a sample of payroll expenditures in our cash disbursement procedures and noted the Village does not maintain documentation of an approved hourly rate for employees.

See the Schedule of Findings and Responses 2010-9, 2010-10, and 2011-1 and 2010-01 for items noted.

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

This report is intended solely for the information and use of the Village, the Department of Finance and Administration – Local Government Division, New Mexico Department of Transportation, New Mexico Finance Authority, New Mexico Environment Department and the New Mexico Office of the State Auditor and is not intended to be and should not be used by anyone other than those specified parties.

Office of the State Auditor

Office of the State Auditor
November 26, 2013

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
CAPITAL OUTLAY SCHEDULE
JUNE 30, 2010**

Exhibit 1 - Schedule of Capital Outlay Awards to Village of Maxwell

	<u>1</u>
Amount awarded to the Village	\$30,000
Amount received by the Village	22,506
Amount expended by the Village	<u>(22,506)</u>
Remaining Balance	<u><u>-</u></u>

Agreement Provisions

1- Capital Project 2007/2008 Cooperative Agreement with the NM Department of Transportation (NMDOT) and the Village of Maxwell, Project Number SP-4-08 (918), Control Number HW 288477

Legislative Authority: House Bill 2 Severance Tax Bond Transportation Projects

Purpose: To improve the Village streets and add and replace street signs

Date of Agreements with NMDOT: 11/28/2007

Agreement termination: 1/28/2010

Note: The Village was granted an extension by NMDOT in order to be reimbursed in 1/2010. \$20,000 was reimbursemeted to the Village in fiscal year 2010. \$2,506.21 was reimbursed to the Village in fiscal year 2008.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property	\$ 13,587	\$ 13,587	\$ 12,084	\$ (1,503)
Taxes - state shared	38,506	38,506	96,453	57,947
Licenses and permits	1,000	1,000	436	(564)
Intergovernmental	73,129	73,129	25,870	(47,259)
Charges for services	13,500	13,500	17,573	4,073
Interest	1,000	1,000	692	(308)
Miscellaneous	2,200	2,200	4,894	2,694
Total revenues	<u>142,922</u>	<u>142,922</u>	<u>158,002</u>	<u>15,080</u>
Cash balance carryforward	309,461	309,461		
Total	<u>452,383</u>	<u>452,383</u>		
Expenditures				
Current:				
General government	166,877	166,877	76,986	89,891
Cultural and recreation			549	(549)
Streets and roads				
Capital outlay			35,441	(35,441)
Debt service:				
Principal				
Interest				
Total expenditures	<u>166,877</u>	<u>166,877</u>	<u>112,976</u>	<u>53,901</u>
Excess (deficiency) of revenues over expenditures	<u>(23,955)</u>	<u>(23,955)</u>	<u>45,026</u>	<u>68,981</u>
Other financing sources (uses)				
Transfers in				
Transfers out	<u>(6,035)</u>	<u>(6,035)</u>	<u>(5,164)</u>	<u>(871)</u>
Total other financing sources (uses)	<u>(6,035)</u>	<u>(6,035)</u>	<u>(5,164)</u>	<u>(871)</u>
Change in fund balance - budgetary basis			39,862	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			(7,339)	
Change in fund balance - GAAP basis			<u>\$ 32,523</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property	\$ 14,681	\$ 14,681	\$ 10,979	\$ (3,702)
Taxes - state shared	30,500	84,407	85,161	754
Licenses and permits	2,500	2,500	615	(1,885)
Intergovernmental	64,470	64,470		(64,470)
Charges for services	18,800	18,800	12,600	(6,200)
Interest	2,000	2,000	2,368	368
Miscellaneous	16,000	16,160	6,090	(10,070)
Total revenues	<u>148,951</u>	<u>203,018</u>	<u>117,813</u>	<u>(85,205)</u>
Cash balance carryforward	324,264	324,264		
Total	<u>473,215</u>	<u>527,282</u>		
Expenditures				
Current:				
General government	160,650	179,616	97,295	82,321
Cultural and recreation			566	(566)
Streets and roads			5,722	(5,722)
Capital outlay			820	(820)
Debt service:				
Principal				
Interest				
Total expenditures	<u>160,650</u>	<u>179,616</u>	<u>104,403</u>	<u>75,213</u>
Excess (deficiency) of revenues over expenditures	<u>(11,699)</u>	<u>23,402</u>	<u>13,410</u>	<u>(9,992)</u>
Other financing sources (uses)				
Transfers in				
Transfers out	<u>(6,035)</u>	<u>(6,035)</u>	<u>(5,675)</u>	<u>(360)</u>
Total other financing sources (uses)	<u>(6,035)</u>	<u>(6,035)</u>	<u>(5,675)</u>	<u>(360)</u>
Change in fund balance - budgetary basis			7,735	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			(4,904)	
Change in fund balance - GAAP basis			<u>\$ 2,831</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues				
Taxes - property	\$ 14,800	\$ 14,800	\$ 13,757	\$ (1,043)
Taxes - state shared	30,500	30,500	28,924	(1,576)
Licenses and permits	1,200	1,200	629	(571)
Intergovernmental	58,730	58,730	91,041	32,311
Charges for services	18,800	18,800	12,600	(6,200)
Interest	1,000	1,000	647	(353)
Miscellaneous	92,500	143,608	9,178	(134,430)
Total revenues	217,530	268,638	156,776	(111,862)
Cash balance carryforward	309,731	309,731		
Total	527,261	578,369		
Expenditures				
Current:				
General government	202,600	228,012	86,351	141,661
Public safety				
Cultural and recreation			2,882	(2,882)
Capital outlay	25,615	25,615	25,775	(160)
Debt service:				
Principal				
Interest				
Total expenditures	228,215	253,627	115,008	138,619
Excess (deficiency) of revenues over expenditures	(10,685)	15,011	41,768	26,757
Other financing sources (uses)				
Transfers in				
Transfers out	(6,035)	(6,035)	(9,558)	3,523
Total other financing sources (uses)	(6,035)	(6,035)	(9,558)	3,523
Change in fund balance - budgetary basis			32,210	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			4,227	
Change in fund balance - GAAP basis			\$ 36,437	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 60,570	\$ 60,570	\$ 60,570	\$
Charges for services				
Interest				
Miscellaneous	6,100	6,100		(6,100)
Total revenues	66,670	66,670	60,570	(6,100)
Cash balance carryforward	28,442	28,442		
 Total	95,112	95,112		
Expenditures				
Current:				
General government				
Public safety	84,028	84,028	21,987	62,041
Cultural and recreation				
Capital outlay				
Debt service:				
Principal			16,836	(16,836)
Interest				
Total expenditures	84,028	84,028	38,823	45,205
Excess (deficiency) of revenues over expenditures	(17,358)	(17,358)	21,747	39,105
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
 Change in fund balance - budgetary basis			21,747	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
 Change in fund balance - GAAP basis			\$ 21,747	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 58,465	\$ 58,465	\$ 58,465	\$
Charges for services				
Interest				
Miscellaneous				
Total revenues	58,465	58,465	58,465	
Cash balance carryforward	50,189	50,189		
Total	108,654	108,654		
Expenditures				
Current:				
General government				
Public safety	65,000	65,000	18,389	46,611
Cultural and recreation				
Capital outlay				
Debt service:				
Principal			32,904	(32,904)
Interest				
Total expenditures	65,000	65,000	51,293	13,707
Excess (deficiency) of revenues over expenditures	(6,535)	(6,535)	7,172	13,707
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			7,172	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$ 7,172	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 58,465	\$ 74,265	\$ 86,985	\$ 12,720
Charges for services				
Interest				
Miscellaneous			2,767	2,767
Total revenues	58,465	74,265	89,752	15,487
Cash balance carryforward	57,296	57,296		
 Total	115,761	131,561		
Expenditures				
Current:				
General government				
Public safety	57,120	29,246	25,009	4,237
Cultural and recreation				
Capital outlay			4,251	(4,251)
Debt service:				
Principal				
Interest				
Total expenditures	57,120	29,246	29,260	(14)
Excess (deficiency) of revenues over expenditures	1,345	45,019	60,492	15,473
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
 Change in fund balance - budgetary basis			60,492	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
 Change in fund balance - GAAP basis			\$ 60,492	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISCRETIONARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 8,603	\$ (1,397)
Charges for services				
Interest				
Miscellaneous				
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>8,603</u>	<u>(1,397)</u>
Cash balance carryforward	18,384	18,384		
Total	<u>28,384</u>	<u>28,384</u>		
Expenditures				
Current:				
General government			7,718	(7,718)
Public safety	16,585	16,585	1,985	14,600
Cultural and recreation				
Capital outlay				
Debt service:				
Principal				
Interest				
Total expenditures	<u>16,585</u>	<u>16,585</u>	<u>9,703</u>	<u>6,882</u>
Excess (deficiency) of revenues over expenditures	<u>(6,585)</u>	<u>(6,585)</u>	<u>(1,100)</u>	<u>5,485</u>
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(1,100)	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			(156)	
Change in fund balance - GAAP basis			<u>\$ (1,256)</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISCRETIONARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 17,284	\$ 17,284	\$ 1,628	\$ (15,656)
Charges for services				
Interest				
Miscellaneous			100	100
Total revenues	17,284	17,284	1,728	(15,556)
Cash balance carryforward	17,284	17,284		
 Total	34,568	34,568		
Expenditures				
Current:				
General government			3,268	(3,268)
Public safety	15,000	15,000	5,077	9,923
Cultural and recreation				
Capital outlay				
Debt service:				
Principal				
Interest				
Total expenditures	15,000	15,000	8,345	6,655
Excess (deficiency) of revenues over expenditures	2,284	2,284	(6,617)	(8,901)
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
 Change in fund balance - budgetary basis			(6,617)	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			156	
 Change in fund balance - GAAP basis			\$ (6,461)	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISCRETIONARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property	\$	\$	\$	\$
Taxes - state shared				
Licenses and permits				
Intergovernmental				
Charges for services				
Interest				
Miscellaneous	20,000	35,837	30,055	(5,782)
Total revenues	<u>20,000</u>	<u>35,837</u>	<u>30,055</u>	<u>(5,782)</u>
Cash balance carryforward	10,928	10,928		
Total	<u>30,928</u>	<u>46,765</u>		
Expenditures				
Current:				
General government			1,830	(1,830)
Public safety			9,455	(9,455)
Cultural and recreation				
Capital outlay	15,000	20,421	8,244	12,177
Debt service:				
Principal				
Interest				
Total expenditures	<u>15,000</u>	<u>20,421</u>	<u>19,529</u>	<u>892</u>
Excess (deficiency) of revenues over expenditures	<u>5,000</u>	<u>15,416</u>	<u>10,526</u>	<u>(4,890)</u>
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Change in fund balance - budgetary basis			10,526	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			(2,448)	
Change in fund balance - GAAP basis			<u>\$ 8,078</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
LAW ENFORCEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 22,746	\$ 22,746	\$ 20,000	(2,746)
Charges for services				
Interest				
Miscellaneous				
Total revenues	22,746	22,746	20,000	(2,746)
Cash balance carryforward	2,746	2,746		
Total	25,492	25,492		
Expenditures				
Current:				
General government				
Public safety	22,746	22,746	22,641	105
Cultural and recreation				
Capital outlay				
Debt service:				
Principal				
Interest				
Total expenditures	22,746	22,746	22,641	105
Excess (deficiency) of revenues over expenditures			(2,641)	(2,641)
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(2,641)	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$ (2,641)	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
LAW ENFORCEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	
Charges for services				
Interest				
Miscellaneous				
Total revenues	20,000	20,000	20,000	
Cash balance carryforward	105	105		
Total	20,105	20,105		
Expenditures				
Current:				
General government				
Public safety	20,105	20,105	12,974	7,131
Cultural and recreation				
Capital outlay			5,408	(5,408)
Debt service:				
Principal				
Interest				
Total expenditures	20,105	20,105	18,382	1,723
Excess (deficiency) of revenues over expenditures	(105)	(105)	1,618	1,723
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			1,618	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$ 1,618	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
LAW ENFORCEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	
Charges for services				
Interest				
Miscellaneous				
Total revenues	20,000	20,000	20,000	
Cash balance carryforward	1,722	1,722		
Total	21,722	21,722		
Expenditures				
Current:				
General government				
Public safety	21,722	21,722	5,157	16,565
Cultural and recreation				
Capital outlay			12,386	(12,386)
Debt service:				
Principal				
Interest				
Total expenditures	21,722	21,722	17,543	4,179
Excess (deficiency) of revenues over expenditures	(1,722)	(1,722)	2,457	4,179
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			2,457	
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$ 2,457	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CDBG GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property				
Taxes - state shared				
Licenses and permits				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 99,265	\$ (200,735)
Charges for services				
Interest				
Miscellaneous				
Total revenues	300,000	300,000	99,265	(200,735)
Cash balance carryforward				
Total	300,000	300,000		
Expenditures				
Current:				
General government				
Public safety				
Cultural and recreation				
Capital outlay	300,000	300,000	99,265	200,735
Debt service:				
Principal				
Interest				
Total expenditures	300,000	300,000	99,265	200,735
Excess (deficiency) of revenues over expenditures				
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property	\$	\$	\$	\$
Taxes - state shared				
Licenses and permits				
Intergovernmental				
Charges for services				
Interest				
Miscellaneous				
Total revenues	_____	_____	_____	_____
Cash balance carryforward				
Total	_____	_____		
Expenditures				
Current:				
General government				
Public safety				
Cultural and recreation				
Capital outlay				
Debt service:				
Principal	6,035	6,035	5,164	871
Interest				
Total expenditures	6,035	6,035	5,164	871
Excess (deficiency) of revenues over expenditures	(6,035)	(6,035)	(5,164)	871
Other financing sources (uses)				
Transfers in	6,035	6,035	5,164	871
Transfers out				
Total other financing sources (uses)	6,035	6,035	5,164	871
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$ _____	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property	\$	\$	\$	\$
Taxes - state shared				
Licenses and permits				
Intergovernmental				
Charges for services				
Interest				
Miscellaneous				
Total revenues	_____	_____	_____	_____
Cash balance carryforward				
Total	_____	_____		
Expenditures				
Current:				
General government				
Public safety				
Cultural and recreation				
Capital outlay				
Debt service:				
Principal	6,035	6,035	5,675	360
Interest				
Total expenditures	6,035	6,035	5,675	360
Excess (deficiency) of revenues over expenditures	(6,035)	(6,035)	(5,675)	360
Other financing sources (uses)				
Transfers in	6,035	6,035	5,675	360
Transfers out				
Total other financing sources (uses)	6,035	6,035	5,675	360
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$ _____	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues				
Taxes - property	\$	\$	\$	\$
Taxes - state shared				
Licenses and permits				
Intergovernmental				
Charges for services				
Interest				
Miscellaneous				
Total revenues	_____	_____	_____	_____
Cash balance carryforward				
Total	_____	_____		
Expenditures				
Current:				
General government				
Public safety				
Cultural and recreation				
Capital outlay				
Debt service:				
Principal	6,035	6,035	6,035	
Interest				
Total expenditures	6,035	6,035	6,035	_____
Excess (deficiency) of revenues over expenditures	(6,035)	(6,035)	(6,035)	_____
Other financing sources (uses)				
Transfers in	6,035	6,035	6,035	
Transfers out				
Total other financing sources (uses)	6,035	6,035	6,035	_____
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in fund balance - GAAP basis			\$ _____	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Operating revenues				
Charges for services	\$ 120,000	\$ 120,000	\$ 81,433	\$ (38,567)
Other operating revenue			92	92
Total operating revenues	<u>120,000</u>	<u>120,000</u>	<u>81,525</u>	<u>(38,475)</u>
Cash balance carryforward	34,102	34,102		
Total	<u>154,102</u>	<u>154,102</u>		
Operating expenses				
Personnel services	120,000	120,000	56,519	63,481
Utilities			25,413	(25,413)
Depreciation				
Other operating expenses				
Total operating expenses	<u>120,000</u>	<u>120,000</u>	<u>81,932</u>	<u>38,068</u>
Operating income (loss)			(407)	(407)
Non-operating revenues (expenses)				
Intergovernmental			1,700	1,700
Investment income			14	14
Interest expense				
Total non-operating revenues (expenses)			<u>1,714</u>	<u>1,714</u>
Income before operating transfers			1,307	1,307
Transfers in				
Transfers out				
Change in net assets - budgetary basis			1,307	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			(12,959)	
Change in net assets - GAAP basis			<u>\$ (11,652)</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Operating revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 71,776	\$ (28,224)
Other operating revenue				
Total operating revenues	<u>100,000</u>	<u>100,000</u>	<u>71,776</u>	<u>(28,224)</u>
Cash balance carryforward	35,409	35,409		
Total	<u>135,409</u>	<u>135,409</u>		
Operating expenses				
Personnel services	98,000	98,000	75,828	22,172
Utilities			28,685	(28,685)
Depreciation				
Other operating expenses			437	(437)
Total operating expenses	<u>98,000</u>	<u>98,000</u>	<u>104,950</u>	<u>(6,950)</u>
Operating income (loss)	2,000	2,000	(33,174)	(35,174)
Non-operating revenues (expenses)				
Intergovernmental				
Investment income			19	19
Interest expense				
Total non-operating revenues (expenses)			<u>19</u>	<u>19</u>
Income before operating transfers	2,000	2,000	(33,155)	(35,155)
Transfers in				
Transfers out				
Change in net assets			(33,155)	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			12,959	
Change in net assets - GAAP basis			<u>\$ (20,196)</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance - Positive (Negative)
Operating revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 67,786	\$ (32,214)
Other operating revenue				
Total operating revenues	<u>100,000</u>	<u>100,000</u>	<u>67,786</u>	<u>(32,214)</u>
Cash balance carryforward	31,157	31,157		
Total	<u>131,157</u>	<u>131,157</u>		
Operating expenses				
Personnel services	98,000	98,000	47,648	50,352
Utilities			20,782	(20,782)
Depreciation				
Other operating expenses			126	(126)
Total operating expenses	<u>98,000</u>	<u>98,000</u>	<u>68,556</u>	<u>29,444</u>
Operating income (loss)	2,000	2,000	(770)	(2,770)
Non-operating revenues (expenses)				
Intergovernmental				
Investment income			14	14
Interest expense				
Total non-operating revenues (expenses)			<u>14</u>	<u>14</u>
Income before operating transfers	2,000	2,000	(756)	(2,756)
Transfers in			100	(100)
Transfers out				
Change in net assets			(656)	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts			(16,086)	
Change in net assets - GAAP basis			<u>\$ (16,742)</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GARBAGE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Operating revenues				
Charges for services	\$ 33,630	\$ 33,630	\$ 16,394	\$ (17,236)
Other operating revenue				
Total operating revenues	<u>33,630</u>	<u>33,630</u>	<u>16,394</u>	<u>(17,236)</u>
Cash balance carryforward	6,127	6,127		
Total	<u>39,757</u>	<u>39,757</u>		
Operating expenses				
Personnel services				
Utilities	32,000	32,000	20,893	11,107
Depreciation				
Other operating expenses				
Total operating expenses	<u>32,000</u>	<u>32,000</u>	<u>20,893</u>	<u>11,107</u>
Operating income (loss)	1,630	1,630	(4,499)	(28,343)
Non-operating revenues (expenses)				
Intergovernmental				
Investment income			8	8
Interest expense				
Total non-operating revenues (expenses)			<u>8</u>	<u>8</u>
Income before operating transfers	1,630	1,630	(4,491)	(28,335)
Transfers in				
Transfers out				
Change in net assets - budgetary basis			(4,491)	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in net assets - GAAP basis			<u>\$ (4,491)</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GARBAGE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Operating revenues				
Charges for services	\$ 33,630	\$ 33,630	\$ 22,198	\$ (11,432)
Other operating revenue				
Total operating revenues	33,630	33,630	22,198	(11,432)
Cash balance carryforward	1,636	1,636		
Total	35,266	35,266		
Operating expenses				
Personnel services				
Utilities	32,000	32,000	22,038	9,962
Depreciation				
Other operating expenses				
Total operating expenses	32,000	32,000	22,038	9,962
Operating income (loss)	1,630	1,630	160	(21,394)
Non-operating revenues (expenses)				
Intergovernmental				
Investment income			3	3
Interest expense				
Total non-operating revenues (expenses)			3	3
Income before operating transfers	1,630	1,630	163	(21,391)
Transfers in				
Transfers out				
Change in net assets			163	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in net assets - GAAP basis			\$ 163	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GARBAGE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Operating revenues				
Charges for services	\$ 33,630	\$ 33,630	\$ 22,043	\$ (11,587)
Other operating revenue				
Total operating revenues	<u>33,630</u>	<u>33,630</u>	<u>22,043</u>	<u>(11,587)</u>
Cash balance carryforward	1,799	1,799		
Total	<u>35,429</u>	<u>35,429</u>		
Operating expenses				
Personnel services				
Utilities	33,000	33,000	21,041	11,959
Depreciation				
Other operating expenses				
Total operating expenses	<u>33,000</u>	<u>33,000</u>	<u>21,041</u>	<u>11,959</u>
Operating income (loss)	630	630	1,002	372
Non-operating revenues (expenses)				
Intergovernmental				
Investment income			5	5
Interest expense				
Total non-operating revenues (expenses)			<u>5</u>	<u>5</u>
Income before operating transfers	630	630	1,007	377
Transfers in				
Transfers out				
Change in net assets			1,007	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in net assets - GAAP basis			<u>\$ 1,007</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CEMETERY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Operating revenues				
Charges for services	\$ 900	\$ 900	\$ 100	(800)
Other operating revenue	100	100		(100)
Total operating revenues	1,000	1,000	100	(900)
Cash balance carryforward	2,056	2,056		
Total	3,056	3,056		
Operating expenses				
Personnel services				
Utilities	750	750	257	493
Depreciation				
Other operating expenses				
Total operating expenses	750	750	257	493
Operating income (loss)	250	250	(157)	(407)
Non-operating revenues (expenses)				
Intergovernmental				
Investment income				
Interest expense				
Total non-operating revenues (expenses)				
Income before operating transfers	250	250	(157)	(407)
Transfers in				
Transfers out				
Change in net assets			(157)	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in net assets - GAAP basis			\$ (157)	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CEMETERY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Operating revenues				
Charges for services	\$ 600	\$ 838	\$ 973	135
Other operating revenue				
Total operating revenues	<u>600</u>	<u>838</u>	<u>973</u>	<u>135</u>
Cash balance carryforward	1,899	1,899		1,899
Total	<u>2,499</u>	<u>2,737</u>		
Operating expenses				
Personnel services			344	(344)
Utilities	400	1,093	885	208
Depreciation				
Other operating expenses				
Total operating expenses	<u>400</u>	<u>1,093</u>	<u>1,229</u>	<u>(136)</u>
Operating income (loss)	200	(255)	(256)	(1)
Non-operating revenues (expenses)				
Intergovernmental				
Investment income				
Interest expense				
Total non-operating revenues (expenses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Income before operating transfers	200	(255)	(256)	(1)
Transfers in				
Transfers out				
Change in net assets			(256)	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in net assets - GAAP basis			<u>\$ (256)</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CEMETERY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Operating revenues				
Charges for services	\$ 1,900	\$ 3,100	\$ 3,100	
Other operating revenue				
Total operating revenues	<u>1,900</u>	<u>3,100</u>	<u>3,100</u>	
Cash balance carryforward	1,643	1,643		1,643
Total	<u>3,543</u>	<u>4,743</u>		
Operating expenses				
Personnel services				
Utilities	1,500	1,500	569	931
Depreciation				
Other operating expenses				
Total operating expenses	<u>1,500</u>	<u>1,500</u>	<u>569</u>	<u>931</u>
Operating income (loss)	400	1,600	2,531	931
Non-operating revenues (expenses)				
Intergovernmental				
Investment income				
Interest expense				
Total non-operating revenues (expenses)				
Income before operating transfers	400	1,600	2,531	931
Transfers in				
Transfers out				
Change in net assets			2,531	
Reconciliation to change in net assets - GAAP basis:				
Revenue accruals, net of prior year amounts				
Expenditure accruals, net of prior year amounts				
Change in net assets - GAAP basis			<u>\$ 2,531</u>	

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-01 – Failure to File Agreed Upon Procedures Report by the Required Due Date

Condition:

The Village was required to obtain the services of an independent public accountant to perform procedures under Tier 6 of the Audit Act – Section 12-6-3 B (6) NMSA 1978 and Section 2.2.2.16 NMAC for the fiscal years ending June 30, 2010, 2011 and 2012. Reports were not submitted to the State Auditor’s Office by the due date.

Criteria:

Per Section 2.2.2.16(H)(1) NMAC, the report due date is December 1 after the fiscal year end.

Effect:

The Village was not in compliance with State of New Mexico requirements and could potentially jeopardize future State funding and potential future Federal funding.

Cause:

The fiscal year 2007 audit was completed during 2012. 343As a result, the contract for fiscal years 2010, 2011 and 2012 was not executed until after the due date.

Recommendation:

Management should procure an auditor and work with their auditor’s to have their audit reports complete and submitted to the Office of the State Auditor by December 1st.

Agency Response:

Thanks to the Office of the State Auditor, the Village will be in compliance with New Mexico requirements for fiscal years 2010, 2011 and 2012. Village Clerk Taylor is currently working to obtain an auditor for the fiscal year 2013 audit.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-02 General Controls Over Cash

Condition:

During our testwork over bank reconciliations related to fiscal year 2010 we noted the following.

1. Accounts were not reconciled in a timely manner for multiple funds. We noted the General, Water and Sewer, and Police accounts, were not reconciled from July 2009 through June 2010. In addition, the Fire accounts were not reconciled from January 2010 through June 2010 and the Garbage account was not reconciled from November 2009 through June 2010.
2. We noted that four out of fourteen reconciliations reviewed, there was an unreconciled variance between the general ledger balance and the bank balance. The variances were \$359, \$10,091, \$109 and \$9,060.
3. For several reconciliations, outstanding checks listed as reconciling items had already cleared the bank account in a different amount.
4. For six of 14 bank statements reviewed, reconciliation was not prepared because the general ledger balance agreed to the bank statement. However, there was no documentation that the balances were reviewed to determine there was no need for a reconciliation.

During our testwork over bank reconciliations related to fiscal year 2011 we noted the Village was not using the proper date parameters when reconciling cash. The Village appeared to be using the date of the reconciliation as the last date within the reconciling period. Any transactions that occurred between the end of the month and the time of the reconciliation were being included and therefore caused discrepancies between the reconciliations and the general ledger.

During our testwork over bank reconciliations related to fiscal year 2012 we noted the Village did not timely post a deposit of \$4,485 in the accounting software which resulted in an understatement of revenue for fiscal year 2012.

For fiscal years 2010, 2011, and 2012 noted the Village did not obtain statements and reconcile the CD investment accounts.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-02 General Controls Over Cash (Concluded)

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 so as to show the balance of public money on hand at the close of each day's business.

Effect:

Unreconciled bank accounts could increase the risk of fraud going undetected. Additionally, cash balances could be misstated and lead to expenditures in excess of the budget.

Cause:

The Village experienced a high rate of turnover during this time period and the Village Clerk was still receiving training for the accounting software.

Recommendation:

The Village should ensure they are utilizing the accounting software to perform reconciliations at the end of each month for each bank account and investment accounts. When performing the reconciliations the Village should also ensure the proper parameter dates are being used in order to properly reconcile to the general ledger.

Agency Response:

Mayor Pinkston has requested in writing that International Bank send a monthly statement on each of the Village's certificate of deposit. All funds will be reconciled monthly.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-03 Capital Assets Inventory

Condition:

The Village did not perform an annual physical inventory for fiscal year 2010, fiscal year 2011 and fiscal year 2012.

Criteria:

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.

Effect:

The lack of an annual inventory count increases the risk of theft being perpetrated and going undetected. Additionally, capital asset balances could be materially misstated.

Cause:

The Village experienced a high rate of turnover during this time period and the Village Clerk was still receiving training.

Recommendation:

The Village should ensure a complete physical inventory of all Village assets is performed annually.

Agency Response:

Village personnel (clerk, maintenance workers and mayor) will complete a physical inventory of all Village assets annually. The clerk will maintain a property list on the computer.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-4 Remittance of Debt Service Payments

Condition:

During testwork performed over debt for fiscal year 2010, we noted the Village did not submit the required loan payment for two of twelve instances tested for a total of \$285.

Criteria:

The agreement entered into by the Village and the New Mexico Environment Department specified the Village was required to make monthly payments of \$142.88.

Effect:

Failing to timely disburse loan payments could cause the Village to default on their loan and incur additional fees.

Cause:

The Village experienced a high rate of turnover during the year.

Recommendation:

We recommend the Village implement a process to ensure that all loan payments are made timely.

Agency Response:

A process to ensure that all loan payments are made in a timely manner has been instituted. The loan has since been paid off.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-5 Controls over Revenue

Condition:

During testwork performed over fiscal year 2010 revenues, we noted for two of thirteen revenue transactions reviewed, the supporting documentation could not be located. These two instances totaled \$10,330 and were for utility receipts and property tax revenues.

During testwork performed over fiscal year 2012 revenues, we noted for one of 25 revenue transactions reviewed, the supporting documentation could not be located for a utility receipt totaling \$148.57.

Criteria:

Section 6-10-2 NMSA 1978, states “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 so as to show the balance of public money on hand at the close of each day's business.”

Effect:

Failing to properly preserve the audit trail related to revenues could lead to misstatements and misappropriation going unnoticed by Village management.

Cause:

The Village experienced a high rate of turnover during this time period and the Village Clerk was still receiving training for the accounting software.

Recommendation:

We recommend the Village implement a process to create and maintain adequate accounting records.

Agency Response:

The Village has implemented a process to create and maintain adequate accounting records. All payments are recorded in the receipt books, deposit slips filled out daily and recorded in QuickBooks.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-6 Controls over Expenditures

Condition:

During our testwork over fiscal year 2010 disbursements we noted seven of 29 items reviewed, for a total of \$42,055, did not contain adequate supporting documentation. The Village could not locate any supporting documentation for expenditures totaling \$13,617 for worker's compensation, lagoon improvements and fire equipment. For expenditures of \$12,817 to Public Employees Retirement Association, an invoice could not be located and the expenditures were only supported by a copy of the check. For expenditures of \$15,621 for capital outlay, a copy of the purchase order could not be located.

In addition, for one of four capital outlay appropriation expenditures reviewed, a purchase order could not be located for a purchase of \$565.

During our testwork over fiscal year 2011 disbursements we noted one of 25 items reviewed totaling \$40 was charged to the incorrect account. Additionally, we noted for one of 25 items tested totaling \$30 that the check signer was also the payee.

Criteria:

Per section 6-5-8 NMSA 1978, all purchase vouchers for goods and services, other than personnel, shall be accompanied by supporting invoices and documentation required by the division.

Also, good internal controls require that those signing checks are not going to personally benefit from the check bearing their signature.

Effect:

Failing to properly track expenditures could lead to unauthorized disbursements or expenditures in excess of the budget.

Furthermore, the procedure of requiring two signatures on every check is compromised because one of these signers is also the payee on the check. This increases the risk of collusion between authorized check signers.

Cause:

The check signer was reviewing the batch of accounts payable documentation and did not notice that they were the payee.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-6 Controls over Expenditures (Concluded)

Recommendation:

We recommend the Village implement a process to create and maintain adequate accounting control and records, which includes proper segregation of duties.

Agency Response:

The Village has implemented a process to ensure adequate accounting control and records.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-7 Procurement

Condition:

We reviewed 14 transactions which required procurement in fiscal year 2010. We noted the following.

1. For two disbursements reviewed totaling \$10,468 for lagoon improvements and fire equipment, the Village did not have adequate supporting documentation to ensure compliance with the procurement code.
2. For six disbursements reviewed totaling \$47,605, the Village did not issue a formal procurement for the good or service and did not obtain quotes. Disbursements totaling \$17,532 were for radio installation, office equipment and supplies, fire equipment and a pump. Two disbursements totaling \$30,073 were capital outlay appropriations.

We reviewed 9 transactions which required procurement in fiscal year 2012. We noted the following.

3. For two disbursements reviewed totaling \$11,000 for soundings and a slide-in unit for the fire department, the Village did not obtain quotes.
4. For two disbursements reviewed totaling \$96,265 related to a CDBG project, the Village did not maintain the time and date stamped envelopes of the two offerors. In addition, the Village did not maintain the summary of the evaluation that determined the vendor to be awarded the contract.
5. For two disbursements reviewed totaling \$10,470 for police equipment, the Village obtained three written quotes; however, the lowest quote was not selected and a justification was not documented. During our discussions with management, they explained that the lowest quote did not include shipping charges and the vendor with the second lowest quote was closer to the Village and did not charge shipping.

Criteria:

State Procurement Code, Sections 13-1-125, 13-1-103 through 13-1-110, and 13-1-111 through 13-1-122, NMSA 1978; require the use of competitive bids or sealed proposals for purchases exceeding the prescribed threshold and the use of quotes below that threshold.

Effect:

The Village was not enforcing State procurement code related to purchasing thresholds and failed to maintain the required support for expenditures. Further, future funding, such as capital outlay, may be jeopardized.

Cause:

The Village experienced a high rate of turnover during this time period and the Village Clerk was still receiving training.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-7 Procurement (Concluded)

Recommendation:

The Village should review controls and stringently enforce the procurement code when processing payments to vendors.

Agency Response:

All Village personnel (clerk, maintenance personnel and fire department volunteers) know that there is a procurement code and it will be strictly enforced. No checks will be issued without proper procurement procedure.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-8 Controls over Travel and Per Diem

Condition:

During our travel and per diem testwork over fiscal year 2010 activity we noted for one per diem transaction totaling \$235, the individual was over reimbursed approximately \$12 as a rate of \$.58 per mile was used rather than the previous years' Internal Revenue Service (IRS) rate of \$.505 per mile.

During our travel and per diem testwork over fiscal year 2011 activity we noted one of three per diem vouchers reviewed, the individual was under reimbursed by approximately \$13.

During our travel and per diem testwork over fiscal year 2012 activity we noted one of two per diem vouchers did not indicate the number of miles travelled and other information such as the date and times of departure and arrival were not completed. The reimbursement was for \$153.

Criteria

Per section 6-5-8 NMSA 1978, all purchase vouchers for goods and services, other than personnel, shall be accompanied by supporting invoices and documentation required by the division.

Per Section 10-8-4 (D) NMSA 1978 every public officer or employee shall receive up to the IRS standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Effect:

The Village's controls over mileage and per diem were not adequate to ensure that the per diem was being paid correctly and improper and unsupported payments may have occurred.

Cause:

Due to high turnover, the change in the authorized per diem rate was overlooked.

Recommendation:

The Village should implement an effective internal control and monitoring process to ensure that mileage and reimbursements are in compliance with statute and all supporting documentation is completed and maintained.

Agency Response:

Village personnel have attended workshops/classes concerning per diem and mileage and now have knowledge concerning rates.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-9 Controls over Payroll

Condition:

During our testwork over payroll disbursements for fiscal year 2010, fiscal year 2011 and fiscal year 2012 we noted the Village does not maintain documentation of an approved hourly rate for employees. Total payroll for fiscal years 2010, 2011 and 2012 were \$127,486, \$130,226, and \$150,965 respectively.

Criteria

Good internal control practices require written authorization of pay rate and pay rate changes be maintained in the employee's personnel file.

Effect:

The lack of internal controls for payroll could potentially result in errors in employees' pay, and misstatements of expenditures for financial reporting purposes.

Cause:

Management was not aware that authorization of pay rates should be maintained in the employee's personnel file.

Recommendation:

We recommend the Village ensure pay rates are authorized and written authorization is maintained in the employee personnel files.

Agency Response:

Village mayor will note each employee's rate of pay every year in their personnel file.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-10 – Failure to Account for the Check Sequences

Condition:

We reviewed the check sequence from July 1, 2009 to June 30, 2012 for all bank accounts. For the following accounts, the check information was not entered in the general ledger.

<u>Bank Account</u>	<u># of unaccounted checks</u>	<u># of checks the Village provided documentation of proper voiding</u>
General Fund	120	10
Water Sewer Account	20	6
Water Meter Deposits	2	1
Garbage	2	1
State Fire Fund	16	1
Fire Discretionary	8	0

For the General and Water & Sewer Accounts, the bank statements received directly from the bank were reviewed to determine if the checks cleared through the bank. The following number of checks and total amounts were paid by the bank.

<u>Bank Account</u>	<u># of checks that did not clear the bank</u>	<u># of checks that were paid per the bank statements</u>	<u>Dollar amount of checks that were paid</u>
General Fund	46	74	\$ 75,939.72
Water & Sewer Account	17	3	964.38

Criteria:

In accordance with Section 6-6-3 NMSA 1978, the Village shall keep all books, records and accounts in the form prescribed by the local government division. In addition, internal controls are a process effected by those charged with governance, management and other personnel that are designed to provide reasonable assurance about the achievement of objectives including reliability of financial reporting, effectiveness of operations, compliance with laws and regulations as well as safeguarding assets. (AU Section 314)

Effect:

The Village did not have an internal control in place to help ensure public monies were less likely to be susceptible to fraud or abuse. In addition, expenditures were understated in the applicable fiscal years.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2010-10 – Failure to Account for the Check Sequences (Concluded)

Cause:

The current management of the Village began in their positions in fiscal year 2010. The records at that time were in disarray including not accounting for all financial transactions of the Village in the accounting records.

Recommendation:

Management should monitor the general ledger activity monthly to ensure all check numbers are accounted for as issued or voided.

Agency Response:

The Village of Maxwell reconciles Village Checking accounts on a monthly basis. At that time all checks are verified and all voided checks are entered into QuickBooks. Checks that have been voided are attached to the issued check. In the event of a blank check being faxed over or ruined in the printer, those checks are kept in a separate folder and as also verified in QuickBooks. Checks that have been voided are added into QuickBooks with an explanation as to why they were voided, along with the check number. The Village has worked hard to keep bank accounts reconciled and all checks accounted for.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2011-1 Violation of the Open Meeting Act

Condition:

During our review of the fiscal year 2011 board minutes, we noted during one meeting the Commission discussed audit related items prior to the final approval and release of the audit report by the State Auditor.

Criteria:

Section 12-6-5, NMSA 1978 provides that an audit report does not become public record, or subject to public inspection, until five calendar days after the date it is released by the State Auditor to the agency being audited. In addition, agency personnel shall not release information to the public relating to the audit until the audit report is released and has become public record (2.2.2.10 (J)(3) NMAC).

Effect:

The Village did not comply with the statutes and requirements regarding the release of the audit report information.

Cause:

Management was not aware of the requirements and discussed the audit report during an open meeting.

Recommendation:

The Village should ensure the status of audit related items are not discussed prior to the release of the audit report. Audit items should be discussed in closed session prior to the release of the audit.

Agency Response:

The Village Mayor discussed this with state auditor personnel and now knows not to discuss audits or talk with the auditor in an open meeting.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SCHEDULE OF FINDINGS AND RESPONSES**

2011-2 Over Expenditure of Budget

Condition:

The following funds reported expenditures that exceeded the approved budgeted amounts.

<u>Fiscal Year</u>	<u>Fund</u>	<u>Budget</u>	<u>Expenditure</u>	<u>Overbudget</u>
2011	Cemetery	\$ 1,093	\$ 1,229	\$ 136
2012	Fire Protection	29,246	29,260	14

Criteria:

All Village funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration – Local Government Division for approval. Once adopted, any claims or warrants in excess of budget are a violation of Section 6-6-6 NMSA 1978, as the fund level has been established as the legal level of budgetary control.

Effect:

The Village exceeded the legal level of budget authority. In accordance with Section 6-6-6 NMSA 1978, any expenditure in excess of the approved budget may be determined to be a liability of the officials authorizing such expenditure.

Cause:

Management did not effectively monitor expenditures throughout the fiscal year and make budget adjustment requests as needed.

Recommendation:

Management should monitor expenditures to ensure budgeting control and accountability and to make budget adjustments as necessary.

Agency Response:

Village personnel will budget conservatively or do an adjustment on the budget.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
EXIT CONFERENCE**

The report contents were discussed at an exit conference held November 21, 2013 with the following in attendance.

Village of Maxwell

Karla Kay Pinkston, Mayor
Joanna Taylor, Clerk

Office of the State Auditor

Melissa D. Spangler, CPA, CGFM, Audit Manager

Accountant's Compilation Report



State of New Mexico
OFFICE OF THE STATE AUDITOR

Hector H. Balderas
State Auditor

Carla C. Martinez
Deputy State Auditor

Accountant's Compilation Report

Hector H. Balderas, New Mexico State Auditor
Karla Kay Pinkston, Mayor and Members of the Village Council
Village of Maxwell
Maxwell, New Mexico

We have compiled the accompanying financial statements of each individual fund of the Village of Maxwell as of June 30, 2010, June 30, 2011 and June 30, 2012, and the changes in financial position thereof for the years then ended. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for the designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the government-wide financial statements; the notes related to the government-wide financial statements; the statement of cash flows where applicable; and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted financial statements and disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Office of the State Auditor

Office of the State Auditor
November 26, 2013

FUND FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
BALANCE SHEET
JUNE 30, 2010**

	General	Fire Protection	Fire Discretionary	Law Enforcement	Debt Service	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 324,260	\$ 50,189	\$ 17,284	\$ 105	\$	\$ 391,838
Accounts receivable	45,384					45,384
Other assets	45					45
Total assets	<u>369,689</u>	<u>50,189</u>	<u>17,284</u>	<u>105</u>	<u></u>	<u>437,267</u>
LIABILITIES						
Accrued payroll and liabilities	7,339		156			7,495
Total liabilities	<u>7,339</u>	<u></u>	<u>156</u>	<u></u>	<u></u>	<u>7,495</u>
FUND BALANCES						
Restricted		50,189	17,128	105		67,422
Unassigned	362,350					362,350
Total fund balances	<u>362,350</u>	<u>50,189</u>	<u>17,128</u>	<u>105</u>	<u></u>	<u>429,772</u>
Total liabilities and fund balances	<u>\$ 369,689</u>	<u>\$ 50,189</u>	<u>\$ 17,284</u>	<u>\$ 105</u>	<u>\$</u>	<u>\$ 437,267</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
BALANCE SHEET
JUNE 30, 2011**

	General	Fire Protection	Fire Discretionary	Law Enforcement	Debt Service	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 309,731	\$ 57,296	\$ 10,928	\$ 1,723	\$	\$ 379,678
Other assets						
Total assets	<u>309,731</u>	<u>57,296</u>	<u>10,928</u>	<u>1,723</u>	<u></u>	<u>379,678</u>
LIABILITIES						
Accrued payroll and liabilities	<u>12,243</u>					<u>12,243</u>
Total liabilities	<u>12,243</u>					<u>12,243</u>
FUND BALANCES						
Restricted		57,296	10,928	1,723		69,947
Unassigned	<u>297,488</u>					<u>297,488</u>
Total fund balances	<u>297,488</u>	<u>57,296</u>	<u>10,928</u>	<u>1,723</u>	<u></u>	<u>367,435</u>
Total liabilities and fund balances	<u>\$ 309,731</u>	<u>\$ 57,296</u>	<u>\$ 10,928</u>	<u>\$ 1,723</u>	<u>\$</u>	<u>\$ 379,678</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
BALANCE SHEET
JUNE 30, 2012**

	<u>General</u>	<u>Fire Protection</u>	<u>Fire Discretionary</u>	<u>Law Enforcement</u>	<u>Debt Service</u>	<u>CDBG Grant</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 341,941	\$ 121,211	\$ 21,454	\$ 4,180	\$	\$	\$ 488,786
Other assets							
Total assets	<u>341,941</u>	<u>121,211</u>	<u>21,454</u>	<u>4,180</u>	<u></u>	<u></u>	<u>488,786</u>
LIABILITIES							
Accrued payroll and liabilities	8,016		2,448				10,464
Total liabilities	<u>8,016</u>	<u></u>	<u>2,448</u>	<u></u>	<u></u>	<u></u>	<u>10,464</u>
FUND BALANCES							
Restricted		121,211	19,006	4,180			144,397
Unassigned	333,925						333,925
Total fund balances	<u>333,925</u>	<u>121,211</u>	<u>19,006</u>	<u>4,180</u>	<u></u>	<u></u>	<u>478,322</u>
Total liabilities and fund balances	<u>\$ 341,941</u>	<u>\$ 121,211</u>	<u>\$ 21,454</u>	<u>\$ 4,180</u>	<u>\$</u>	<u>\$</u>	<u>\$ 488,786</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010**

	General	Fire Protection	Fire Discretionary	Law Enforcement	Debt Service	Total Governmental Funds
Revenues						
Taxes - property	\$ 12,084	\$	\$	\$	\$	\$ 12,084
Taxes - state shared	96,453					96,453
Licenses and permits	436					436
Intergovernmental	25,870	60,570	8,603	20,000		115,043
Charges for services	5,024					5,024
Interest	692					692
Rents	12,549					12,549
Miscellaneous	4,894					4,894
Total revenues	<u>158,002</u>	<u>60,570</u>	<u>8,603</u>	<u>20,000</u>		<u>247,175</u>
Expenditures						
Current:						
General government	84,325		7,874			92,199
Cultural and recreation		21,987	1,985	22,641		46,613
Streets and roads	549					549
Capital outlay	35,441	16,836				52,277
Debt service:						
Principal					5,164	5,164
Total expenditures	<u>120,315</u>	<u>38,823</u>	<u>9,859</u>	<u>22,641</u>	<u>5,164</u>	<u>196,802</u>
Excess (deficiency) of revenues over expenditures	<u>37,687</u>	<u>21,747</u>	<u>(1,256)</u>	<u>(2,641)</u>	<u>(5,164)</u>	<u>50,373</u>
Other Financing Sources (Uses)						
Transfers in					5,164	5,164
Transfers out	<u>(5,164)</u>					<u>(5,164)</u>
Total other financing sources (uses)	<u>(5,164)</u>				<u>5,164</u>	
Net change in fund balance	32,523	21,747	(1,256)	(2,641)		50,373
Fund balance, beginning of year	329,827	28,442	18,384	2,746		379,399
Fund balance, end of year	<u>\$ 362,350</u>	<u>\$ 50,189</u>	<u>\$ 17,128</u>	<u>\$ 105</u>	<u>\$</u>	<u>\$ 429,772</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	General	Fire Protection	Fire Discretionary	Law Enforcement	Debt Service	Total Governmental Funds
Revenues						
Taxes - property	\$ 10,979	\$	\$	\$	\$	\$ 10,979
Taxes - state shared	85,161					85,161
Licenses and permits	615					615
Intergovernmental		58,465	1,628	20,000		80,093
Interest	2,368					2,368
Rents	12,600					12,600
Miscellaneous	6,090		100			6,190
Total revenues	<u>117,813</u>	<u>58,465</u>	<u>1,728</u>	<u>20,000</u>		<u>198,006</u>
Expenditures						
Current:						
General government	102,199		3,268			105,467
Public safety		18,389	4,921	12,974		36,284
Cultural and recreation	566					566
Streets and roads	5,722					5,722
Capital outlay	820	32,904		5,408		39,132
Debt service:						
Principal					5,675	5,675
Total expenditures	<u>109,307</u>	<u>51,293</u>	<u>8,189</u>	<u>18,382</u>	<u>5,675</u>	<u>192,846</u>
Excess (deficiency) of revenues over expenditures	<u>8,506</u>	<u>7,172</u>	<u>(6,461)</u>	<u>1,618</u>	<u>(5,675)</u>	<u>5,160</u>
Other Financing Sources (Uses)						
Transfers in					5,675	5,675
Transfers out	(5,675)					(5,675)
Total other financing sources (uses)	<u>(5,675)</u>				<u>5,675</u>	
Net change in fund balance	2,831	7,172	(6,461)	1,618		5,160
Fund balance, beginning of year	294,657	50,124	17,389	105		362,275
Fund balance, end of year	<u>\$ 297,488</u>	<u>\$ 57,296</u>	<u>\$ 10,928</u>	<u>\$ 1,723</u>	<u>\$</u>	<u>\$ 367,435</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012**

	General	Fire Protection	Fire Discretionary	Law Enforcement	Debt Service	CDBG Grant	Total Governmental Funds
Revenues							
Taxes - property	\$ 13,757	\$	\$	\$	\$	\$	\$ 13,757
Taxes - state shared	28,924						28,924
Licenses and permits	629						629
Intergovernmental	91,041	86,985		20,000		99,265	297,291
Interest	12,600						12,600
Rents	647						647
Miscellaneous	9,178	2,767	30,055				42,000
Total revenues	<u>156,776</u>	<u>89,752</u>	<u>30,055</u>	<u>20,000</u>		<u>99,265</u>	<u>395,848</u>
Expenditures							
Current:							
General government	82,124		1,830				83,954
Cultural and recreation		25,009	11,903	5,157			42,069
Streets and roads	2,882						2,882
Capital outlay	25,775	4,251	8,244	12,386		99,265	149,921
Debt service:							
Principal					6,035		6,035
Total expenditures	<u>110,781</u>	<u>29,260</u>	<u>21,977</u>	<u>17,543</u>	<u>6,035</u>	<u>99,265</u>	<u>284,861</u>
Excess (deficiency) of revenues over expenditures	<u>45,995</u>	<u>60,492</u>	<u>8,078</u>	<u>2,457</u>	<u>(6,035)</u>		<u>110,987</u>
Other Financing Sources (Uses)							
Transfers in		3,423			6,035		9,458
Transfers out	(9,558)						(9,558)
Total other financing sources (uses)	<u>(9,558)</u>	<u>3,423</u>			<u>6,035</u>		<u>(100)</u>
Net change in fund balance	36,437	63,915	8,078	2,457			110,887
Fund balance, beginning of year	297,488	57,296	10,928	1,723			367,435
Fund balance, end of year	<u>\$ 333,925</u>	<u>\$ 121,211</u>	<u>\$ 19,006</u>	<u>\$ 4,180</u>	<u>\$</u>	<u>\$</u>	<u>\$ 478,322</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010**

	Water and Sewer	Garbage	Cemetary	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 35,409	\$ 1,636	\$ 1,899	\$ 38,944
Total assets	<u>35,409</u>	<u>1,636</u>	<u>1,899</u>	<u>38,944</u>
LIABILITIES				
Current liabilities:				
Accrued payroll and liabilities	12,959			12,959
Total current liabilities	<u>12,959</u>			<u>12,959</u>
Non-current liabilities:				
Long-term debt				
Total non-current liabilities				
Total liabilities	<u>12,959</u>			<u>12,959</u>
NET ASSETS				
Unrestricted	22,450	1,636	1,899	25,985
Total net assets	<u>22,450</u>	<u>1,636</u>	<u>1,899</u>	<u>25,985</u>
Total liabilities and net assets	<u>\$ 35,409</u>	<u>\$ 1,636</u>	<u>\$ 1,899</u>	<u>\$ 38,944</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011**

	Water and Sewer	Garbage	Cemetary	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 31,157	\$ 1,799	\$ 1,643	\$ 34,599
Total assets	<u>31,157</u>	<u>1,799</u>	<u>1,643</u>	<u>34,599</u>
LIABILITIES				
Current liabilities:				
Accrued payroll and liabilities				
Total current liabilities				
Non-current liabilities:				
Long-term debt				
Total non-current liabilities				
Total liabilities				
NET ASSETS				
Unrestricted	31,157	1,799	1,643	34,599
Total net assets	<u>31,157</u>	<u>1,799</u>	<u>1,643</u>	<u>34,599</u>
Total liabilities and net assets	<u>\$ 31,157</u>	<u>\$ 1,799</u>	<u>\$ 1,643</u>	<u>\$ 34,599</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

	Water and Sewer	Garbage	Cemetary	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 30,501	\$ 2,806	\$ 4,174	\$ 37,481
Total assets	<u>30,501</u>	<u>2,806</u>	<u>4,174</u>	<u>37,481</u>
LIABILITIES				
Current liabilities:				
Accrued payroll and liabilities	16,086			16,086
Total current liabilities	<u>16,086</u>			<u>16,086</u>
Non-current liabilities:				
Long-term debt				
Total non-current liabilities				
Total liabilities	<u>16,086</u>			<u>16,086</u>
NET ASSETS				
Unrestricted	14,415	2,806	4,174	21,395
Total net assets	<u>14,415</u>	<u>2,806</u>	<u>4,174</u>	<u>21,395</u>
Total liabilities and net assets	<u>\$ 30,501</u>	<u>\$ 2,806</u>	<u>\$ 4,174</u>	<u>\$ 37,481</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Water and Sewer	Garbage	Cemetary	Total Enterprise Funds
Operating revenues				
Charges for services	\$ 81,433	\$ 16,394	\$ 100	\$ 97,927
Other operating revenue	92			92
Total operating revenues	<u>81,525</u>	<u>16,394</u>	<u>100</u>	<u>98,019</u>
Operating expenses				
Personnel services	69,478			69,478
Utilities	25,413	20,893	257	46,563
Total operating expenses	<u>94,891</u>	<u>20,893</u>	<u>257</u>	<u>116,041</u>
Operating income (loss)	<u>(13,366)</u>	<u>(4,499)</u>	<u>(157)</u>	<u>(18,022)</u>
Non-operating revenues (expenses)				
Intergovernmental	1,700			1,700
Investment income	14	8		22
Total non-operating revenues (expenses)	<u>1,714</u>	<u>8</u>		<u>1,722</u>
Change in net assets	(11,652)	(4,491)	(157)	(16,300)
Net assets, beginning of year	34,102	6,127	2,056	42,285
Net assets, end of year	<u>\$ 22,450</u>	<u>\$ 1,636</u>	<u>\$ 1,899</u>	<u>\$ 25,985</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Water and Sewer	Garbage	Cemetery	Total Enterprise Funds
Operating revenues				
Charges for services	\$ 71,776	\$ 22,198	\$ 973	\$ 94,947
Other operating revenue				
Total operating revenues	<u>71,776</u>	<u>22,198</u>	<u>973</u>	<u>94,947</u>
Operating expenses				
Personnel services	62,869		344	63,213
Utilities	28,685	22,038	885	51,608
Other operating expenses	437			437
Total operating expenses	<u>91,991</u>	<u>22,038</u>	<u>1,229</u>	<u>115,258</u>
Operating income (loss)	<u>(20,215)</u>	<u>160</u>	<u>(256)</u>	<u>(20,311)</u>
Non-operating revenues (expenses)				
Intergovernmental				
Investment income	19	3		22
Total non-operating revenues (expenses)	<u>19</u>	<u>3</u>		<u>22</u>
Change in net assets	(20,196)	163	(256)	(20,289)
Net assets, beginning of year	51,353	1,636	1,899	54,888
Net assets, end of year	<u>\$ 31,157</u>	<u>\$ 1,799</u>	<u>\$ 1,643</u>	<u>\$ 34,599</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Water and Sewer	Garbage	Cemetery	Total Enterprise Funds
Operating revenues				
Charges for services	\$ 67,786	\$ 22,043	\$ 3,100	\$ 92,929
Other operating revenue				
Total operating revenues	<u>67,786</u>	<u>22,043</u>	<u>3,100</u>	<u>92,929</u>
Operating expenses				
Personnel services	63,734			63,734
Utilities	20,782	21,041	569	42,392
Other operating expenses	126			126
Total operating expenses	<u>84,642</u>	<u>21,041</u>	<u>569</u>	<u>106,252</u>
Operating income (loss)	<u>(16,856)</u>	<u>1,002</u>	<u>2,531</u>	<u>(13,323)</u>
Non-operating revenues (expenses)				
Intergovernmental				
Investment income	14	5		19
Total non-operating revenues (expenses)	<u>14</u>	<u>5</u>		<u>19</u>
Income before operating transfers	(16,842)	1,007	2,531	(13,304)
Transfers in	100			100
Transfers out				
Total other financing sources (uses)	<u>100</u>			<u>100</u>
Change in net assets	(16,742)	1,007	2,531	(13,204)
Net assets, beginning of year	31,157	1,799	1,643	34,599
Net assets, end of year	<u>\$ 14,415</u>	<u>\$ 2,806</u>	<u>\$ 4,174</u>	<u>\$ 21,395</u>

Selected Information –

Substantially All Disclosures Required by
Accepted Accounting Principles Generally Accepted
in the United States of America
Are Not Included

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The Village's combined financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

1. The organization is legally separate (can sue and be sued in their own name).
2. The Village holds the corporate powers of the organization.
3. The Village appoints a voting majority of the organization's board.
4. The Village is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the Village.
6. There is fiscal dependency by the organization on the Village.

The Village of Maxwell has one discretely presented component unit; The Village of Maxwell Housing Authority. The separate financial statements of the component unit can be obtained from the Housing Authority at P.O. Box 188, Maxwell, New Mexico 87728.

Basis of Presentation, Basis of Accounting

Separate financial statements are provided for governmental funds and proprietary funds, individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The individual fund financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

Measurement focus basis of accounting and financial statement presentation

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they were collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. Sales and uses taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 criteria have been met subject to the availability criterion.

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 capital assets and servicing of debt. However, debt service expenditures are recorded only when payment is due.

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 capital assets and servicing of general long-term debt. Under the requirements of GASB No. 34, the Village is required to present certain of its governmental funds as major based on specific criteria. Management has elected to present all funds as major funds.

The Village reports the following major governmental funds:

General Fund

This fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Fire Protection

To account for revenues from the State of New Mexico Fire Protection Fund that is designated for use in operation, maintenance, and betterment of the fire department (Section 9-A-53-2 NMSA 1978).

Fire Discretionary

To account for discretionary funds donated to be used for the fire department.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Law Enforcement

To account for monies received under a Joint Powers Agreement entered into by the New Mexico Department of Public Safety, State Police Division (NMDPS SPD) and the Village of Maxwell (Village) pursuant to the Joint Powers Act, Sections 11-1-1 through 11-1-7, NMSA 1978. The Village receives a Law Enforcement Protection Funds grant on an annual basis to be made available to NMDPS, NMSP for purchase and repair of equipment and office training for providing police protection and law enforcement as required within its municipality limits. The Village is responsible for administration of this agreement and NMDPS, SPD agrees to provide protection and law enforcement within the municipality limits of the Village.

Debt Service

The debt service fund accounts for the transfer of resources and payment of obligations in accordance with signed agreements.

CDBG Grant

This capital projects fund type accounts for revenues and expenditures under a pass-through program for the State. Expenditures are restricted to the purposes approved in the grant application.

The Village reports the following major proprietary funds:

Water & Sewer Fund

To account for the provision of water/sewer services to residents. All activities necessary to provide such services are accounted for in this fund, including administration, operation, maintenance, financing, billing and collection. Construction costs are also accounted for in this fund.

Garbage Fund

To account for the garbage collection services to residents. All activities necessary to provide such services are accounted for in this fund.

Cemetery Fund

To account for cemetery services to residents. All activities to provide such services are accounted for in this fund.

Proprietary funds distinguish operating revenues and expenses from nonoperation items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water sewer utility fund and garbage fund are charged to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the terms of grant agreements, the Village funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Village's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Information

Annual budgets are adopted for all funds except agency funds. Budgets are not consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at fiscal year end. Carry over funds may be appropriated in the budget of the subsequent fiscal year. Actual expenditures may not exceed the budget on a fund basis. Budgets may be amended by Village Council resolution with approval by the State Department of Finance and Administration. Village department heads may make transfers of appropriations within a fund. The legal level of budgetary control is the fund level. Increases or decreases of appropriations between fund require the approval of the governing council.

The Village follows the following procedures in establishing the budgetary data reflected in the financial statements:

Prior to June 1, the Village Manager submits to the Village Council a proposed operating 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 to obtain taxpayer comments. Prior to September 1, the budget is legally enacted through passage of a resolution.

The Village Mayor is authorized to transfer budget amounts between departments within any fund. However, the Village Council must approve any revisions that alter the total expenditures of any fund. Expenditures of the Village may not legally exceed appropriations at the level at which the budget is adopted, that is expenditures in each fund may not exceed the budgeted appropriation for that fund.

Budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP). The accounting records are maintained on a non-GAAP basis of cash receipts and disbursements; consequently, certain revenues and related assets are recognized when received rather than earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the budgets are adopted on the cash basis of accounting and budgetary comparisons presented in this report are on the non-GAAP budgetary basis.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash includes cash on hand and amounts in demand deposits held within financial institutions.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments include certificates of deposit. The Village invests in accordance with State Statute, Section 6-10-10, NMSA 1978.

Receivables and Payables

All trade receivables are shown net of the allowance for uncollectible accounts.

Property Taxes

Colfax County collects The Village of Maxwell's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the Colfax 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. Thirty days later, the bill becomes delinquent and the county treasurer assesses penalties and interest. Colfax County collects such taxes and distributes them to the Village on a monthly basis. The Village accounts for its share of property taxes in the General Fund.

Fund Balance

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Village Council. Those committed amounts cannot be used for any other purpose unless the Village Council removes or changes the specified use by taking the same type of action it employed to previously commit those accounts.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the Village Council or a management official delegated that authority by the formal Village Council action.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 1 – SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Concluded)

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

The following table provides detail of the major components of the Village’s fund balance classifications at year-end for fiscal years 2010, 2011 and 2012.

	<u>General Fund</u>	<u>Fire Protection</u>	<u>Fire Discretionary</u>	<u>Law Enforcement</u>
<u>Year ended</u> <u>June 30, 2010:</u>				
Restricted:				
Fire Department	\$	\$ 50,189	\$ 17,128	\$
State Police				105
Unassigned	362,350			
Total	<u>\$ 362,350</u>	<u>\$ 50,189</u>	<u>\$ 17,128</u>	<u>\$ 105</u>

	<u>General Fund</u>	<u>Fire Protection</u>	<u>Fire Discretionary</u>	<u>Law Enforcement</u>
<u>Year ended</u> <u>June 30, 2011:</u>				
Restricted:				
Fire Department	\$	\$ 57,296	\$ 10,928	\$
State Police				1,723
Unassigned	297,488			
Total	<u>\$ 297,488</u>	<u>\$ 57,296</u>	<u>\$ 10,928</u>	<u>\$ 1,723</u>

	<u>General Fund</u>	<u>Fire Protection</u>	<u>Fire Discretionary</u>	<u>Law Enforcement</u>
<u>Year ended</u> <u>June 30, 2012:</u>				
Restricted:				
Fire Department	\$	\$ 121,211	\$ 19,006	\$
State Police				4,180
Unassigned	333,925			
Total	<u>\$ 333,925</u>	<u>\$ 121,211</u>	<u>\$ 19,006</u>	<u>\$ 4,180</u>

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 2- CASH AND INVESTMENTS

The Village maintains cash in various financial institutions within the Village or the surrounding area. In addition, the Village has invested idle cash in certificates of deposit. The cash invested in certificates of deposit is reflected as cash equivalents. As of June 30, 2010, 2011 and 2012, the amounts of cash reported on the financial statements differs from the amount on deposit with the various institutions because of transactions in transit and outstanding checks.

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. The Village's does not have a deposit policy, however, the Village follows New Mexico State law for custodial credit risk. All deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. No security is required for deposits of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). For the years ended June 30, 2010, 2011 and 2012, all deposits were covered entirely by FDIC and were not exposed to custodial credit risk.

NOTE 3 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description. The Village has three full-time employees whom participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at <http://www.pera.state.nm.us>.

Funding Policy. Plan members are required to contribute 7% (ranges from 3.83% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The Village is required to contribute 7% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the Village are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Village's contributions to PERA for the fiscal years ending June 30, 2012, 2011 and 2010 were \$8,491, \$7,723, and \$7,299, respectively, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 4 -RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has joined with other local governments and the State of New Mexico to participate in the New Mexico Self-Insurers Fund (NMSIF). The fund is a public entity risk pool operating as a common risk management and insurance program. Coverage provided for includes general and auto liability; errors and omissions; volunteer firefighters; civil rights; inland marine; and workers compensation. The Village pays an annual premium to NMSIF for its general insurance coverage. The information from the NMSIF provides that NMSIF will be self-sustaining through member premiums and will reinsure through other companies such as captive mutuals as dictated by the NMSIF Board of Trustees.

NOTE 5 -COMMITMENTS AND CONTINGENCIES

Grant Audits - The Village receives federal and state grants for specific purposes that are subject to review and audit by the funding agencies. Such audits could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate agency. Management believes such disallowances, if any, will not be significant for the years ended June 30, 2010, 2011 and 2012.

NOTE 6- TRANSFERS

Transfers between funds were as follows:

		<u>Transfers out</u>		<u>Transfers in</u>
Fiscal year 2010	General	5,164	Debt Service	5,164
Fiscal year 2011	General	5,675	Debt Service	5,675
Fiscal year 2012:				
	General	6,035	Debt Service	6,035
	General	3,423	Fire	3,423
	General	100	Water and Sewer	100

Transfers were used to move unrestricted revenues collected in the general fund and enterprise funds to finance various activities or programs accounted for in other funds in accordance with budgetary authorization. Transfers were also used to move monies deposited in the General Fund to the proper fund for expenditure.

**STATE OF NEW MEXICO
VILLAGE OF MAXWELL
SELECTED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010, 2011 AND 2012**

NOTE 7 – STEWARDSHIP AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

	<u>Budget</u>	<u>Actual</u>	<u>Expenditures in excess of budget</u>
Fiscal Year 2012:			
Fire Fund	\$ 29,246	\$ 29,260	\$ 14
Fiscal Year 2011:			
Cemetery Fund	1,093	1,229	136

NOTE 8 -TRANSACTIONS WITH VILLAGE COMPONENT UNIT

The Village provides a payroll services for the Village of Maxwell Housing Authority (Component Unit for the Village of Maxwell) for a monthly fee. The service requires the Village to prepare the payroll checks as well as the required federal payroll tax reports. The Housing Authority is then billed for the various costs related to the payroll transactions.