
State of New Mexico
Village of Milan

*Basic Financial Statements,
Supplemental Information
and
Independent Auditor's Report
June 30, 2015*

State of New Mexico Village of Milan

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**State of New Mexico
Village of Milan**

Official Roster
June 30, 2015

ELECTED OFFICIALS

George Knotts	Mayor
Vivian Brumbelow	Mayor Pro Tem
Helen Dayan	Trustee
Felix Gonzales	Trustee
Robert Gallegos	Trustee

ADMINISTRATIVE OFFICIALS

Marcella Sandoval	Village Manager
Theresa A. Garcia	Village Clerk

Independent Auditor's Report

Mr. Timothy Keller, New Mexico State Auditor and
Mr. George W. Knotts, Mayor and
The Village Board of Trustees
Village of Milan, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparison for the general fund of the Village of Milan, New Mexico (Village), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds and the budgetary comparisons for the major enterprise funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

Mr. Timothy Keller, New Mexico State Auditor and
Mr. George W. Knotts, Mayor and
The Village Board of Trustees
Village of Milan, New Mexico

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Milan, New Mexico, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major enterprise funds and nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules related to the Villages pension plan on pages 68 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

Mr. Timothy Keller, New Mexico State Auditor and
Mr. George W. Knotts, Mayor and
The Village Board of Trustees
Village of Milan, New Mexico

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions the Village's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedules required by Section 2.2.2 NMAC, as listed in the Supplementary Information – Supporting Schedules section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Schedule of Vendor Information for Purchases Exceeding \$60,000 as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government auditing standards*, we have also issued our report dated November 6, 2015 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Albuquerque, New Mexico
November 6, 2015

Government-Wide Financial Statements

State of New Mexico
Village of Milan
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 2,311,568	\$ 1,856,980	\$ 4,168,548
Accounts receivable, net	-	269,414	269,414
Taxes receivable	415,558	683	416,241
Intergovernmental receivable	22,400	-	22,400
Internal balances	2,226	(2,226)	-
Total current assets	<u>2,751,752</u>	<u>2,124,851</u>	<u>4,876,603</u>
Noncurrent assets			
Restricted cash and cash equivalents	5	280,115	280,120
Capital assets, net	10,434,611	5,645,444	16,080,055
Total noncurrent assets	<u>10,434,616</u>	<u>5,925,559</u>	<u>16,360,175</u>
Total assets	<u>13,186,368</u>	<u>8,050,410</u>	<u>21,236,778</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	<u>89,139</u>	<u>15,730</u>	<u>104,869</u>
Liabilities			
Current liabilities			
Accounts payable	29,682	76,870	106,552
Accrued salaries	64,083	6,526	70,609
Unapplied deposits	-	83,231	83,231
Current portion of compensated absences	7,253	10,085	17,338
Current portion of long-term debt	33,093	173,989	207,082
Total current liabilities	<u>134,111</u>	<u>350,701</u>	<u>484,812</u>
Noncurrent liabilities			
Compensated absences	58,205	-	58,205
Net pension liability	814,908	143,807	958,715
Long-term debt, less current maturities	206,960	1,127,185	1,334,145
Total noncurrent liabilities	<u>1,080,073</u>	<u>1,270,992</u>	<u>2,351,065</u>
Total liabilities	<u>1,214,184</u>	<u>1,621,693</u>	<u>2,835,877</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	328,005	57,883	385,888
Deferred inflows of resources related to taxes receivable	<u>35,734</u>	<u>-</u>	<u>35,734</u>
Total deferred inflows of resources	<u>363,739</u>	<u>57,883</u>	<u>421,622</u>
Net Position			
Net investment in capital assets	10,194,558	4,344,270	14,538,828
Restricted for			
Debt services	19,467	-	19,467
Capital projects	229,764	-	229,764
Unrestricted	<u>1,253,795</u>	<u>2,042,294</u>	<u>3,296,089</u>
Total net position	<u>\$ 11,697,584</u>	<u>\$ 6,386,564</u>	<u>\$ 18,084,148</u>

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

State of New Mexico
Village of Milan
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
<i>Governmental activities</i>				
General government	\$ 1,202,429	\$ 46,920	\$ 439,415	\$ 231,750
Public safety	1,096,727	43,933	175,599	-
Culture and recreation	585,950	-	-	-
Highway and streets	748,707	-	-	356,304
Interest expense	4,853	-	-	-
Total governmental activities	<u>3,638,666</u>	<u>90,853</u>	<u>615,014</u>	<u>588,054</u>
<i>Business-type activities</i>				
Joint utilities	<u>1,650,733</u>	<u>1,695,748</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>1,650,733</u>	<u>1,695,748</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 5,289,399</u>	<u>\$ 1,786,601</u>	<u>\$ 615,014</u>	<u>\$ 588,054</u>
General revenues				
Gross receipts taxes				
Franchise taxes				
Property taxes				
Other taxes				
Investment earnings				
Rentals, reimbursements and other				
Gain on sale of land				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated (Note 14)				
Net position, end of year				

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>		
<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
<u>Activities</u>	<u>Activities</u>	
\$ (484,344)	\$ -	\$ (484,344)
(877,195)	-	(877,195)
(585,950)	-	(585,950)
(392,403)	-	(392,403)
(4,853)	-	(4,853)
<u>(2,344,745)</u>	<u>-</u>	<u>(2,344,745)</u>
<u>-</u>	<u>45,015</u>	<u>45,015</u>
<u>-</u>	<u>45,015</u>	<u>45,015</u>
<u>(2,344,745)</u>	<u>45,015</u>	<u>(2,299,730)</u>
2,299,947	26,296	2,326,243
85,278	-	85,278
245,475	-	245,475
19,536	-	19,536
5,571	-	5,571
59,954	56,929	116,883
717,438	-	717,438
<u>3,433,199</u>	<u>83,225</u>	<u>3,516,424</u>
1,088,454	128,240	1,216,694
<u>10,609,130</u>	<u>6,258,324</u>	<u>16,867,454</u>
<u>\$ 11,697,584</u>	<u>\$ 6,386,564</u>	<u>\$ 18,084,148</u>

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

Governmental Funds

State of New Mexico
Village of Milan
Balance Sheet—Governmental Funds
June 30, 2015

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,841,273	\$ 470,295	\$ 2,311,568
Restricted cash and cash equivalents	-	5	5
Taxes receivable	396,048	19,510	415,558
Intergovernmental receivable	-	22,400	22,400
Due from other funds	2,991	-	2,991
Total assets	\$ 2,240,312	\$ 512,210	\$ 2,752,522
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 28,120	\$ 1,562	\$ 29,682
Accrued salaries	62,048	2,035	64,083
Due to other funds	-	765	765
Total liabilities	90,168	4,362	94,530
Deferred Inflows of Resources			
Deferred inflows of resources related to taxes receivable	35,734	-	35,734
Fund Balances			
Restricted for			
Special revenue funds	-	258,617	258,617
Capital projects funds	-	229,764	229,764
Debt service funds	-	19,467	19,467
Unassigned	2,114,410	-	2,114,410
Total fund balances	2,114,410	507,848	2,622,258
Total liabilities, deferred inflows of resources and fund balances	\$ 2,240,312	\$ 512,210	\$ 2,752,522

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

State of New Mexico
Village of Milan
Reconciliation of the Balance Sheet—Governmental
Funds to the Statement of Net Position
June 30, 2015

Fund balance – governmental funds		\$ 2,622,258
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		10,434,611
Long-term liabilities, including compensated absences, net pension liabilities and certain other liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities consist of:		
Compensated absences	(65,458)	
Net pension liability	(814,908)	
Note payable	<u>(240,053)</u>	(1,120,419)
Deferred inflows of resources related to pensions are not received in the current period and, therefore, are not reported in the governmental funds.		(328,005)
Deferred outflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>89,139</u>
Net position of governmental activities		<u><u>\$ 11,697,584</u></u>

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

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures,
and Changes in Fund Balances—Governmental Funds
For the Year Ended June 30, 2015

	General	Total	Total
	Fund	Nonmajor	Governmental
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues			
Taxes			
Gross receipts	\$ 2,098,940	\$ 201,007	\$ 2,299,947
Franchise	85,278	-	85,278
Property	245,475	-	245,475
Other	19,536	-	19,536
Licenses, fees and permits	46,920	43,933	90,853
Rentals	21,753	-	21,753
Other grants and contributions - non-federal	447,257	524,061	971,318
Interest	1,729	3,842	5,571
Other	38,201	-	38,201
Total revenues	<u>3,005,089</u>	<u>772,843</u>	<u>3,777,932</u>
Expenditures			
Current			
General government	1,134,838	4,709	1,139,547
Public safety	825,095	141,170	966,265
Culture and recreation	509,529	284	509,813
Highways and streets	377,045	216,183	593,228
Capital outlay	387,440	426,860	814,300
Debt service			
Principal	-	32,902	32,902
Interest	-	4,853	4,853
Total expenditures	<u>3,233,947</u>	<u>826,961</u>	<u>4,060,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228,858)</u>	<u>(54,118)</u>	<u>(282,976)</u>
Other Financing Sources			
Proceeds from sale of capital assets	<u>949,188</u>	<u>-</u>	<u>949,188</u>
Total other financing sources	<u>949,188</u>	<u>-</u>	<u>949,188</u>
Net change in fund balances	720,330	(54,118)	666,212
Fund balance, beginning of year, as restated (Note 14)	<u>1,394,080</u>	<u>561,966</u>	<u>1,956,046</u>
Fund balance, end of year	<u>\$ 2,114,410</u>	<u>\$ 507,848</u>	<u>\$ 2,622,258</u>

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

State of New Mexico
Village of Milan
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balances – total government funds	\$	666,212
The changes in net position reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allowed over the estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay expenditures	\$ 814,300	
Depreciation expense	<u>(464,228)</u>	350,072
Governmental funds do not report long-term accrued compensated absences. However, in the statement of activities the cost is recognized when the liability is incurred. This is the change in accrued compensated absences.		
		(11,884)
The issuance of long term debt (e.g., notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long term debt increases long term liabilities on the statement of net position and the repayment of principal on long term debt reduces long term debt on the statement of net position. This is the current year repayment of principal on the Village's note payable.		
		32,902
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in deferred outflows of resources related to pensions		88,759
Change in deferred inflows of resources related to pensions		<u>(37,607)</u>
Change in net position of governmental activities	\$	<u>1,088,454</u>

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

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and Changes in Fund Balance—
Budget (Non-GAAP Budgetary Basis) to Actual (Non-GAAP Basis)—General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Gross receipts	\$ 1,889,500	\$ 1,889,500	\$ 2,216,501	\$ 327,001
Franchise	87,000	87,000	85,278	(1,722)
Property	138,026	138,026	213,774	75,748
Other	17,000	17,000	19,536	2,536
Licenses, fees and permits	50,100	50,100	46,920	(3,180)
Rentals	25,000	25,000	21,753	(3,247)
Other grant and contributions	498,538	498,538	447,257	(51,281)
Interest	1,500	1,500	1,729	229
Other	45,100	45,100	38,201	(6,899)
Total revenues	<u>2,751,764</u>	<u>2,751,764</u>	<u>3,090,949</u>	<u>339,185</u>
Expenditures				
Current				
General government	1,757,406	1,757,406	1,223,114	534,292
Public safety	1,099,008	1,099,088	825,095	273,993
Highways and streets	443,388	443,388	377,045	66,343
Culture and recreation	791,800	791,800	509,529	282,271
Capital outlay	-	-	387,440	(387,440)
Debt service				
Principal	12,025	12,025	-	12,025
Interest	600	600	-	600
Total expenditures	<u>4,104,227</u>	<u>4,104,307</u>	<u>3,322,223</u>	<u>782,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,352,463)</u>	<u>(1,352,543)</u>	<u>(231,274)</u>	<u>1,121,269</u>
Other financing uses				
Proceeds from sale of capital assets	950,688	950,688	949,188	(1,500)
Transfers in	(200,000)	(200,000)	-	200,000
Total other financing uses	<u>750,688</u>	<u>750,688</u>	<u>949,188</u>	<u>198,500</u>
Net change in fund balance	(601,775)	(601,855)	\$ 717,914	\$ 1,319,769
Prior year cash appropriated	<u>601,775</u>	<u>601,855</u>		
	<u>\$ -</u>	<u>\$ -</u>		
Budgetary compliance non-GAAP financial statement reconciliation				
Net change in fund balance – budget to actual			\$ 717,914	
Increase (decrease) in assets				
Taxes receivable			31,701	
Due from other funds			(117,561)	
(Increase) decrease in liabilities				
Accounts payable			(1,655)	
Accrued salaries			(30,621)	
Due to other funds			<u>120,552</u>	
Net change in fund balances – GAAP basis			<u>\$ 720,330</u>	

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

Proprietary Fund

State of New Mexico
Village of Milan
Statement of Net Position—Proprietary Fund
June 30, 2015

	Joint Utilities
Assets	
Current assets	
Cash and cash equivalents	\$ 1,856,980
Accounts receivable, net	269,414
Other assets	683
Total current assets	2,127,077
Noncurrent assets	
Restricted cash and cash equivalents	280,115
Capital assets, net of accumulated depreciation	5,645,444
Total noncurrent assets	5,925,559
Total assets	8,052,636
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	15,730
Liabilities	
Current liabilities	
Accounts payable	76,870
Accrued salaries	6,526
Customer deposits	83,231
Due to other funds	2,226
Current portion of compensated absences	10,085
Current portion of long-term debt	173,989
Total current liabilities	352,927
Noncurrent liabilities	
Net pension liability	143,807
Long-term debt, uses current maturities	1,127,185
Total noncurrent liabilities	1,270,992
Total liabilities	1,623,919
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	57,883
Net Position	
Invested in capital assets	4,344,270
Unrestricted	2,042,294
Total net position	\$ 6,386,564

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

State of New Mexico
Village of Milan
Statement of Revenues, Expenses, and Changes in Net Position—
Proprietary Fund
For the Year Ended June 30, 2015

	Joint Utilities
Operating Revenues	
Charges for services	\$ 1,693,392
Gross receipts	26,296
Late charges	10,944
Interest	2,356
Other and miscellaneous	45,985
Total operating revenues	1,778,973
 Operating Expenses	
Operating costs	1,104,283
Depreciation	256,456
Total operating expenses	1,360,739
Operating income	418,234
 Nonoperating Expenses	
Loss on transfer of capital assets to the general fund	(231,750)
Interest expense	(58,244)
Total nonoperating expenses	(289,994)
Change in net position	128,240
Net position, beginning of year, as restated (Note 14)	6,258,324
Net position , end of year	\$ 6,386,564

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

State of New Mexico
Village of Milan
Statement of Cash Flows—
Proprietary Fund
For the Year Ended June 30, 2015

	Joint Utilities
Cash flows from operating activities	
Cash received from customers	\$ 1,782,162
Payments to employees for services	(342,670)
Payments to supplies and contractors	<u>(754,107)</u>
Net cash provided by operating activities	<u>685,385</u>
Cash flows from capital activities and related financing activities	
Interest expense	(58,244)
Purchase of capital assets	(175,590)
Principal payments on debt	<u>(167,882)</u>
Net cash used in capital activities and related financing activities	<u>(401,716)</u>
Net increase in cash and cash equivalents	283,669
Cash and cash equivalents, beginning of year, as restated (Note 14)	<u>1,853,426</u>
Cash and cash equivalents, end of year	<u>\$ 2,137,095</u>
Supplementary information	
Cash and cash equivalents	\$ 1,856,980
Restricted cash and cash equivalent	<u>280,115</u>
Total cash and cash equivalents	<u>\$ 2,137,095</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 418,234
Adjustments to reconcile operating income to net cash flows	
Depreciation	256,456
Changes in assets and liabilities	
Accounts receivables	(988)
Other assets	(683)
Deferred outflows	12,013
Accounts payable	9,183
Accrued salaries	901
Due to other funds	2,226
Compensated absences	5,354
Customer deposits	4,177
Deferred inflows	43,821
Pension liability	<u>(65,309)</u>
Net cash provided by operating activities	<u>\$ 685,385</u>
Supplementary information	
Noncash capital financing activities	
Noncash loss on transfer of capital asset to the general fund	<u>\$ (231,750)</u>

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

Fiduciary Funds

**State Of New Mexico
Village of Milan
Fiduciary Funds Listing
June 30, 2015**

Agency Funds

These funds are used to account for monies held by the Village in a Custodial capacity.

Policy Bond—To account for court fines paid and refunded.

State of New Mexico
Village of Milan
Statement of Fiduciary Assets and Liabilities –
Agency Funds
June 30, 2015

Assets

Current assets	
Cash and cash equivalents	\$ 6,280
Total assets	<u>\$ 6,280</u>

Liabilities

Current liabilities	
Due to other entities	\$ 6,280
Total liabilities	<u>\$ 6,280</u>

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

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

1) Summary of Significant Accounting Policies

The Village of Milan (the “Village”) was incorporated under provisions Chapter 3, Article 2, NMSA 1978. The Village operates under Mayor-Trustee-Manager form of government and provides the following services as provided for by law public safety (police and fire), highways and streets, sanitation, health and social services, culture and recreation, public works, planning and zoning, economic development and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principle generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates with subsequent GASB pronouncement (Statements and interpretation), constitutes GAAP for governmental units. The more significant of the Village’s accounting policies are described below.

Reporting Entity

The Village Council (the “Council”) is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the Village is a financial reporting entity as defined by the Governmental Accounting Standard Board (GASB) in its Statement No. 14, “The Financial Reporting Entity.” There are no component units included within the reporting entity a defined by Statement No. 14.

Basis of Presentation

The basic financial statements of the Village’s primary government include both government-wide (based on the Village as a whole) and fund financial statements. The government-wide financial statements (i.e. the statement or net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions that are restricted to meeting the

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

capital requirements if a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost (by function of governmental-type activity) is normally covered by general revenues (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.). The Village does not allocate indirect costs.

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The joint utilities fund is the major proprietary fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expensed of either fund category for the governmental and enterprise combined) for the determination of major funds.

The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement-Focus, Basis of Accounting

Government-wide Financial Statements—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchanges, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxed is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Derived tax revenues (i.e., sales taxes) are recognized in the period when the exchange transaction on the tax is imposed or when the resources, are received, whichever occurs first.

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

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

Revenues are considered to be available when they are collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditure, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

Ad valorem, franchise, and sales tax revenues associated with the current fiscal period are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues.

In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus and the full accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases and decreases (e.g., revenues and expenses) in net total assets.

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

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

The Village reports the following major governmental fund:

- The General 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.

The Village reports the following major business-type fund:

- The Joint Utility Enterprise Fund accounts for the provision of water, wastewater, and solid waste services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to administration, operations, maintenance, billing, and collection.

Assets, Liabilities and Net Position

Cash and Cash Equivalents—For purposes of the statement of cash flows, the Village considers all highly liquid investments, including restricted assets, with a maturity when purchased of three months or less to be cash equivalents.

Deposits and Investments—Investments in the Village’s cash are stated at cost, which approximates fair value. State statutes authorize the Village to invest in certificates of deposit, obligations of the state and the U.S. government, and the New Mexico State Treasurer’s investments pool. Cash is reported at book value. All other investments are reported at fair market value using quoted market prices. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

Receivables and Payables—Taxes attach as an enforceable lien on property as of January 1. Taxes are payable in equal semiannual installments by November 10th and April 10th of the subsequent year with levies becoming delinquent 30 days thereafter unless a timely protest has been made. Taxes are collected on behalf of the Village by the Cibola County Treasurer, and are distributed in the month or title collection.

Inventory—Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as an expense when consumed rather than when purchased.

Restricted Assets—Certain long-term assets in the proprietary fund are classified as restricted assets on the statement of net position because their use is limited to payments for debt service or other purposes such as “deposits held in trust for others.”

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

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

Capital Assets—Capital assets include: property, plant, utility systems, equipment, and infrastructure assets. Infrastructure includes streets, sidewalks, bridges, drainage systems, lighting systems and similar items. Such assets are reported in the applicable governmental or business-type activities columns the government-wide financial statements. The governmental defines capital assets as assets with an initial individual cost of more than \$5,000, and an estimated useful life in excess of two years. Assets are capitalized at historical cost or historical cost if purchased or constructed. It is the policy of the Village not to capitalize computer software. Donated assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value of the asset or materially extend the asset’s lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of businesslike activities is included as part of the capitalized value of the assets under construction.

Property, plant, and equipment, and infrastructure of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	30-40
Land improvements	30
Infrastructure	20-50
Plant and system	30-40
Vehicles, furniture and equipment	3-20

Compensated Absences—It is the Village’s policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. All sick pay and vacation pay is accrued when incurred in the government-wide or proprietary fund financial statements.

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

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

Long-Term Debt—In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement or net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Joint Powers Agreements—The Village is partnered with many agencies in several joint powers agreements. The details of each of these agreements can be found in the supplementary information of this report.

Customer Deposits—Cash held in the proprietary funds for customer deposits is restricted.

Net Position—The government-wide financial statements utilize a net position presentation. Net position are categorized as follows:

Net investment in capital assets—This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

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Notes to Financial Statements
June 30, 2015

Restricted net position—Restricted net position result from the constraints placed on the use of net position when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position—This category reflects net position of the Village, not restricted for any project or other purpose. When the Village incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

Fund Balances—In the fund financial statements, governmental fund balances are classified as follows:

Nonspendable—Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws imposed by law through constitutional provisions or enabling legislation.

Committed—Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Village through ordinance or resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned—Amounts constrained by the Village’s intent to use them for a specific purpose. The authority to assign fund balance rests with the Village.

Unassigned—All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Also, deficits in fund balances or other governmental funds are reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classification – committed, assigned and then unassigned fund balances.

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

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

Use of Estimates

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

New Accounting Standards

During the year ended June 30, 2015, the Village adopted the following Government Accounting Standards Board Statements (GASB):

GASB No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Implementation of GASB No. 68 will have a material impact of the Villages liabilities, deferred inflows of resources, deferred outflows of resources, and net assets. Details of GASB No. 68 and its implementation may be found in Footnote 11.

GASB No. 69 – *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The statement will not have a material impact on the Village’s financial statements.

GASB No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The statement will not have a material impact on the Village’s financial statements.

GASB No. 71 – *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. GASB No. 71 was implemented in simultaneously with the provisions of GASB No. 68 above.

2) Stewardship, Compliance and Accountability

Budgetary Data—The Village Council adopts an annual budget for the General Fund, Special Revenue Funds, Capital Projects Funds, and the Enterprise Funds by following the budgetary procedures outlined below. The debt service fund was not budgeted in the

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

current year due to the bonds being paid off in the prior year. The Village is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The Village compares the final amended budget to actual revenues and expenditures based on the Village's modified accrual basis of accounting.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. The Village prepares a proposed interim operating budget based upon input from public hearings conducted to obtain taxpayer comments and management assessment of Village needs and resources available. The operating budget includes proposed expenditures and the means of financing them. A budget is proposed for the General, Special Revenue, Capital Projects, and Proprietary Funds.
2. The interim operating budget for the fiscal year commencing July 1 is submitted to the Department of Finance and Administration-Local Government Division by June 1. The Department of Finance reviews the interim budget, makes any needed adjustments and grants interim approval by July 1.
3. The final operating budget for the fiscal year is submitted to the Department of Finance on or before July 31. The Department of Finance reviews the budget and grants approval by September 1.
4. The interim and final budgets are legally enacted through passage of resolutions and the council is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the Department of Finance and Administration-Local Government Division.
5. Budgets for funds are adopted on the modified accrual basis of accounting. Budgetary comparisons have been presented in this report on the basis of the legally adopted budget.
6. Appropriations lapse at year-end with any unspent cash balance being available for expenditures and appropriation in the subsequent year's budget.
7. The level of classification detail in which expenditures may not legally exceed appropriations for each budget is in fund total.

3) Cash and Deposits with Financial Institutions and Investments

State statutes authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool,

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Notes to Financial Statements
June 30, 2015

money market accounts, and United States Government obligations. All invested funds of the Village properly followed State deposit and investment requirements as of June 30, 2015.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more financial institution. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution. The Federal Deposit Insurance Corporation (FDIC) provides insurance of \$250,000 per depositor, per insured bank.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The rate of interest in nondemand interest-bearing accounts is set by the State Board of Finance, but the rate of interest will not be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Custodial Credit Risk—Custodial credit risk is the risk that in the event of a bank failure, the government's deposits and investments may not be returned to it. The Village does not have a formal deposit policy for custodial credit risk other than following state statutes. The Village has not suffered any previous losses and management believes any risk of loss of funds is minimal.

Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least 50% of the amount on deposit with the institution, and 103% for amounts invested in repurchase agreements with the institution.

The types of collateral an institution is permitted to use as pledged securities are limited to direct obligations of the United States Government and all bonds issued by any agency or political subdivision of the State of New Mexico.

The schedules listed below disclose requirements on reporting the insured and uninsured portions of the Village's deposits regarding custodial credit risk.

Interest Rate Risk—Interest rate risk is the risk that the change in interest rates will adversely affect the fair value of the investments. The Village does not have a formal policy to manage its exposure to interest rate risk.

New Mexico Finance Authority Investment—The Village maintains investment funds on account with the New Mexico Finance Authority (NMFA), which in turn invests the

State of New Mexico
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Notes to Financial Statements
June 30, 2015

funds in the State Treasurer. NMFA's cash on deposit with the State Treasurer is invested by the State Treasurer in "overnight" repurchase programs. State statutes require that all deposits held by the State Treasurer are collateralized at a minimum level of 50%. Repurchase agreements are collateralized at 103% by the NMFA's internal policies. Funds held by the NMFA acting as trustee for the Village are invested in money market accounts that invest in United States Treasury obligations and/or repurchase agreements secured by U.S. Treasury obligations.

Separate financial statements of the NMFA and State Treasurer collateral, categories of risk, and market value of purchased investments which may differ from the cash deposited with the NMFA by the Village.

All deposits are collateralized with eligible securities, as described by New Mexico State Statute, in amounts equal to at least 50% of the Village carrying value of the deposits (demand and certificates of deposit).

Such collateral, as permitted by the state statutes is held in each respective depository bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds with the exception of deposit insurance provided by FDIC.

A summary of the cash deposits at June 30, 2015 is as follows:

	U.S. Bank	Grants State Bank	NMFA	Total
Total cash deposits	\$ 2,725,676	\$ 1,534,200	\$ 280,120	\$ 4,539,996
FDIC coverage	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(750,000)</u>
Uninsured funds subject to custodial credit risk	<u>\$ 2,475,676</u>	<u>\$ 1,284,200</u>	<u>\$ 30,120</u>	<u>\$ 3,789,996</u>
	U.S. Bank	Grants State Bank	NMFA	Total
50% of uninsured funds	\$ 1,237,838	\$ 642,100	\$ 15,060	\$ 1,894,998
Pledged collateral held by pledging bank's trust department or by agent in Village's name	<u>(2,500,000)</u>	<u>(764,383)</u>	<u>-</u>	<u>(3,264,383)</u>
Total under (over) collateralized	<u>\$ (1,262,162)</u>	<u>\$ (122,283)</u>	<u>\$ 15,060</u>	<u>\$ (1,369,385)</u>

State of New Mexico
Village of Milan
Notes to Financial Statements
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A reconciliation of cash and cash equivalents as shown in the accompanying statement of net position:

Bank deposits	\$ 4,387,784
Certificate of deposits	60,633
Petty cash	<u>251</u>
Total cash and restricted cash	<u>\$ 4,448,668</u>
Statement of net position - unrestricted	\$ 4,168,548
Statement of net position - restricted	<u>280,120</u>
	<u>\$ 4,448,668</u>

In addition, the agency fund held the following cash and cash equivalents as shown in the accompanying statement of fiduciary assets and liabilities:

Bank deposits	<u>\$ 6,280</u>
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4) Accounts Receivable

Governmental receivables are as follow:

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Taxes	\$ 396,048	\$ 19,510	\$ 415,558
Intergovernmental	<u>-</u>	<u>22,400</u>	<u>22,400</u>
Total receivables	<u>\$ 396,048</u>	<u>\$ 41,910</u>	<u>\$ 437,958</u>

State of New Mexico
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June 30, 2015

Accounts receivable reported in the business-type activities at June 30, 2015 represent net balances due from customers of water and sewer and solid waste services provided by the Village. The following is the detail of the business-type receivables at June 30, 2015:

	Joint Utilities
Utility	\$ 284,629
Taxes	1,898
Allowance for doubtful accounts	<u>(17,113)</u>
Net receivables	<u><u>\$ 269,414</u></u>

5) Interfund Receivables and Payables

A summary of amounts due from and due to other funds at June 30, 2015 is as follows:

	Due From Other Funds	Due to Other Funds	Net Amount
Governmental activities			
General fund	<u>\$ 2,991</u>	<u>\$ -</u>	<u>\$ 2,991</u>
Nonmajor funds			
Law Enforcement Protection Fund	-	66	
Municipal Streets Funds	<u>-</u>	<u>699</u>	
	<u>-</u>	<u>765</u>	<u>(765)</u>
Total governmental activities			<u><u>\$ 2,226</u></u>
Business-type activities			
Joint Utility	<u>\$ -</u>	<u>\$ 2,226</u>	<u>\$ (2,226)</u>
Total business-type activities			<u><u>\$ (2,226)</u></u>

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

6) Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2015 follows:

	Balance June 30, 2014, as restated (see Note 14)	Additions	Transfers	Balance June 30, 2015
Governmental activities				
<i>Capital assets not being depreciated</i>				
Land	\$ 724,742	\$ -	\$ (131,367)	\$ 593,375
Construction in progress	<u>135,295</u>	<u>644,148</u>	<u>-</u>	<u>779,443</u>
Total capital assets not being depreciated	<u>860,037</u>	<u>644,148</u>	<u>(131,367)</u>	<u>1,372,818</u>
<i>Other capital assets being depreciated</i>				
Buildings and improvements	5,225,537	-	-	5,225,537
Land improvements	-	-	131,367	131,367
Infrastructure	6,374,839	5,373	-	6,380,212
Furniture and equipment	734,156	81,409	-	815,565
Vehicles	<u>1,527,199</u>	<u>83,370</u>	<u>-</u>	<u>1,610,569</u>
Total capital assets being depreciated	<u>13,861,731</u>	<u>170,152</u>	<u>131,367</u>	<u>14,163,250</u>
Less accumulated depreciation for				
Buildings and improvements	(2,344,303)	(107,979)	-	(2,452,282)
Land improvements	-	(4,777)	-	(4,777)
Infrastructure	(729,635)	(34,672)	-	(764,307)
Furniture and equipment	(460,886)	(152,790)	-	(613,676)
Vehicles	<u>(1,102,405)</u>	<u>(164,010)</u>	<u>-</u>	<u>(1,266,415)</u>
Total accumulated depreciation	<u>(4,637,229)</u>	<u>(464,228)</u>	<u>-</u>	<u>(5,101,457)</u>
Total capital assets being depreciated, net	<u>9,224,502</u>	<u>(294,076)</u>	<u>131,367</u>	<u>9,061,793</u>
Governmental activities capital assets, net	<u>\$ 10,084,539</u>	<u>\$ 350,072</u>	<u>\$ -</u>	<u>\$ 10,434,611</u>

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Depreciation expense was charged to governmental activities as follows:

	Governmental Activities
General government	\$ 69,967
Public safety	146,369
Highways and streets	168,187
Culture and recreation	<u>79,705</u>
Total depreciation expense	<u>\$ 464,228</u>

	Balance June 30, 2014	Additions	Transfers	Adjustments	Balance June 30, 2015
Business-type activities					
<i>Capital assets not being depreciated</i>					
Land	\$ 927,000	\$ -	\$ (231,750)	\$ -	\$ 695,250
Water rights	1,413,000	-	-	-	1,413,000
Construction in progress	-	<u>94,735</u>	-	-	<u>94,735</u>
Total capital assets not being depreciated	<u>2,340,000</u>	<u>94,735</u>	<u>(231,750)</u>	<u>-</u>	<u>2,202,985</u>
<i>Capital assets, being depreciated</i>					
Buildings and improvements	191,744	-	-	(9,900)	181,844
Plant and system	8,494,905	14,354	-	(24,134)	8,485,125
Furniture and equipment	1,004,064	-	-	72,447	1,076,511
Vehicles	-	<u>26,795</u>	-	-	<u>26,795</u>
Total capital assets being depreciated	<u>9,690,713</u>	<u>41,149</u>	<u>-</u>	<u>38,413</u>	<u>9,770,275</u>
Less accumulated depreciation					
Buildings and improvements	(66,477)	(4,263)	-	(1,493)	(72,233)
Plant and system	(5,151,032)	(210,300)	-	1,521	(5,359,811)
Furniture and equipment	(851,794)	(41,431)	-	(2,085)	(895,310)
Vehicles	<u>(3,350)</u>	<u>(462)</u>	-	<u>3,350</u>	<u>(462)</u>
Total accumulated depreciation - business activities	<u>(6,072,653)</u>	<u>(256,456)</u>	<u>-</u>	<u>1,293</u>	<u>(6,327,816)</u>
Total capital assets being depreciated, net	<u>3,618,060</u>	<u>297,605</u>	<u>-</u>	<u>37,120</u>	<u>3,442,459</u>
Business-type activities capital assets, net	<u>\$ 5,958,060</u>	<u>\$ 392,340</u>	<u>\$ (231,750)</u>	<u>\$ 37,120</u>	<u>\$ 5,645,444</u>

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7) Long-Term Liabilities

Changes in long-term liabilities are as follows:

	Restated Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Amount Due Within One Year
Governmental activities					
Note payable - NMFA	\$ 272,955	\$ -	\$ (32,902)	\$ 240,053	\$ 33,093
Pension liability	1,184,934	-	(370,026)	814,908	-
Total governmental debt	<u>\$ 1,457,889</u>	<u>\$ -</u>	<u>\$ (402,928)</u>	<u>\$ 1,054,961</u>	<u>\$ 33,093</u>
Business-type activities					
Note payable - City of Grants	\$ 115,706	\$ -	\$ (30,461)	\$ 85,245	\$ 32,472
Note payable - NMFA	1,353,350	-	(137,421)	1,215,929	141,517
Pension liability	209,116	-	(65,309)	143,807	-
Total business-type debt	<u>\$ 1,678,172</u>	<u>\$ -</u>	<u>\$ (233,191)</u>	<u>\$ 1,444,981</u>	<u>\$ 173,989</u>

Governmental activities

Note Payable - New Mexico Finance Authority (NMFA)

The Village entered into a loan agreement with NMFA on April 4, 2012, for principal amount of \$326,157. The proceeds were used to purchase equipment for two fire trucks. The term is for 10 years and bears interest rate of 1.535%. In addition, the Village's Annual State Fire Allotment is pledged as repayment for the loan and the annual debt service payment is due in July of each year. The scheduled principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 33,093	\$ 3,639	\$ 36,732
2017	33,370	3,361	36,731
2018	33,691	3,041	36,732
2019	34,112	2,620	36,732
2020	34,627	2,105	36,732
2021-2023	71,160	2,304	73,464
Total	<u>\$ 240,053</u>	<u>\$ 17,070</u>	<u>\$ 257,123</u>

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Business-type activities

Note Payable - City of Grants

In June 1998, pursuant to an arbitration and partial settlement agreement, the Village agreed to purchase a 17.41% ownership interest in the wastewater treatment facility from the City of Grants. The purchase price was \$1,590,000. At closing, the Village made a down payment of \$850,000 and is making monthly debt service payments of \$3,083. Note 13, discloses the terms of the acquisition. The note matures in December 2018. The scheduled principal and interest payments are as follows:

	City of Grants		Total
	Principal	Interest	
Year Ended June 30,			
2016	\$ 32,472	\$ 4,528	\$ 37,000
2017	34,617	2,384	37,001
2018	<u>18,156</u>	<u>343</u>	<u>18,499</u>
Total	<u>\$ 85,245</u>	<u>\$ 7,255</u>	<u>\$ 92,500</u>

New Mexico Finance Authority (NMFA) Loan

The Village's Joint Utility Enterprise Fund accounts for a loan agreement pursuant to Ordinance No. 200 dated August 4, 2003, between the Village and NMFA. The proceeds of the note were used to acquire land and appurtenant water rights. The principal amount of the note was \$2,583,296 of which \$240,000 was used to purchase the land and water rights, and \$183,926 was used to establish a reserve account. Interest on the note is at 3.792%, which includes a 0.25% administrative fee. Interest and principal payments are due May 1st and November 1st of each year. The note matures on May 1, 2023. The note is collateralized by the Village's gross receipts taxes. The scheduled principal and interest payments are as follows:

	NMFA Loan		Total
	Principal	Interest	
Year Ended June 30,			
2016	\$ 141,517	\$ 47,046	\$ 188,563
2017	144,388	42,077	186,465
2018	148,791	36,858	185,649
2019	148,758	31,327	180,085
2020	151,605	25,643	177,248
2021-2023	<u>480,870</u>	<u>40,007</u>	<u>520,877</u>
Total	<u>\$ 1,215,929</u>	<u>\$ 222,958</u>	<u>\$ 1,438,887</u>

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Below are the terms, amounts due within one year, and maturity dates of the Village's outstanding long-term debt:

Description	Original Loan Amount	Amount Outstanding	Interest Rate	Maturity Date	Due Within One Year
Governmental activities					
NMFA Loan	\$ 326,157	\$ 240,053	1.54%	April 2022	\$ 33,093
Total		<u>\$ 240,053</u>			<u>\$ 33,093</u>

Description	Original Loan Amount	Amount Outstanding	Interest Rate	Maturity Date	Due Within One Year
Business-type activities					
City of Grants	\$ 416,500	\$ 85,245	6.50%	December 2018	\$ 32,472
NMFA Loan	2,583,926	<u>1,215,929</u>	3.79%	May 2023	<u>141,517</u>
Total		<u>\$ 1,301,174</u>			<u>\$ 173,989</u>

8) Accrued Compensated Absences

The Village pays accumulated accrued vacation leave in a lump sum cash payment to employees upon retirement or to the employee's estate in the event of death. Compensation for sick leave is limited to time-off and is not monetarily compensated. The Village does not pay accrued sick leave upon termination.

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental activities	\$ 53,574	\$ 18,784	\$ 6,900	\$ 65,458	\$ 7,253
Business-type activities	<u>4,731</u>	<u>15,804</u>	<u>10,450</u>	<u>10,085</u>	<u>10,085</u>
	<u>\$ 58,305</u>	<u>\$ 34,588</u>	<u>\$ 17,350</u>	<u>\$ 75,543</u>	<u>\$ 17,338</u>

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9) Contingent Debt Obligation

On June 1, 1993, the Village entered into a joint powers agreement to establish the Northwest New Mexico Solid Waste Authority (NWNMRSWA). The participants in the agreement are McKinley County, Cibola County, the City of Grants, the City of Gallup, and the Village of Milan. NWNMRSWA's separately issued financial statements may be obtained from NWNMRSWA at P.O. Box 1330, Thoreau, New Mexico, 87323.

On May 18, 1995, the Village Trustees approved Ordinance 171 which authorized the execution and delivery of a loan agreement and intercept agreement by and between the Village and the New Mexico Finance Authority (NMFA), evidencing a special limited obligation of the Village to pay a principal amount not to exceed \$8,250,000 together with interest thereon, for the purpose of acquiring and constructing a solid waste disposal facility as a member of the NWNMRSWA.

On February 18, 1998, the Village Trustees approved Ordinance 177 which authorized the execution and delivery of a loan agreement and intercept agreement by and between the Village and NMFA, evidencing a special limited obligation of the Village to pay a principal amount not to exceed \$1,615,353 together with interest thereon, for the purpose of acquiring and constructing a solid waste disposal facility and refinancing certain lease purchase agreements, as a member of the NWNMRSWA.

Ordinance No. 194 was approved on November 21, 2002 by Village Trustees authorizing the execution and delivery of a loan agreement by and between the Village and the NMFA. The loan agreement called for the issuance of a limited obligation to refund the note approved above by Ordinance 171 as described above. The obligation amount authorized by Ordinance 194 was in the amount of \$5,600,000. The debt obligations are payable solely from the net revenues of NWNMRSWA as well as the Environmental Gross Receipts Tax Revenues imposed on the participating entities.

The NWNMRSWA has agreed to assist the Village in testing and monitoring the Village's closed solid waste disposal site. At June 30, 2015, the management of NWNMRSWA and the Village do not anticipate any additional significant liability to the Village for closure/post closure costs.

10) Risk Management

The Village is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The

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Village participates in the New Mexico Self-Insurer's Fund risk pool. Fund for workers' compensation claims and employer's liability insurance including general, auto, uninsured motorist, law enforcement, and public official's errors and omissions liabilities. The policy limits for workers' compensation is unlimited and \$1,050,000 per occurrence for employer's liability. There is no deductible. Liability policy limits range from \$1,000,000 to \$750,000 per occurrence, with a \$4,000,000 annual aggregate per policy. Deductibles range from \$500 to \$5,000.

The Village has not filed any claims for which the settlement amount exceeded the insurance coverage in any preceding years. However, should a claim be filed against the Village which exceeds the insurance coverage, the Village would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers Fund assesses and estimates the potential for loss.

At June 30, 2015, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the Village.

11) PERA Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a cost sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

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Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014, available at

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the (name of employer) are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf

The PERA coverage options that apply to the Village are the Municipal General Division and the Municipal Police Division. Statutorily required contributions to the pension plan from the Village were \$104,869 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement dated June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Village's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014, were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the

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unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

PERA Municipal General Division

For PERA Municipal General Division, at June 30, 2015, the Village reported a liability of \$791,809 for its proportionate share of the net pension liability. At June 30, 2014, the Village's proportion was 0.1015%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Village of Milan recognized PERA Municipal General Division pension expense of \$33,034. At June 30, 2015, the Village reported PERA Fund Division deferred outflows of resources and deferred inflows of resources of \$84,369 and \$310,314, respectively, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change of assumption	-	537
Net difference between projected and actual earnings on pension plan investments	-	309,777
Village of Milan contributions subsequent to the measurement date	84,369	-
	\$ 84,369	\$ 310,314

\$84,369 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized in pension expense as follows:

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Year ended June 30,		
2016	\$	(77,578)
2017		(77,578)
2018		(77,578)
2019		(77,578)
2020		(2)
	\$	<u>(310,314)</u>

PERA Municipal Police Division

For PERA Municipal Police Division, at June 30, 2015, the Village reported a liability of \$166,906 for its proportionate share of the net pension liability. At June 30, 2014, the Village's proportion was 0.0512%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Village of Milan recognized PERA Municipal General Division pension expense of \$11,209. At June 30, 2015, the Village reported PERA Fund Division deferred outflows of resources and deferred inflows of resources of \$20,500 and \$75,621, respectively, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change of assumption	-	13,558
Net difference between projected and actual earnings on pension plan investments	-	62,063
Change in proportion and differences between Village of Milan contributions and proportionate share of contributions	-	-
Village of Milan contributions subsequent to the measurement date	<u>20,500</u>	<u>-</u>
	<u>\$ 20,500</u>	<u>\$ 75,621</u>

\$20,500 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized in pension expense as follows:

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Year ended June 30,			
2016	\$	(18,889)	
2017		(18,889)	
2018		(18,889)	
2019		(18,889)	
2020		(65)	
	\$	<u>(75,621)</u>	

Actuarial assumptions—As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013, for each of the membership groups. Then each PERA Fund member group pension liability was rolled from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. There were not significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014, actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
– Investment rate of return	7.75% annual rate, net of investment expense
– Payroll growth	3.50% annual rate
– Projected salary increases	3.50% to 14.25% annual rate
– Included inflation at	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real times of return for each major asset class are summarized in the following table:

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All Funds – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	21.1 %	5.0 %
International Equity	24.8	5.2
Private Equity	7.0	8.2
Core and Global Fixed Income	26.1	1.9
Fixed Income Plus Sectors	5.0	4.8
Real Estate	5.0	5.3
Real Assets	7.0	5.7
Absolute Return	4.0	4.2
Total	100.0 %	

Discount Rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On the basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village’s proportionate share of the net pension liability to changes in the discount rate: The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Village’s net pension liability in each PERA Fund Division that Village participates in, under the current single rate assumption, as if it were calculated using a discount rate one-percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
PERA Municipal General Division			
Village of Milan’s proportionate share of the net pension liability	\$ 1,492,738	\$ 791,809	\$ 250,308

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	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
PERA Municipal Police Division			
Village of Milan's proportionate share of the net pension liability	\$ 318,291	\$ 166,906	\$ 53,870

Pension plan fiduciary net position: Detailed information about the pension's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

12) Post-Employment Benefits—State Retiree Health Care Plan

Plan Description: The Village contributes to the New Mexico Retiree Health Core Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses' dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

(1) The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act. The Village's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$26,796, \$26,152, and \$23,856, respectively, which equal the required contributions for each year.

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13) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Village expects such amount, if any, to be immaterial. The Village is involved in various claims and lawsuits arising in the normal course of business. The Village is insured through the New Mexico City Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the Village.

Arbitration Agreement and Partial Settlement with the City of Grants

The Village and the City of Grants entered into an Arbitration and Partial Settlement Agreement during the year ending June 30, 1998. The Village purchased a 17.41% interest in the Wastewater Treatment plant for \$1,590,000, including interest and charges. The parties agreed that the Village will pay for 17.41% of the existing debt on the Wastewater Treatment facility. The Village paid \$850,000 after signing the agreement and financed the remainder. The Village will make payments for 20 years starting January 10, 1998. The payment amount is \$3,083.34, or \$37,000 per year. In addition to the payments for the debt, the City and Village agreed to share the costs of the following components of operation and management of the Wastewater Treatment Plant:

1. Operation and management contract (OMI costs).
2. Electrical costs.
3. Capital reserve fund.

The Agreement stipulates the payments to be made each year beginning 1992/93 up to the end of the fiscal year 1998/99. The Agreement does not stipulate the payment amounts to be made after June 30, 1999, but gives a formula for calculating the payments. The following is the excerpt from the agreement:

The parties agree that beginning with Fiscal Year 1998/99, the Village will pay the agreed-upon operation and maintenance components of electrical costs and OMI costs based upon the following formula:

- a. The parties will each obtain a record of the Village monthly sewage flow for the period of January 1, 1997, through December 31, 1997. This record flow data will be obtained from two calibrated meters. The first meter is located at the main sewer trunk line where the Village sewage is placed into the City of Grants sewage flow. This meter is located approximately between the western boundary of the City of

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Grants, and the eastern boundary of the Village. The second meter is located at the Wastewater Plant. The calibration of the meter will be check by a third party. At this point in time, the parties agree upon the qualification of OMI to be the third party documenting the calibration of the two meters.

- b. The meter information will provide the Village percentage flow of sewage into the total amount of sewage treated by the Wastewater Treatment Plant Facility. The Village percentage will be applied towards the operation and maintenance costs for Fiscal Year 1998/99.

The parties agree that future calculations of the Village of Milan's percentage of responsibility will be the same as described above. As of the date of this audit, the Village has not received the required flow data necessary to recalculate the payments. It is not practicable to determine if the Village overpaid or underpaid in the years after June 30, 1999. It is necessary to have the flow data in order to determine the payment the Village is required to make.

14) Restatement of Beginning Net Position and Fund Balances

During 2015, the Village determined that certain capital asset and receivable amounts presented in the prior year financial statements were misstated. In addition, the Village implemented Governmental Accounting Standards Board (*GASB*) *Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No.71, Pension Transition for Contributions Made Subsequent to the Measurement Date*, which was a new accounting policy that became effective in the current year. The Village also presented the CDBG Capital Projects Fund and the Co-op Street Improvements Fund as nonmajor governmental funds in the current year. However, in the prior year financial statements they were presented as major governmental funds. Therefore, the Village has restated the beginning fund balance and net position amounts for these changes as follows:

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

Government-Wide Financial Statements

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position, as previously reported	\$ 11,431,262	\$ 6,774,501
Adjustments to correct:		
Capital assets	217,286	-
Receivables – General Fund	35,508	-
Receivables – Nonmajor Capital Projects Fund	30,000	-
Joint Utility Fund:		
Restricted cash	-	(140,000)
Accounts receivables	-	(312,439)
Accounts payable	-	132,228
Notes payable	-	(531)
To record beginning of year pension liability and deferred inflows and outflows of resources required by GASB 68	<u>(1,104,926)</u>	<u>(195,435)</u>
Net position July 1, 2014, as restated	<u>\$ 10,609,130</u>	<u>\$ 6,258,324</u>

Governmental Funds Financial Statements

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Co-op Street Improvements</u>	<u>Nonmajor Governmental Funds</u>
Fund balances, as previously reported	\$ 1,358,572	\$ 27,341	\$ 171,444	\$ 333,181
Change in presentation to present the capital projects fund and the Co-op Street improvements fund as a nonmajor funds rather than as major funds as presented in the prior year	-	(27,341)	(171,444)	198,785
Adjustments to correct receivables - General Fund	35,508			
Adjustments to correct receivables - CDBG Capital Projects Fund	-	-	-	30,000
Fund balances July 1, 2014, as restated	<u>\$ 1,394,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 561,966</u>

State of New Mexico
Village of Milan
Notes to Financial Statements
June 30, 2015

Proprietary Fund Financial Statements

	Joint Utility Fund
Net position, as previously reported	\$ 6,774,501
Adjustments to correct:	
Restricted cash	(140,000)
Accounts receivables	(312,439)
Accounts payable	132,228
Notes payable	(531)
To record beginning of year pension liability and deferred inflows and outflows of resources required by GASB 68	(195,435)
Net position July 1, 2014, as restated	\$ 6,258,324

15) Subsequent Events

The Village has evaluated subsequent events through November 6, 2015, the date the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2014.

Supplemental Information

Nonmajor Funds

State of New Mexico
Village of Milan
Combining Balance Sheet—Nonmajor Governmental Funds
June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Funds
Assets				
Cash and cash equivalents	\$ 223,025	\$ 17,506	\$ 229,764	\$ 470,295
Restricted cash and cash equivalents	5	-	-	5
Taxes receivable	17,549	1,961	-	19,510
Intergovernmental receivables	22,400	-	-	22,400
Due from other funds	-	-	-	-
Total assets	<u>\$ 262,979</u>	<u>\$ 19,467</u>	<u>\$ 229,764</u>	<u>\$ 512,210</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 1,562	\$ -	\$ -	\$ 1,562
Accrued salaries	2,035	-	-	2,035
Due to other funds	765	-	-	765
Total liabilities	<u>4,362</u>	<u>-</u>	<u>-</u>	<u>4,362</u>
Fund balances				
Restricted, reported in				
Special revenue funds	258,617	-	-	258,617
Capital projects funds	-	-	229,764	229,764
Debt service fund	-	19,467	-	19,467
Total fund balances	<u>258,617</u>	<u>19,467</u>	<u>229,764</u>	<u>507,848</u>
Total liabilities and fund balances	<u>\$ 262,979</u>	<u>\$ 19,467</u>	<u>\$ 229,764</u>	<u>\$ 512,210</u>

State of New Mexico
Village of Milan
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances—Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Funds
Revenues				
Taxes	\$ 189,980	\$ 11,027	\$ -	\$ 201,007
Fee, fines and forfeitures	43,933	-	-	43,933
Other grants and contributions	175,599	-	348,462	524,061
Interest and other	3,695	22	125	3,842
Total revenues	<u>413,207</u>	<u>11,049</u>	<u>348,587</u>	<u>772,843</u>
Expenditures				
General government	4,451	258	-	4,709
Public safety	141,170	-	-	141,170
Culture and recreation	284	-	-	284
Highways and streets	216,183	-	-	216,183
Capital outlay	79,252	-	347,608	426,860
Debt service				
Principal	32,902	-	-	32,902
Interest	1,277	3,576	-	4,853
Total expenditures	<u>475,519</u>	<u>3,834</u>	<u>347,608</u>	<u>826,961</u>
Excess (deficiency) of revenues over (under) expenditures	(62,312)	7,215	979	(54,118)
Fund balance, beginning of year, as restated (Note 14)	<u>320,929</u>	<u>12,252</u>	<u>228,785</u>	<u>561,966</u>
Fund balance, end of year	<u><u>\$ 258,617</u></u>	<u><u>\$ 19,467</u></u>	<u><u>\$ 229,764</u></u>	<u><u>\$ 507,848</u></u>

Special Revenue Funds

State of New Mexico
Village of Milan
Special Revenue Funds Descriptions
June 30, 2015

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

Correction Fund—Established additional sources of funds for municipalities to offset the costs of corrections. The source of funds is a \$5 (five dollar) fee which must be paid by all persons violating laws relating to the operation of motor vehicles. This fund is authorized by 33-9-3 NMSA1978.

Fire Protection Fund—Accounts for the operations and maintenance of the fire department. The operations are financed by an allotment from the annual fire grant from the State of New Mexico. Authority is 59-A-53-1 NMSA 1978.

Law Enforcement Protection Fund—Accounts for the expenditures of the Village's annual allotment of the State of New Mexico's Law Enforcement Protection Fund. Expenditures can be used for training, equipment, and capital outlay for law enforcement. Authority is 29-13-4 NMSA 1978.

Lodger's Tax Reserve Fund—Account for collections received through a specific tax levy on area motels and hotels. Expenditures can be used for cultural and recreational activities. Authority is 3-38-14 NMSA 1978.

Municipal Streets Fund—Accounts for funds used to maintain roads for which the Village is responsible. Financing sources include gasoline taxes imposed by Chapter 7, Article 12, NMSA 1978 and distributed to the Village pursuant to 7-1-6.9 NMSA 1978. Funding is also provided by the State of New Mexico Highway Department's Cooperative Agreement Grant per 67-3-28 NMFA 1978. Expenditures are restricted for the purpose of construction, reconstruction, resurfacing, and other improvement of public roads, streets, alleys, and bridges, including right-of-way acquisition.

Recreation Fund—Accounts for the operations of the Village's recreational facilities and programs. Financing is provided by the State of New Mexico from a portion of the cigarette tax collected by the state and fees charged for recreational activities sponsored by the Village. Expenditures are subject to Village Trustee approval. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority is 7-12-15 NMSA 1978.

State of New Mexico
Village of Milan
Combining Balance Sheet –
Nonmajor Governmental Funds—Special Revenue Funds
June 30, 2015

	Correction Fund	Fire Protection Fund
Assets		
Cash and cash equivalents	\$ 61,611	\$ 38,936
Restricted cash and cash equivalents	-	5
Taxes receivable	-	-
Intergovernmental receivables	-	-
Total assets	\$ 61,611	\$ 38,941
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 621	\$ -
Accrued salaries	-	-
Due to other funds	-	-
Total liabilities	621	-
Fund balances		
Restricted, reported in		
Special revenue funds	60,990	38,941
Total fund balances	60,990	38,941
Total liabilities and fund balances	\$ 61,611	\$ 38,941

Special Revenue

Law Enforcement Protection Fund	Lodger's Tax Reserve Fund	Municipal Streets Fund	Recreation Fund	Total Special Revenue
\$ 66	\$ 23,561	\$ 75,970	\$ 22,881	\$ 223,025
-	-	-	-	5
-	277	17,272	-	17,549
<u>22,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,400</u>
<u>\$ 22,466</u>	<u>\$ 23,838</u>	<u>\$ 93,242</u>	<u>\$ 22,881</u>	<u>\$ 262,979</u>
\$ -	\$ -	\$ 941	\$ -	\$ 1,562
-	-	2,035	-	2,035
<u>66</u>	<u>-</u>	<u>699</u>	<u>-</u>	<u>765</u>
<u>66</u>	<u>-</u>	<u>3,675</u>	<u>-</u>	<u>4,362</u>
<u>22,400</u>	<u>23,838</u>	<u>89,567</u>	<u>22,881</u>	<u>258,617</u>
<u>22,400</u>	<u>23,838</u>	<u>89,567</u>	<u>22,881</u>	<u>258,617</u>
<u>\$ 22,466</u>	<u>\$ 23,838</u>	<u>\$ 93,242</u>	<u>\$ 22,881</u>	<u>\$ 262,979</u>

State of New Mexico
Village of Milan
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances –
Nonmajor Governmental Funds—Special Revenue Funds
For the Year Ended June 30, 2015

	Correction Fund	Fire Protection Fund
Revenues		
Taxes	\$ -	\$ -
Fees, fines and forfeitures	43,933	-
Other grants and contributions	-	153,199
Interest and other	26	3,600
Total revenues	<u>43,959</u>	<u>156,799</u>
Expenditures		
General government	-	-
Public safety	22,848	118,256
Culture and recreation	-	-
Highways and streets	-	-
Capital outlay	-	48,151
Debt service		
Principal	-	32,902
Interest	-	1,277
Total expenditures	<u>22,848</u>	<u>200,586</u>
Excess (deficiency) of revenues over (under) expenditures	21,111	(43,787)
Fund balance, beginning of year	<u>39,879</u>	<u>82,728</u>
Fund balance, end of year	<u><u>\$ 60,990</u></u>	<u><u>\$ 38,941</u></u>

Special Revenue

Law Enforcement Protection Fund	Lodger's Tax Reserve Fund	Municipal Streets Fund	Recreation Fund	Total
\$ -	\$ 4,150	185,830	\$ -	\$ 189,980
-	-	-	-	43,933
22,400	-	-	-	175,599
-	11	47	11	3,695
<u>22,400</u>	<u>4,161</u>	<u>185,877</u>	<u>11</u>	<u>413,207</u>
-	4,451	-	-	4,451
66	-	-	-	141,170
-	-	-	284	284
-	-	216,183	-	216,183
31,101	-	-	-	79,252
-	-	-	-	32,902
-	-	-	-	1,277
<u>31,167</u>	<u>4,451</u>	<u>216,183</u>	<u>284</u>	<u>475,519</u>
(8,767)	(290)	(30,306)	(273)	(62,312)
<u>31,167</u>	<u>24,128</u>	<u>119,873</u>	<u>23,154</u>	<u>320,929</u>
<u>\$ 22,400</u>	<u>\$ 23,838</u>	<u>\$ 89,567</u>	<u>\$ 22,881</u>	<u>\$ 258,617</u>

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
Correction Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Correction fees	\$ 46,800	\$ 46,800	\$ 43,933	\$ (2,867)
Miscellaneous revenue	<u>100</u>	<u>100</u>	<u>26</u>	<u>(74)</u>
Total revenues	<u>46,900</u>	<u>46,900</u>	<u>43,959</u>	<u>(2,941)</u>
Expenditures				
Current- public safety	<u>37,060</u>	<u>37,060</u>	22,227	14,833
Total expenditures	<u>37,060</u>	<u>37,060</u>	<u>22,227</u>	<u>14,833</u>
Excess of revenues over expenditures	<u>\$ 9,840</u>	<u>\$ 9,840</u>	<u>\$ 21,732</u>	<u>\$ 11,892</u>
Budgetary compliance non-GAAP financial statement reconciliation				
Net change in fund balance – budget to actual			21,732	
Increase in liabilities				
Accounts payable			<u>(621)</u>	
Net change in fund balances – GAAP basis			<u>\$ 21,111</u>	

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
Fire Protection Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
State grants	\$ 119,620	\$ 119,620	\$ 153,199	\$ 33,579
Miscellaneous	<u>41,333</u>	<u>41,333</u>	<u>3,600</u>	<u>(37,733)</u>
Total revenues	<u>160,953</u>	<u>160,953</u>	<u>156,799</u>	<u>(4,154)</u>
Expenditures				
Public safety	124,513	124,594	118,616	5,978
Capital outlay	82,190	82,109	48,151	33,958
Debt service				
Principal	36,733	36,733	32,902	3,831
Interest	<u>-</u>	<u>-</u>	<u>1,277</u>	<u>(1,277)</u>
Total expenditures	<u>243,436</u>	<u>243,436</u>	<u>200,946</u>	<u>42,490</u>
Deficiency of revenues under expenditures	(82,483)	(82,483)	(44,147)	<u>\$ (46,644)</u>
Prior year cash appropriated	<u>82,483</u>	<u>82,483</u>	<u>44,147</u>	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Budgetary compliance non-GAAP financial statement reconciliation				
Net change in fund balance – budget to actual			(44,147)	
Decrease in liabilities				
Accounts payable			<u>360</u>	
Net change in fund balances – GAAP basis			<u>\$ (43,787)</u>	

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
Law Enforcement Protection Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
State grants	<u>\$ 21,200</u>	<u>\$ 21,200</u>	\$ 21,200	\$ -
Total revenues	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>	<u>-</u>
Expenditures				
Current				
Public safety	-	-	-	-
Capital outlay	<u>31,167</u>	<u>31,167</u>	31,101	<u>66</u>
Total expenditures	<u>31,167</u>	<u>31,167</u>	<u>31,101</u>	<u>66</u>
Deficiency of revenues under expenditures	(9,967)	(9,967)	(9,901)	<u>\$ (66)</u>
Prior year cash appropriated	<u>9,967</u>	<u>9,967</u>	<u>9,901</u>	
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	
Budgetary compliance-non GAAP financial statement reconciliation				
Net change in fund balance – budget to actual			\$ (9,901)	
Increase in assets				
Intergovernmental receivables			1,200	
Increase in liabilities				
Due to other funds			<u>(66)</u>	
Net change in fund balances – GAAP basis			<u>\$ (8,767)</u>	

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
Lodger’s Tax Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 3,100	\$ 3,100	\$ 4,015	\$ 915
Interest and other	<u>50</u>	<u>50</u>	<u>11</u>	<u>(39)</u>
Total revenues	<u>3,150</u>	<u>3,150</u>	<u>4,026</u>	<u>876</u>
Expenditures				
Current				
General government	<u>4,500</u>	<u>4,500</u>	<u>4,451</u>	<u>49</u>
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>4,451</u>	<u>49</u>
Deficiency of revenues under expenditures	(1,350)	(1,350)	(425)	<u>\$ 827</u>
Prior year cash appropriated	<u>1,350</u>	<u>1,350</u>	<u>425</u>	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Budgetary compliance non-GAAP financial statement reconciliation				
Net change in fund balance – budget to actual			(425)	
Increase (decrease) in liabilities				
Taxes receivables			<u>135</u>	
Net change in fund balances – GAAP basis			<u>\$ (290)</u>	

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
Municipal Streets Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 178,000	\$ 178,000	\$ 186,451	\$ 8,451
Miscellaneous revenue	<u>100</u>	<u>100</u>	<u>47</u>	<u>(53)</u>
Total revenues	<u>178,100</u>	<u>178,100</u>	<u>186,498</u>	<u>8,398</u>
Expenditures				
Current				
Highway and streets	<u>266,184</u>	<u>264,184</u>	<u>221,579</u>	<u>42,605</u>
Total expenditures	<u>266,184</u>	<u>264,184</u>	<u>221,579</u>	<u>42,605</u>
Deficiency of revenues under expenditures	(88,084)	(86,084)	(35,081)	<u>\$ (51,003)</u>
Prior year cash appropriated	<u>88,084</u>	<u>86,084</u>	<u>35,081</u>	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Budgetary compliance non-GAAP financial statement reconciliation				
Net change in fund balance – budget to actual			(35,081)	
Decrease in assets				
Taxes receivables			(621)	
(Increase) decrease in liabilities				
Accounts payable			6,401	
Accrued salaries			(306)	
Due to other funds			<u>(699)</u>	
Net change in fund balances – GAAP basis			<u>\$ (30,306)</u>	

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
Recreation Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous revenue	\$ 25	\$ 25	\$ 11	\$ (14)
Total revenues	25	25	11	(14)
Expenditures				
Culture and recreation	400	400	284	116
Total expenditures	400	400	284	116
Deficiency of revenues under expenditures	(375)	(375)	(273)	\$ (102)
Prior year cash appropriated	375	375	273	
	\$ -	\$ -	\$ -	

Nonmajor Debt Service Fund

**State of New Mexico
Village of Milan
Nonmajor Debt Service Fund
June 30, 2015**

NONMAJOR DEBT SERVICE FUND

Debt Service Fund

Accounts for funds used for the payment of principal and interest due on general obligation bonds. Financing is provided by a special tax levy approved by the voters.

**State of New Mexico
Village of Milan
Combining Balance Sheet –
Nonmajor Debt Service Fund
June 30, 2015**

	<u>Debt Service Fund</u>
Assets	
Cash and cash equivalents	\$ 17,506
Taxes receivable	<u>1,961</u>
Total assets	<u><u>\$ 19,467</u></u>
 Fund Balances	
Restricted, reported in	
Debt service fund	<u>\$ 19,467</u>
Total fund balances	<u><u>\$ 19,467</u></u>

State of New Mexico
Village of Milan
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Debt Service Fund
For the Year Ended June 30, 2015

	Debt Service Fund
Revenues	
Taxes	\$ 11,027
Interest and other	<u>22</u>
Total revenues	<u>11,049</u>
 Expenditures	
General government	258
Debt service	
Principal	-
Interest	<u>3,576</u>
Total expenditures	<u>3,834</u>
Excess of revenues over expenditures	7,215
Fund balance, beginning of year	<u>12,252</u>
Fund balance, end of year	<u><u>\$ 19,467</u></u>

Nonmajor Capital Projects Fund

**State of New Mexico
Village of Milan
Nonmajor Capital Projects Fund
June 30, 2015**

NONMAJOR CAPITAL PROJECTS FUNDS

The Co-Op Improvements Fund and CDBG Capital Projects Fund – The funds are used to account for costs associated with the improvements to the Village streets. Funding is primarily received through cooperative agreements with the State of New Mexico.

State of New Mexico
Village of Milan
Combining Balance Sheet—
Nonmajor Capital Projects Fund
June 30, 2015

	CDBG Capital Projects Fund	Co-Op Street Improvements Fund	Total Nonmajor Capital Projects Funds
Assets			
Cash and cash equivalents	\$ 57,341	\$ 172,423	\$ 229,764
Total assets	\$ 57,341	\$ 172,423	\$ 229,764
Fund Balances			
Restricted, reported in			
Capital projects funds	\$ 57,341	172,423	\$ 229,764
Total fund balances	\$ 57,341	\$ 172,423	\$ 229,764

State of New Mexico
Village of Milan
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance—
Nonmajor Capital Projects Fund
For the Year Ended June 30, 2015

	CDBG Capital Projects Fund	Co-Op Street Improvements Fund	Total Nonmajor Capital Projects Funds
Revenues			
Other grants and contributions	\$ -	\$ 348,462	\$ 348,462
Interest and other	-	125	125
Total revenues	<u>-</u>	<u>348,587</u>	<u>348,587</u>
Expenditures			
Capital outlay	-	347,608	347,608
Total expenditures	<u>-</u>	<u>347,608</u>	<u>347,608</u>
Excess of revenues over expenditures	<u>-</u>	<u>979</u>	<u>979</u>
Fund balance, beginning of year, as restated (Note 14)	<u>57,341</u>	<u>171,444</u>	<u>228,785</u>
Fund balance, end of year	<u><u>\$ 57,341</u></u>	<u><u>\$ 172,423</u></u>	<u><u>\$ 229,764</u></u>

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
CDBG Capital Projects
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Federal operating grants	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Expenditures				
Current				
Highway and streets	591,250	591,250	-	591,250
Capital outlay	-	-	-	-
Total expenditures	<u>591,250</u>	<u>591,250</u>	<u>-</u>	<u>591,250</u>
Deficiency of revenues under expenditures	<u>(91,250)</u>	<u>(91,250)</u>	<u>-</u>	<u>91,250</u>
Other financing sources				
Transfers in	<u>34,000</u>	<u>34,000</u>	<u>-</u>	<u>(34,000)</u>
Total other financing sources	<u>34,000</u>	<u>34,000</u>	<u>-</u>	<u>(34,000)</u>
Excess (deficit) of revenues over expenditures	(57,250)	(57,250)	<u>\$ -</u>	<u>\$ 57,250</u>
Prior year cash appropriated	<u>57,250</u>	<u>57,250</u>		
	<u>\$ -</u>	<u>\$ -</u>		

State of New Mexico
Village of Milan
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Non-GAAP Budgetary Basis
Co-Op Street Improvement
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Other grants and contributions	\$ 946,224	\$ 946,224	\$ -	\$ (946,224)
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>946,224</u>	<u>946,224</u>	<u>-</u>	<u>(946,224)</u>
Expenditures				
Current				
Highway and streets	2,674,252	2,672,252	-	2,672,252
Capital outlay	<u>-</u>	<u>-</u>	135,295	(135,295)
Total expenditures	<u>2,674,252</u>	<u>2,672,252</u>	<u>135,295</u>	<u>2,536,957</u>
Other financing sources				
Transfers in	<u>1,425,000</u>	<u>1,425,000</u>	<u>-</u>	<u>(1,425,000)</u>
Total other financing sources	<u>1,425,000</u>	<u>1,425,000</u>	<u>-</u>	<u>(1,425,000)</u>
Excess (deficit) of revenues over expenditures and other financing sources	(303,028)	(301,028)	(135,295)	<u>\$ 165,733</u>
Prior year cash appropriated	<u>303,028</u>	<u>301,028</u>	<u>135,295</u>	
	<u>\$ 1,425,000</u>	<u>\$ 1,425,000</u>	<u>\$ -</u>	
Budgetary compliance non-GAAP financial statement reconciliation				
Net change in fund balance – budget to actual			\$ (135,295)	
(Increase) decrease in liabilities				
Accounts payable			<u>135,295</u>	
Net change in fund balances – GAAP basis			<u>\$ -</u>	

Proprietary Fund

State Of New Mexico
Village of Milan
Statement of Revenues, Expenses, and
Changes in Net Position—Budget to Actual—Non-GAAP Budgetary Basis –
Joint Utility Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 1,781,500	\$ 1,784,500	\$ 1,693,392	\$ (91,108)
Taxes	23,000	23,000	26,296	3,296
Late fees	12,000	12,000	10,944	(1,056)
Interest income	50	50	2,356	2,306
Other grants	-	-	-	-
Miscellaneous income	<u>22,100</u>	<u>22,100</u>	45,985	23,885
Total revenues	<u>1,838,650</u>	<u>1,841,650</u>	<u>1,778,973</u>	<u>(62,677)</u>
Operating expenses				
Operating costs	<u>1,748,922</u>	<u>1,748,922</u>	1,104,283	644,639
Total operating expenses	<u>1,748,922</u>	<u>1,748,922</u>	1,104,283	644,639
Operating income	<u>89,728</u>	<u>92,728</u>	674,690	(707,316)
Nonoperating expenses				
Interest expense	<u>111,137</u>	<u>111,137</u>	(58,244)	169,381
Total nonoperating expenses	<u>111,137</u>	<u>111,137</u>	(58,244)	169,381
Net income before transfers	<u>200,865</u>	<u>203,865</u>	616,446	(537,935)
Transfers				
Transfers out	<u>(659,000)</u>	<u>(659,000)</u>	-	(659,000)
Total operating transfers	<u>(659,000)</u>	<u>(659,000)</u>	-	(659,000)
Total change in net position	(458,135)	(455,135)	<u>\$ 616,446</u>	<u>\$ (1,196,935)</u>
Prior year cash appropriated	<u>458,135</u>	<u>455,135</u>		
	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation of net income for budgetary basis
to statement of activities of proprietary funds

Net income after transfers – budgetary basis	\$ 616,446
Loss on transfer of capital assets to the general fund	(231,750)
Depreciation is reported in the proprietary funds statement of activities but is not a budget expenditure item	<u>(256,456)</u>
Net change in fund balance GAAP basis	<u>\$ 128,240</u>

Required Supplementary Information

State Of New Mexico
Village of Milan
Schedules of the Village's Proportionate Share of the
Net Pension Liability of PERA's Municipal General Division and Municipal
Police Division Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Municipal General Division

	2015
Village's proportion of the net pension liability (asset)	0.1015%
Village's proportionate share of the net pension liability (asset)	\$ 791,809
Village's covered-employee payroll	\$ 1,144,280
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69%
Plan fiduciary net position as a percentage of the total pension liability	81.29

Municipal Police Division

	2015
Village's proportion of the net pension liability (asset)	0.0512%
Village's proportionate share of the net pension liability (asset)	\$ 166,906
Village's covered-employee payroll	\$ 198,431
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	84%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

*The amounts presented were determined as of June 30, 2015. This schedule is presented, to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the Village will present information for those years for which information is available.

State Of New Mexico
Village of Milan
Schedule of the Village's Contributions
Public Employees Retirement Association (PERA) Plans
Municipal General Division and Municipal Police Division
Last 10 Fiscal Years*

Municipal General Division

	2015
Contractually required contribution	\$ 84,369
Contributions in relation to the contractually required contribution	<u>(84,369)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Village of Milan's covered-employee payroll	 <u>\$ 1,144,280</u>
 Contributions as a percentage of covered-employee payroll	 7%

Municipal Police Division

	2015
Contractually required contribution	\$ 20,499
Contributions in relation to the contractually required contribution	<u>(20,499)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Village of Milan's covered-employee payroll	 <u>\$ 198,431</u>
 Contributions as a percentage of covered-employee payroll	 10%

*The amounts presented were determined as of June 30, 2015. This schedule is presented, to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the Village will present information for those years for which information is available.

State Of New Mexico
Village of Milan
Notes to Schedule of PERA Plan Information
For the Year Ended June 30, 2015

1) Changes of Benefit Terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

2) Changes of Assumptions

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states, based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

Supplementary Information

State Of New Mexico
Village of Milan
Schedule of Changes in Fiduciary Assets and Liabilities—
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Court bonds	<u>\$ 6,280</u>	<u>\$ 1,227</u>	<u>\$ (1,227)</u>	<u>\$ 6,280</u>

State Of New Mexico
Village of Milan
Schedule of Depositories and Temporary Investments
By Depository for Public Funds
June 30, 2015

	Account Type	Fund Type	Amount Per Bank	Net Reconciling Items	Balance Per Books
U.S. Bank					
General fund	Checking	Governmental	\$ 70,958	\$ (42,425)	\$ 28,533
Total checking			<u>70,958</u>	<u>(42,425)</u>	<u>28,533</u>
General fund	Money Market	Governmental	938,118	-	938,118
Joint utility	Savings	Business-type	1,702,656	(9,468)	1,693,188
Joint utility	Savings	Business-type	13,944	-	13,944
Total interest bearing			<u>2,654,718</u>	<u>(9,468)</u>	<u>2,645,250</u>
Total deposits			<u>\$ 2,725,676</u>	<u>\$ (51,893)</u>	<u>\$ 2,673,783</u>
Grants State Bank					
General fund	Checking	Governmental	\$ 561,773	\$ (30,564)	\$ 531,209
General fund	Checking	Governmental	343,312		343,312
Correction Fund	Checking	Governmental	61,611	-	61,611
Fire Protection Fund	Checking	Governmental	39,600	(665)	38,935
Law Enforcement Fund	Checking	Governmental	66	-	66
Lodger's Tax Fund	Checking	Governmental	23,561	-	23,561
Street Fund	Checking	Governmental	76,349	(378)	75,971
Recreation Fund	Checking	Governmental	22,881	-	22,881
CDBG Planning Grant	Checking	Governmental	57,341	-	57,341
Co-op Street Improvement	Checking	Governmental	172,422	1	172,423
Debt Service Funds	Checking	Governmental	17,506	-	17,506
Joint Utility Fund	Checking	Business-type	1,595	-	1,595
Water Deposit Fund	Checking	Business-type	89,270	(1,800)	87,470
Police Bonds	Checking	Agency Fund	6,280	-	6,280
Total checking			<u>1,473,567</u>	<u>(33,406)</u>	<u>1,440,161</u>
Water Deposit Fund	Certificate of Deposit	Business-type	60,633	-	60,633
Total checking			<u>60,633</u>	<u>-</u>	<u>60,633</u>
Total deposits			<u>\$ 1,534,200</u>	<u>\$ (33,406)</u>	<u>\$ 1,500,794</u>
New Mexico Finance Authority					
Fire Protection Fund	Savings	Governmental	\$ 5	\$ -	\$ 5
Joint Utility Fund	Checking	Business-type	185,347	-	185,347
Joint Utility Fund	Checking	Business-type	94,768	-	94,768
Total deposits			<u>\$ 280,120</u>	<u>\$ -</u>	<u>\$ 280,120</u>

State Of New Mexico
Village of Milan
Schedule of Depositories and Temporary Investments
By Depository for Public Funds — continued
June 30, 2015

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and cash equivalents – unrestricted	\$ 2,311,568	\$ 1,856,980	\$ -	\$ 4,168,548
Cash and cash equivalents – restricted	5	280,115	-	280,120
Fiduciary funds	-	-	6,280	6,280
Total interest bearing	<u>\$ 2,311,573</u>	<u>\$ 2,137,095</u>	<u>\$ 6,280</u>	<u>\$ 4,454,948</u>
Cash source				
U.S. Bank				\$ 2,673,783
Grants State Bank				1,500,794
NHMFA				280,120
Petty cash				251
Total checking				<u>\$ 4,454,948</u>

Description of Pledged Collateral	Amount	Name and Location
Bernalillo NM MSD 1, CUSIP#085279NY9, Maturing 8/01/2020	\$ 149,655	Grants State Bank
Bloomfield NM Mun Sch Dist BQ, Qusip#904077KN, Maturing 9/1/2019	110,621	Grants State Bank
Gasden NM ISD BQ CALL, CUSIP#362550KR5, Maturing 8/15/2018	504,107	Grants State Bank
Federal Home Loan Bank 517622 – Line of Credit	<u>2,500,000</u>	U.S. Bank
Total pledged securities	<u>\$ 3,264,383</u>	

State Of New Mexico
Village of Milan
Schedule of Joint Powers Agreements
June 30, 2015

Joint Power Agreement	Participants	Responsible Party	Description
Grants Airport	Village of Milan and City of Grants	City of Grants	Provides for management, operation maintenance, improvement, and financing of the Grants-Milan Airport
Animal Control	Village of Milan and City of Grants	City of Grants	Provides for the collection and custody of stray animals
Rio San Jose Flood Control	Village of Milan and Rio San Jose	Rio San Jose Flood Control Authority	Provides for administrative, space, personnel furniture's, equipment, and utilities for the operation of the Authority
Wildlife Protection Activities	Village of Milan and State of New Mexico Energy, Minerals, and Natural Resources	State of New Mexico Energy, Minerals, and Natural Resources	Provides a cooperative fire protection system covering any or all private, county, nonmunicipal, and State lands within or adjacent to the Village
Northwest New Mexico Regional Solid Waste Authority	Village of Milan, City of Grants, City of Gallup, McKinley County, and Cibola County	State of New Mexico	Provide for the disposition of solid waste by establishing a modern solid waste disposal facilities
Library	Village of Milan and City of Grants	City of Grants	Establishment of a library program
Senior Citizens Center	Village of Milan and City of Grants	City of Grants	Establishment of a senior citizens center
Mosquito Control	Village of Milan and Cibola County Vector	Cibola County Vector	Provides mosquito control and around the Village of Milan and surrounding area
Prisoner Housing	Village of Milan and Cibola County	Cibola County	Provides housing of municipal prisoners arrested by the Village and confuted in the Cibola County Detention Center

**SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding
\$60,000 (excluding GRT)**

For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Marcella Sandoval

Title: Village Administrator

Date 10/14/2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N (Based on Statutory Definition))</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
2014-02	Bid	H.O. Construction	\$108,120	n/a	H.O. Construction 4132 Sheldon St SE, Albuquerque, NM	In-State	N/A	NM 122 Surface Enhancements
					Carreon Construction 1009 17 th St NW, Rio Rancho, NM	In-State	N/A	
					Desert Utility 8201 Golf Course Rd, Albuquerque, NM	In-State	N/A	
					Star Paving 3109 Love Rd, Albuquerque, NM	In-State	N/A	
					Cerro Azul Construction 1225 S. Saint Francis Dr., Santa Fe, NM	In-State	N/A	

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS
10612 ROYAL BIRKDALE NE
ALBUQUERQUE, NM 87111

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Mr. Timothy Keller, New Mexico State Auditor and
Mr. George W. Knotts, Mayor and
The Village Board of Trustees
Village of Milan, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparison of the general fund of the Village of Milan (Village) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated November 6, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Mr. Timothy Keller, New Mexico State Auditor and
Mr. George W. Knotts, Mayor and
The Village Board of Trustees
Village of Milan, New Mexico

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses at item 2013-010.

The Village's Response to the Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Albuquerque, New Mexico
November 6, 2015

State Of New Mexico
Village of Milan
Schedule of Findings and Responses
For the Year Ended June 30, 2015

Section II — Other Findings, as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

2013-010 — Deficiencies in Internal Control Structure Design—Other Matters—Repeated Revised

Condition: The Village does not have a current comprehensive documented internal control structure.

Progress Towards Implementing the Prior Year Corrective Action Plan: The Village has not made progress towards implementing the prior year corrective action plan.

Criteria: NMAC 2.20.5.8 states that each local body shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition that transaction are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules procedures and practice and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting application including computer systems) that are in accordance with GAAP.

Cause: The Village has recently undergone an accounting system conversion and has not formally written all internal control policies and procedures.

Effect: The Village has not maintained a formal policy and procedure manual. The lack of formally written policies and procedures may result in grant noncompliance and/or potential errors and misstatements in times of personnel turnover and personnel reductions.

Auditor's Recommendations: The Village should document the comprehensive internal control structure and ensure that it is followed.

Management's Response: The Village will update the written internal control policies and procedures to address the changes related to the accounting system conversion and to ensure the policies and procedures include administrative controls in accordance with GAAP. The Village Manager had developed a committee to include the Manager, the IT Director, the Finance/Human Resources Clerk and the Police Chief. We anticipate having a rough draft within nine months, and hope to have a final within eighteen months.

State of New Mexico
Village of Milan
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2015

Findings From Year Ended June 30, 2014:

Current Status:

2008-001	Late Audit Report	Resolved
2013-002	Capital Assets Accounting	Resolved
2013-003	Bank Reconciliation	Resolved
2013-005	Preparation of Financial Statements	Resolved
2013-006	Preparation of Trial Balance	Resolved
2013-009	Retire Health Care Reports and Contributions	Resolved
2013-010	Deficiencies in Internal Control Structure Design	Repeated
2014-001	Lodger's Tax	Resolved
2014-002	Public Employee Retirement Act (PERA)	Resolved

State Of New Mexico
Village of Milan
Exit Conference
For the Year Ended June 30, 2015

An exit conference was held on November 25, 2015 during a closed meeting and attended by the following:

County Personnel

Vivian Brumbelow
Robert Gallegos
Marcella Sandoval
Theresa Garcia
Esther Barnes
Triny Baraja

Mayor Pro Term
Trustee
Village Manager
Village Clerk
Payroll Clerk
Accounts Payable Clerk

Porch & Associates Personnel

Thad E. Porch, CPA

Managing Principal