

**STATE OF NEW MEXICO**

**TOWN OF RED RIVER**



**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2014**

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## **INTRODUCTORY SECTION**

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Town of Red River  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2014

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STATE OF NEW MEXICO  
Town of Red River

OFFICIAL ROSTER  
June 30, 2014

| <u>Name</u>     |                       | <u>Title</u>       |
|-----------------|-----------------------|--------------------|
|                 | <u>Town Council</u>   |                    |
| Linda Calhoun   |                       | Mayor              |
| George Woerndle |                       | Mayor Pro Tem      |
| Ben Richey      |                       | Council Member     |
| Jeff Brown      |                       | Council Member     |
| Steve Cherry    |                       | Council Member     |
|                 | <u>Town Officials</u> |                    |
| Jake Pierce     |                       | Town Administrator |
| Georgiana Rael  |                       | Clerk/Treasurer    |
| Ron Burnham     |                       | Fire Chief         |
| David Smith     |                       | Police Chief       |
| Jack Griffin    |                       | Judge              |

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Town of Red River  
Red River, 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 comparisons of the general fund and the major special revenue funds of the Town of Red River (the "Town") as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Town of Red River's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Town of Red River's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service 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, 2014, 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 misstatements, 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 of material misstatement. An audit involves performing procedures to obtain 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 Town of Red River'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 Town of Red River's internal control. Accordingly, we express no such opinion. 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.

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## **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 Town of Red River, as of June 30, 2014, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity 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 Town of Red River as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds and all 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*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13-20 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 the 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 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 on Town of Red River's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are the responsibility of management and was derived from and relates 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 statement 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 auditing standards generally accepted in the United States of America. In our opinion, the other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2014 on our consideration of the Town of Red River'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 Town of Red River's internal control over financial reporting and compliance.

*Precision Accounting, LLC*

Precision Accounting, LLC  
Albuquerque, New Mexico  
October 12, 2014

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Management's Discussion and Analysis  
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As management of the Town of Red River, we offer readers of the Town of Red River's financial statements this narrative overview and analysis of the financial activities of the Town of Red River for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the financial statements of the Town of Red River and additional information provided.

#### FINANCIAL HIGHLIGHTS

- The assets of the Town of Red River exceeded its liabilities at the close of the most recent fiscal year by \$9,284,079 (*net position*). Of this amount, \$836,906 (*unrestricted*) is obligated to citizens and creditors.
- The government's total net position increased by \$70,654 during the fiscal year. The majority of this decrease is due to a decrease in grants for governmental activities.
- As of June 30, 2014, the Town's governmental funds reported combined ending fund balances of \$1,763,851. Of this total, \$409,287 is restricted for capital projects and \$352,018 is restricted for special revenue funds.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Red River's basic financial statements. The Town of Red River's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Moriarty's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Red River's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Red River is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Red River that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Red River include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the Town include Sewer/AWWT, Solid Waste, and Water.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Red River, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Red River can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental Funds.* *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information

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may be useful in determining what financial resources are available in the near future to finance the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Red River maintains twenty-two individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, 911 Grant Fund, Fire Protection Fund, Lodgers' Tax Fund, and Grants Capital Projects Fund, all of which are considered to be major funds. Data from the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Red River adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, 911 Grant Fund, Fire Protection Fund, Lodgers' Tax Fund, and Grants Capital Projects Fund, to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at exhibits B-1 through D-3 of this report.

*Proprietary funds.* Proprietary funds are generally used to account for services for which the Town charges customers either outside customers or internal units or departments of the Town. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains three types of proprietary funds.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Red River's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-67 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 78-110 of this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB #34), *Basic Financial Statements –and Management's Discussion and Analysis (MD&A) -for State and Local Governments*.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Red River, assets exceeded liabilities by \$9,284,079 at the close of the current fiscal year.

The largest portion of the Town of Red River's net position represents the Town's investment of \$7,376,101 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding debt used to acquire those assets. The Town of Red River uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Red River's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position  
For the Year Ended June 30, 2014 and June 30, 2013

|   | June 30, 2014       |                     |                      | June 30, 2013       |                     |                      |
|---|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
|   | Governmental        | Business<br>Type    | Total                | Governmental        | Business<br>Type    | Total                |
| <b>Assets</b>                                   |                     |                     |                      |                     |                     |                      |
| Current and other assets                        | \$ 1,938,220        | \$ 336,067          | \$ 2,274,287         | \$ 1,984,430        | \$ 322,855          | \$ 2,307,285         |
| Capital assets, net of accumulated depreciation | 6,446,764           | 1,567,159           | 8,013,923            | 6,591,457           | 1,570,397           | 8,161,854            |
| <b>Total Assets</b>                             | <b>8,384,984</b>    | <b>1,903,226</b>    | <b>10,288,210</b>    | <b>8,575,887</b>    | <b>1,893,252</b>    | <b>10,469,139</b>    |
| <b>Liabilities</b>                              |                     |                     |                      |                     |                     |                      |
| Long-term liabilities outstanding               | 586,205             | 22,584              | 608,789              | 327,830             | 79,212              | 407,042              |
| Other Liabilities                               | 299,992             | 95,350              | 395,342              | 670,399             | 36,965              | 707,364              |
| <b>Total Liabilities</b>                        | <b>886,197</b>      | <b>117,934</b>      | <b>1,004,131</b>     | <b>998,229</b>      | <b>116,117</b>      | <b>1,114,406</b>     |
| <b>Net Position</b>                             |                     |                     |                      |                     |                     |                      |
| Net investment in capital assets                | 5,808,942           | 1,567,159           | 7,376,101            | 5,909,962           | 1,570,397           | 7,480,359            |
| Restricted                                      | 1,071,072           | -                   | 1,071,072            | 987,667             | -                   | 987,667              |
| Unrestricted                                    | 618,773             | 218,133             | 836,906              | 680,029             | 206,678             | 886,707              |
| <b>Total Net Position</b>                       | <b>7,498,787</b>    | <b>1,785,292</b>    | <b>9,284,079</b>     | <b>7,577,658</b>    | <b>1,777,075</b>    | <b>9,354,733</b>     |
| <b>Total Liabilities and Net Position</b>       | <b>\$ 8,384,984</b> | <b>\$ 1,903,226</b> | <b>\$ 10,288,210</b> | <b>\$ 8,575,887</b> | <b>\$ 1,893,252</b> | <b>\$ 10,469,139</b> |

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A portion of the Town of Red River's net position represents resources that are subject to restrictions. The restrictions relate to capital projects and debt service.

At the end of the current fiscal year, the Town of Red River is able to report positive balances in all of the categories of net position, for the government as a whole as well as for the business-type activities.

The Town of Red River's net position decreased by \$70,654 during the current fiscal year. This decrease is explained in the government and business-type activities discussion below and is primarily a result of an increase in expenditures.

Changes in Net Position  
For the Year Ended June 30, 2014

|   | Governmental<br>Activities | Business Type<br>Activities | Total        |
|---|----------------------------|-----------------------------|--------------|
| <u>Revenue</u>                                |                            |                             |              |
| Program revenue                               |                            |                             |              |
| Charges for Service                           | \$ 1,098,619               | \$ 1,190,831                | \$ 2,289,450 |
| Operating grants and contributions            | 675,885                    | -                           | 675,885      |
| Capital Grants                                | 651,945                    | -                           | 651,945      |
| General Revenue                               |                            |                             |              |
| Property Tax                                  | 364,623                    | -                           | 364,623      |
| Franchise Tax                                 | 89,203                     | -                           | 89,203       |
| Gross Receipts Tax                            | 1,355,902                  | -                           | 1,355,902    |
| Motor Vehicle & Fuel Tax                      | 663,521                    | -                           | 663,521      |
| Miscellaneous                                 | 21,303                     | 9,317                       | 30,247       |
| Total Revenue                                 | \$ 4,921,001               | \$ 1,200,148                | \$ 6,120,776 |
| <u>Expenses</u>                               |                            |                             |              |
| General Government                            | 1,123,914                  | -                           | 1,104,923    |
| Public Safety                                 | 1,609,317                  | -                           | 1,164,562    |
| Culture and Recreation                        | 1,057,235                  | -                           | 489,931      |
| Health and Welfare                            | 441,570                    | -                           | 193,150      |
| Public Works                                  | 744,159                    | -                           | 596,404      |
| Interest on Long-term debt                    | 10,491                     | -                           | 64,080       |
| Business-type activities                      | -                          | 1,191,931                   | 1,755,118    |
| Total Expenses                                | \$ 4,986,686               | \$ 1,191,931                | \$ 5,368,168 |
| (Decrease) Increase in Assets before transfer | (65,685)                   | 8,217                       | (57,468)     |
| Transfers                                     | -                          | -                           | -            |
| (Decrease) Increase in Net Position           | (65,685)                   | 8,217                       | (57,468)     |
| Net Position, Beginning of year               | 7,577,658                  | 1,775,075                   | 9,354,733    |
| Restatement                                   | (13,186)                   | -                           | (13,186)     |
| Ending Net Position                           | \$ 7,498,787               | \$ 1,785,292                | \$ 9,284,079 |

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Governmental activities: Governmental activities decreased the Town of Red River's net position by \$78,871. The key element of this decrease was expenses exceeded revenue.

Business-type activities: Business-type activities increased the Town's net position by \$8,217. The key element of this increase was the due to the revenue exceeded expenses.

Changes in Net Position  
For the Year Ended June 30, 2013

|   | Governmental<br>Activities | Business Type<br>Activities | Total        |
|---|----------------------------|-----------------------------|--------------|
| <u>Revenue</u>                                |                            |                             |              |
| Program revenue                               |                            |                             |              |
| Charges for Service                           | \$ 1,285,562               | \$ 1,167,973                | \$ 2,453,535 |
| Operating grants and contributions            | 493,286                    | -                           | 493,286      |
| Capital Grants                                | 102,834                    | -                           | 102,834      |
| General Revenue                               |                            |                             |              |
| Property Tax                                  | 391,403                    | -                           | 391,403      |
| Franchise Tax                                 | 102,442                    | -                           | 102,442      |
| Gross Receipts Tax                            | 1,321,816                  | -                           | 1,321,816    |
| Motor Vehicle & Fuel Tax                      | 665,103                    | -                           | 665,103      |
| Misc revenues                                 | 18,163                     | 1,401                       | 19,564       |
| Unrestricted Investments earnings             | 458                        | -                           | 458          |
| Total Revenue                                 | \$ 4,381,067               | \$ 1,169,374                | \$ 5,550,441 |
| <u>Expenses</u>                               |                            |                             |              |
| General Government                            | 681,419                    | -                           | 681,419      |
| Public Safety                                 | 1,212,822                  | -                           | 1,212,822    |
| Culture and Recreation                        | 1,024,526                  | -                           | 1,024,526    |
| Health and Welfare                            | 631,285                    | -                           | 631,285      |
| Public Works                                  | 455,680                    | -                           | 455,680      |
| Interest on Long-term debt                    | 64,370                     | -                           | 64,370       |
| Business-type activities                      | -                          | 1,489,910                   | 1,489,910    |
| Total Expenses                                | \$ 4,070,102               | \$ 1,489,910                | \$ 5,560,012 |
| (Decrease) Increase in Assets before transfer | 310,965                    | (320,536)                   | (9,571)      |
| Transfers                                     | (144,107)                  | -                           | (144,107)    |
| (Decrease) Increase in Net Position           | 166,858                    | (320,536)                   | (153,678)    |
| Net Position, Beginning of year               | 7,410,800                  | 2,097,611                   | 9,508,411    |
| Ending Net Position                           | \$ 7,577,658               | \$ 1,777,075                | \$ 9,354,733 |

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## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town of Red River uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of the Town of Red River's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Red River's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The types of Governmental funds reported by the Town include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As of the end of the current fiscal year, the Town of Red River's governmental funds reported combined ending fund balances of \$1,763,851, an increase of \$29,545 in comparison with the prior year. \$742,203 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

Revenues for governmental activities overall totaled \$4,921,897 in the fiscal year ended June 30, 2014, which represents an increase of \$592,313 from the fiscal year ended June 30, 2013. Expenditures for governmental activities, totaling \$4,879,166, increased by \$816,617 from the fiscal year ended June 30, 2013. In the fiscal year ended June 30, 2014, revenues exceeded expenditures by \$42,731.

The General Fund is the chief operating fund of the Town of Red River. At the end of the current fiscal year, *unreserved* fund balance of the general fund was \$742,203, while total fund balance was \$875,068.

The fund balance of the Town of Red River's general fund increased by \$143,029 during the current fiscal year due to revenues in excess of expenditures. Overall, the general fund's performance in the fiscal year ended June 30, 2014 is due to the increase in state grants and miscellaneous income.

*911 Grant Fund.* The 911 Grant Fund has a fund balance of \$971. No change in fund balance for the year since revenue was expensed once received.

*Fire Protection Fund.* The Fire Protection Fund has a fund balance of \$63,072. The net increase in fund balance was \$6,676 for the year. The increase was due to an increase in state grants.

*Lodgers' Tax Fund.* The Lodgers' Tax Fund has a fund balance of \$136,550. The net decrease in fund balance was \$21,579. The decrease was due to an increase in expenditures.

*Grants Fund.* The Grants Fund has a fund deficit of \$(88,039). The deficit increased by \$35,504 compared to the fiscal year ended June 30, 2013.

*Proprietary Funds.* The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for Sewer, Solid Waste, and Water funds were \$66,692, \$127,436, and \$24,005, respectively. The change in net position for the proprietary funds was \$8,217. Factors concerning the finances of this fund have been addressed previously in the discussion of the Town's business-type activities.

### General Fund Budgetary Highlights

The Town budgets reflect the same pattern as seen in the revenue and expenditures of the Town. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the Town level, the Town of Red River utilizes goals and objectives defined by the Town Councilors, community

STATE OF NEW MEXICO  
Town of Red River  
Management's Discussion and Analysis  
for the Year Ended June 30, 2014  
Unaudited

input meetings, long-term plans and input from various staff groups to develop the Town budget. The Town priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

General Fund Expenditure Budget Performance

| Final Budget | Actual non-GAAP<br>Cash Basis | Favorable<br>(Unfavorable)<br>Variance |
|--------------|-------------------------------|--|
| \$1,763,166  | \$1,727,619                   | \$35,547                               |

The Town's final budget differs from the original budget due to budget increases and decreases that were made during the fiscal year.

The Capital Project Funds are included in the original budget which is submitted to the Department of Finance and Administration (DFA). These funds are spent on a project-by-project basis so the budgets are constantly changing. Instead, the budgets for these funds are created during the year through budget adjustment requests (BARs).

Capital Asset and Debt Administration

Capital assets. The Town of Red River's capital assets for its governmental and business-type activities as of June 30, 2014 amount to \$8,013,923 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, and machinery & equipment. The total increase in the Town's capital assets (excluding accumulated depreciation) for the current fiscal year was \$81,998 for governmental activities due primarily to an addition to buildings & improvements, equipment and vehicles, and infrastructure. There was an increase (excluding accumulated depreciation) in business-type capital assets in the amount of \$215,339 during the current fiscal year.

Capital Assets, Net of Depreciation  
June 30, 2014

|  | Governmental<br>Activities | Business Type<br>Activities | Total               |
|--|----------------------------|-----------------------------|---------------------|
| Land   | \$ 2,176,627               | \$ -                        | \$ 2,176,627        |
| Buildings & Improvements                           | 4,266,080                  | 8,083,014                   | 12,349,094          |
| Equipment  | 2,131,317                  | 368,476                     | 2,499,793           |
| Vehicles   | 2,185,283                  | 418,706                     | 2,603,989           |
| Infrastructure                                     | 2,517,216                  | -                           | 2,517,216           |
| Total capital assets                               | 13,276,523                 | 23,414,127                  | 22,146,719          |
| Accumulated depreciation                           | (6,829,759)                | (7,303,037)                 | (14,132,796)        |
| Capital assets, net of<br>accumulated depreciation | <u>\$ 6,446,764</u>        | <u>\$ 1,567,159</u>         | <u>\$ 8,013,923</u> |

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 7 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

STATE OF NEW MEXICO  
Town of Red River  
Management's Discussion and Analysis  
for the Year Ended June 30, 2014  
Unaudited

Debt Administration. At the end of the current fiscal year, the Town of Red River had total long-term obligations outstanding of \$619,931. Of this amount, \$175,000 is revenue bonds with the gross revenue from utility operations pledged to pay the payments.

**Outstanding Debt**  
As of June 30, 2014

|                              | <u>Governmental<br/>Activities</u> | <u>Business Type<br/>Activities</u> | <u>Total</u>      |
|------------------------------|------------------------------------|-------------------------------------|-------------------|
| Revenue Bonds                | \$ 175,000                         | \$ -                                | \$ 175,000        |
| NMFA notes                   | 444,931                            | -                                   | 444,931           |
| Accrued compensated absences | 83,566                             | 22,584                              | 106,150           |
| Total long-term liabilities  | <u>\$ 971,515</u>                  | <u>\$ 2,862,597</u>                 | <u>\$ 726,081</u> |

Long-term debt additions and retirements related to revenue bonds and loans for governmental activities for the current year were \$0 and \$120,488, respectively. Accrued compensated absences additions and retirements were \$53,202 and \$28,645, respectively, for governmental activities. Business type activities accrued compensated absences additions and retirements were \$12,713 and \$35,625, respectively.

See Note 8 in the accompanying Notes to the Financial Statements for further information regarding the Town of Red River's long-term debt.

**Economic Factors and Next Year's Budgets and Rates**

Inflationary trends in the region compare favorably to national indices.

The above factors were considered in preparing the Town of Red River's budget for the 2014 fiscal year. There are no currently known facts, decisions, or conditions that are expected to have a significant effect or impact on the Town's financial position or results of operations.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Red River's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Red River Administration, Town of Red River, P.O. Box 1020, Red River, New Mexico, 87558.



**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATEMENT OF NET POSITION**  
June 30, 2014

Exhibit A-1

|                                | Governmental<br>Activities | Business-type<br>Activities | Total         |
|--------------------------------|----------------------------|-----------------------------|---------------|
| <b>Assets</b>                  |                            |                             |               |
| Current Assets                 |                            |                             |               |
| Cash and cash equivalents      | \$ 1,542,668               | \$ 206,838                  | \$ 1,749,506  |
| Investments                    | 130,880                    | 22,789                      | 153,669       |
| Taxes receivable               | 88,329                     | -                           | 88,329        |
| Accounts receivable            | 248,207                    | 106,440                     | 354,647       |
|                                | 2,010,084                  | 336,067                     | 2,346,151     |
| Total Current Assets           |                            |                             |               |
| Noncurrent Assets              |                            |                             |               |
| Capital assets                 | 13,276,523                 | 8,870,196                   | 22,146,719    |
| Less: accumulated depreciation | (6,829,759)                | (7,303,037)                 | (14,132,796)  |
|                                | 6,446,764                  | 1,567,159                   | 8,013,923     |
| Total Noncurrent Assets        |                            |                             |               |
| Total Assets                   | \$ 8,456,848               | \$ 1,903,226                | \$ 10,360,074 |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATEMENT OF NET POSITION**  
June 30, 2014

Exhibit A-1

|   | Governmental<br>Activities | Business-type<br>Activities | Total                |
|---|----------------------------|-----------------------------|----------------------|
| <b>Liabilities</b>  |                            |                             |                      |
| Current Liabilities   |                            |                             |                      |
| Accounts payable  | \$ 118,478                 | \$ 54,740                   | \$ 173,218           |
| Accrued salaries and wages  | 55,890                     | 39,302                      | 95,192               |
| Accrued interest  | 8,332                      | -                           | 8,332                |
| Accrued compensated absences  | -                          | -                           | -                    |
| Unearned Revenue  | -                          | 1,308                       | 1,308                |
| Current portion of bonds and loans payable                                    | 117,292                    | -                           | 117,292              |
| <b>Total Current Liabilities</b>  | <b>299,992</b>             | <b>95,350</b>               | <b>395,342</b>       |
| Noncurrent Liabilities  |                            |                             |                      |
| Bonds payable   | 120,000                    | -                           | 120,000              |
| Accrued Compensated Absences  | 83,566                     | 22,584                      | 106,150              |
| Loans and notes payable   | 382,639                    | -                           | 382,639              |
| <b>Total Noncurrent Liabilities</b>   | <b>586,205</b>             | <b>22,584</b>               | <b>608,789</b>       |
| <b>Total Liabilities</b>  | <b>886,197</b>             | <b>117,934</b>              | <b>1,004,131</b>     |
| <b>Deferred Inflows of Resources</b>  |                            |                             |                      |
| Unavailable revenue-property taxes  | 71,864                     | -                           | 71,864               |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>71,864</b>              | <b>-</b>                    | <b>71,864</b>        |
| <b>Net Position</b>   |                            |                             |                      |
| Net Investment in Capital Assets  | 5,808,942                  | 1,567,159                   | 7,376,101            |
| Restricted for:   |                            |                             |                      |
| Debt Service  | 183,732                    | -                           | 183,732              |
| Capital Project Funds   | 666,337                    | -                           | 666,337              |
| Special Revenue Funds   | 221,003                    | -                           | 221,003              |
| Assigned for General Fund   | -                          | -                           | -                    |
| Unrestricted  | 618,773                    | 218,133                     | 836,906              |
| <b>Total Net Position</b>   | <b>7,498,787</b>           | <b>1,785,292</b>            | <b>9,284,079</b>     |
| <b>Total Liabilities, Deferred Inflows of Resources,<br/>and Net Position</b> | <b>\$ 8,456,848</b>        | <b>\$ 1,903,226</b>         | <b>\$ 10,360,074</b> |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATEMENT OF ACTIVITIES**  
For the Year Ending June 30, 2014

Exhibit A-2

| <u>Functions/Programs</u>                     | <u>Program Revenues</u>    |                                 |   |
|---|----------------------------|---------------------------------|---|
|   | <u>Expenses</u>            | <u>Charges for<br/>Services</u> | <u>Operating Grants<br/>and Contributions</u> |
| <b>Primary Government</b>                     |                            |                                 |   |
| General government                            | \$ 1,123,914               | \$ 512,135                      | \$ 182,314                                    |
| Public safety                                 | 1,609,317                  | 369,010                         | 100,070                                       |
| Public works                                  | 744,159                    | 25                              | 392,191                                       |
| Culture and recreation                        | 1,057,235                  | 94                              | 1,102   |
| Health and welfare                            | 441,570                    | 217,355                         | 208   |
| Interest on long-term debt                    | 10,491                     | -                               | -   |
| <i>Total governmental activities</i>          | <u>4,986,686</u>           | <u>1,098,619</u>                | <u>675,885</u>                                |
| <b>Business-type Activities:</b>              |                            |                                 |   |
| Sewer/AWWT                                    | 396,544                    | 449,937                         | -   |
| Solid Waste                                   | 367,749                    | 365,895                         | -   |
| Water   | 427,638                    | 374,999                         | -   |
| <i>Total business type activities</i>         | <u>1,191,931</u>           | <u>1,190,831</u>                | <u>-</u>                                      |
| <b>Total</b>                                  | <u><u>\$ 6,178,617</u></u> | <u><u>\$ 2,289,450</u></u>      | <u><u>\$ 675,885</u></u>                      |
| <b>General Revenues:</b>                      |                            |                                 |   |
| Taxes   |                            |                                 |   |
| Property taxes, levied for general purposes   |                            |                                 |   |
| Franchise taxes                               |                            |                                 |   |
| Gross receipts taxes                          |                            |                                 |   |
| Public service taxes                          |                            |                                 |   |
| Interest income                               |                            |                                 |   |
| Transfers                                     |                            |                                 |   |
| Miscellaneous income                          |                            |                                 |   |
| Total General Revenues and Transfers          |                            |                                 |   |
| Excess (deficiency) of revenues over expenses |                            |                                 |   |
| Change in net position                        |                            |                                 |   |
| Net position, beginning                       |                            |                                 |   |
| Restatement                                   |                            |                                 |   |
| Net position-beginning as restated            |                            |                                 |   |
| Net position, ending                          |                            |                                 |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATEMENT OF ACTIVITIES**  
For the Year Ending June 30, 2014

Exhibit A-2

| <b>Net (Expense) Revenue and Changes in Net Position</b> |                       |                          |                       |
|--|-----------------------|--------------------------|-----------------------|
| Primary Government                                       |                       |                          |                       |
| Capital Grants and Contributions                         | Government Activities | Business Type Activities | Total                 |
| \$ 26,022  | \$ (403,443)          | \$ -                     | \$ (403,443)          |
| 52,408   | (1,087,829)           | -                        | (1,087,829)           |
| 477,502  | 125,559               | -                        | 125,559               |
| 96,013   | (960,026)             | -                        | (960,026)             |
| -  | (224,007)             | -                        | (224,007)             |
| -  | (10,491)              | -                        | (10,491)              |
| <u>651,945</u>   | <u>(2,560,237)</u>    | <u>-</u>                 | <u>(2,560,237)</u>    |
| -  | -                     | 53,393                   | 53,393                |
| -  | -                     | (1,854)                  | (1,854)               |
| -  | -                     | (52,639)                 | (52,639)              |
| -  | -                     | (1,100)                  | (1,100)               |
| <u>\$ 651,945</u>  | <u>\$ (2,560,237)</u> | <u>\$ (1,100)</u>        | <u>\$ (2,561,337)</u> |
|  | 364,623               | -                        | 364,623               |
|  | 89,203                | -                        | 89,203                |
|  | 1,355,902             | -                        | 1,355,902             |
|  | 663,521               | -                        | 663,521               |
|  | 373                   | -                        | 373                   |
|  | -                     | -                        | -                     |
|  | <u>20,930</u>         | <u>9,317</u>             | <u>30,247</u>         |
|  | <u>2,494,552</u>      | <u>9,317</u>             | <u>2,503,869</u>      |
|  | (65,685)              | 8,217                    | (57,468)              |
|  | (65,685)              | 8,217                    | (57,468)              |
|  | 7,577,658             | 1,777,075                | 9,354,733             |
|  | (13,186)              | -                        | (13,186)              |
|  | <u>7,564,472</u>      | <u>1,777,075</u>         | <u>9,341,547</u>      |
|  | <u>\$ 7,498,787</u>   | <u>1,785,292</u>         | <u>\$ 9,284,079</u>   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2014

|  | <u>General Fund</u> | <u>911 Grant Fund</u> | <u>Fire Protection Fund</u> | <u>Lodgers' Tax Fund</u> |
|--|---------------------|-----------------------|-----------------------------|--------------------------|
| <i>Assets</i>                              |                     |                       |                             |                          |
| Cash and cash equivalents                  | 715,049             | \$ 971                | \$ 65,365                   | \$ 103,561               |
| Investments                                | -                   | -                     | 44,180                      | -                        |
| Accounts and taxes receivable              | 193,147             | -                     | -                           | -                        |
| Other receivables                          | -                   | -                     | -                           | 59,785                   |
| Due from other funds                       | 90,539              | -                     | -                           | -                        |
| Inventory                                  | -                   | -                     | -                           | -                        |
| <i>Total assets</i>                        | <u>\$ 998,735</u>   | <u>\$ 971</u>         | <u>\$ 109,545</u>           | <u>\$ 163,346</u>        |
| <i>Liabilities and fund balances</i>       |                     |                       |                             |                          |
| <i>Liabilities</i>                         |                     |                       |                             |                          |
| Accounts payable                           | \$ 24,608           | \$ -                  | \$ 46,473                   | \$ 26,796                |
| Accrued salaries and benefits              | 27,195              | -                     | -                           | -                        |
| Accrued compensated absences               | -                   | -                     | -                           | -                        |
| Due to other funds                         | -                   | -                     | -                           | -                        |
| <i>Total liabilities</i>                   | <u>51,803</u>       | <u>-</u>              | <u>46,473</u>               | <u>26,796</u>            |
| <i>Deferred inflows of resources</i>       |                     |                       |                             |                          |
| Unavailable revenue-property taxes         | 71,864              | -                     | -                           | -                        |
| <i>Total deferred inflows of resources</i> | <u>71,864</u>       | <u>-</u>              | <u>-</u>                    | <u>-</u>                 |
| <i>Fund Balances</i>                       |                     |                       |                             |                          |
| Fund Balance                               |                     |                       |                             |                          |
| Restricted for:                            |                     |                       |                             |                          |
| General Fund                               | -                   | -                     | -                           | -                        |
| Special Revenue Funds                      | -                   | 971                   | 63,072                      | 136,550                  |
| Capital Projects Funds                     | -                   | -                     | -                           | -                        |
| Debt Service Funds                         | -                   | -                     | -                           | -                        |
| Committed for:                             |                     |                       |                             |                          |
| General Fund                               | -                   | -                     | -                           | -                        |
| Special Revenue Funds                      | -                   | -                     | -                           | -                        |
| Capital Projects Funds                     | -                   | -                     | -                           | -                        |
| Assigned for:                              |                     |                       |                             |                          |
| General Fund                               | 132,865             | -                     | -                           | -                        |
| Special Revenue Funds                      | -                   | -                     | -                           | -                        |
| Capital Projects Funds                     | -                   | -                     | -                           | -                        |
| Unassigned for:                            |                     |                       |                             |                          |
| General Fund                               | 742,203             | -                     | -                           | -                        |
| <i>Total fund balances</i>                 | <u>875,068</u>      | <u>971</u>            | <u>63,072</u>               | <u>136,550</u>           |
| <i>Total liabilities and fund balances</i> | <u>\$ 998,735</u>   | <u>\$ 971</u>         | <u>\$ 109,545</u>           | <u>\$ 163,346</u>        |

| Grants Capital<br>Projects Fund | Other<br>Governmental<br>Funds | Total               |
|---------------------------------|--------------------------------|---------------------|
| \$ -                            | \$ 657,722                     | \$ 1,542,668        |
| -                               | 86,699                         | 130,879             |
| 2,500                           | 74,980                         | 270,627             |
| -                               | 6,124                          | 65,909              |
| -                               | -                              | 90,539              |
| -                               | -                              | -                   |
| <u>\$ 2,500</u>                 | <u>\$ 825,525</u>              | <u>\$ 2,100,622</u> |
| \$ -                            | \$ 21,811                      | \$ 119,688          |
| -                               | 27,485                         | 54,680              |
| -                               | -                              | -                   |
| 90,539                          | -                              | 90,539              |
| <u>90,539</u>                   | <u>\$ 49,296</u>               | <u>264,907</u>      |
| -                               | -                              | 71,864              |
| -                               | -                              | 71,864              |
| -                               | -                              | -                   |
| -                               | -                              | -                   |
| -                               | -                              | -                   |
| -                               | -                              | -                   |
| -                               | -                              | 132,865             |
| -                               | -                              | -                   |
| -                               | -                              | -                   |
| (88,039)                        | -                              | 654,164             |
| <u>(88,039)</u>                 | <u>776,229</u>                 | <u>1,763,851</u>    |
| <u>\$ 2,500</u>                 | <u>\$ 825,525</u>              | <u>\$ 2,100,622</u> |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF POSITION**  
 June 30, 2014

Amounts reported for governmental activities in the statements of net position are different because:

|   |                            |
|---|----------------------------|
| Fund balances - total governmental funds  | \$ 1,763,851               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds                    | 6,446,764                  |
| Other long-term assets are not available to pay for current period expenditures and therefore, are liabilities in the funds:                |                            |
| Accrued interest  | (8,332)                    |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds | <u>(703,496)</u>           |
| Net position of governmental activities   | <u><u>\$ 7,498,787</u></u> |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ending June 30, 2014**

|  | <u>General Fund</u>      | <u>911 Grant Fund</u> | <u>Fire Protection Fund</u> | <u>Lodgers' Tax Fund</u> |
|--|--------------------------|-----------------------|-----------------------------|--------------------------|
| <i>Revenues:</i>   |                          |                       |                             |                          |
| Taxes  | \$ 1,296,609             | \$ -                  | \$ -                        | \$ 641,878               |
| State Grants   | 129,142                  | 2,891                 | 127,187                     | -                        |
| Federal Grants   | -                        | -                     | -                           | -                        |
| Charges for Services                                     | 107,052                  | -                     | -                           | -                        |
| Licenses and Fees  | 199,741                  | -                     | -                           | -                        |
| Investment Income (Loss)                                 | -                        | -                     | -                           | -                        |
| Miscellaneous  | 149,035                  | -                     | -                           | -                        |
| <b>Total Revenues</b>                                    | <b><u>1,881,579</u></b>  | <b><u>2,891</u></b>   | <b><u>127,187</u></b>       | <b><u>641,878</u></b>    |
| <i>Expenditures:</i>                                     |                          |                       |                             |                          |
| <i>Current:</i>  |                          |                       |                             |                          |
| General Government                                       | 576,751                  | -                     | -                           | -                        |
| Public Safety  | 904,689                  | -                     | 120,511                     | -                        |
| Public Works   | -                        | -                     | -                           | 20,000                   |
| Culture and Recreation                                   | 69,709                   | -                     | -                           | 424,957                  |
| Health and Welfare                                       | 162,828                  | 2,891                 | -                           | -                        |
| Capital Outlay   | 20,573                   | -                     | -                           | -                        |
| <i>Debt Service:</i>                                     |                          |                       |                             |                          |
| Principal  | -                        | -                     | -                           | -                        |
| Interest   | -                        | -                     | -                           | -                        |
| <b>Total Expenditures</b>                                | <b><u>1,734,550</u></b>  | <b><u>2,891</u></b>   | <b><u>120,511</u></b>       | <b><u>444,957</u></b>    |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>147,029</u>           | <u>-</u>              | <u>6,676</u>                | <u>196,921</u>           |
| <i>Other financing sources (uses)</i>                    |                          |                       |                             |                          |
| Transfers In   | -                        | -                     | -                           | -                        |
| Transfers Out  | (4,000)                  | -                     | -                           | (218,500)                |
| <b>Total other financing sources (uses)</b>              | <b><u>(4,000)</u></b>    | <b><u>-</u></b>       | <b><u>-</u></b>             | <b><u>(218,500)</u></b>  |
| <i>Net change in fund balance</i>                        | 143,029                  | -                     | 6,676                       | (21,579)                 |
| <i>Fund balance - beginning of year</i>                  | 734,087                  | 971                   | 56,396                      | 158,129                  |
| <i>Restatement</i>                                       | (2,048)                  | -                     | -                           | -                        |
| <i>Fund balance-beginning of year, restated</i>          | <u>732,039</u>           | <u>971</u>            | <u>56,396</u>               | <u>158,129</u>           |
| <b>Fund balance - end of year</b>                        | <b><u>\$ 875,068</u></b> | <b><u>\$ 971</u></b>  | <b><u>\$ 63,072</u></b>     | <b><u>\$ 136,550</u></b> |

| Grants Capital<br>Projects Fund | Other<br>Governmental<br>Funds | Total               |
|---------------------------------|--------------------------------|---------------------|
| \$ -                            | \$ 534,762                     | \$ 2,473,249        |
| 516,878                         | 129,537                        | 905,635             |
| 300,016                         | -                              | 300,016             |
| -                               | 301,045                        | 408,097             |
| 1,872                           | 15,600                         | 217,213             |
| -                               | 373                            | 373                 |
| -                               | 468,279                        | 617,314             |
| <u>818,766</u>                  | <u>1,449,596</u>               | <u>4,921,897</u>    |
| -                               | 201,537                        | 778,288             |
| -                               | 386,769                        | 1,411,969           |
| 854,270                         | 253,619                        | 1,127,889           |
| -                               | 485,618                        | 980,284             |
| -                               | 275,699                        | 441,418             |
| -                               | -                              | 20,573              |
| -                               | 52,000                         | 52,000              |
| -                               | 66,745                         | 66,745              |
| <u>854,270</u>                  | <u>1,721,987</u>               | <u>4,879,166</u>    |
| <u>(35,504)</u>                 | <u>(272,391)</u>               | <u>42,731</u>       |
| -                               | 222,500                        | 222,500             |
| -                               | -                              | (222,500)           |
| -                               | 222,500                        | -                   |
| (35,504)                        | (49,891)                       | 42,731              |
| (52,535)                        | 837,258                        | 1,734,306           |
| -                               | (11,138)                       | (13,186)            |
| <u>(52,535)</u>                 | <u>826,120</u>                 | <u>1,721,120</u>    |
| <u>\$ (88,039)</u>              | <u>\$ 776,229</u>              | <u>\$ 1,763,851</u> |

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STATE OF NEW MEXICO  
TOWN OF RED RIVER

RECONCILIATION OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ending June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

|  |    |        |
|--|----|--------|
| Net change in fund balances - total governmental funds | \$ | 42,731 |
|--|----|--------|

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

|                      |  |           |
|----------------------|--|-----------|
| Capital expenditures |  | 345,617   |
| Depreciation expense |  | (490,310) |

The issuance of long-term debt (e.g. bonds, notes, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

|  |  |               |
|--|--|---------------|
| Increase in accrued compensated absences |  | (24,557)      |
| Decrease in accrued interest             |  | 1,254         |
| Principal payments on Notes payable      |  | 4,580         |
| Principal payments on Bonds payable      |  | <u>55,000</u> |

|   |    |                 |
|---|----|-----------------|
| Change in net position of governmental activities | \$ | <u>(65,685)</u> |
|---|----|-----------------|

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |              | Actual              | Variances                                     |
|---|------------------|--------------|---------------------|---|
|   | Original         | Final        | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |              |                     |   |
| Taxes   | \$ 1,257,763     | \$ 1,257,763 | \$ 1,226,428        | \$ (31,335)                                   |
| State Grants  | 125,704          | 125,704      | 125,704             | -   |
| Charges For Services  | 219,552          | 219,552      | 219,552             | -   |
| Licenses and Fees   | 173,360          | 173,360      | 173,360             | -   |
| Interest Income   | -                | -            | -                   | -   |
| Investment Income(Loss)   | -                | -            | -                   | -   |
| Miscellaneous   | 150,147          | 150,147      | 152,122             | 1,975   |
| <i>Total revenues</i>   | 1,926,526        | 1,926,526    | 1,897,166           | (29,360)                                      |
| <i>Expenditures:</i>  |                  |              |                     |   |
| <i>Current:</i>   |                  |              |                     |   |
| General Government  | 560,821          | 560,821      | 582,560             | (21,739)                                      |
| Public Safety   | 931,109          | 931,109      | 910,509             | 20,600  |
| Public Works  | -                | -            | -                   | -   |
| Culture and Recreation  | 72,059           | 72,059       | 68,358              | 3,701   |
| Health and Welfare  | 199,177          | 199,177      | 166,192             | 32,985  |
| Capital Outlay  | -                | -            | -                   | -   |
| <i>Debt Service:</i>  |                  |              |                     |   |
| Principal   | -                | -            | -                   | -   |
| Interest  | -                | -            | -                   | -   |
| <i>Total expenditures</i>   | 1,763,166        | 1,763,166    | 1,727,619           | 35,547  |
| <i>Excess (deficiency) of revenues over expenditures</i>  | 163,360          | 163,360      | 169,547             | 6,187   |
| <i>Other financing sources (uses)</i>   |                  |              |                     |   |
| Designated Cash   | (163,360)        | (163,360)    | -                   | 163,360                                       |
| Transfers In  | (4,000)          | (4,000)      | (4,000)             | -   |
| Transfers Out   | -                | -            | -                   | -   |
| <i>Total other financing sources (uses)</i>   | (167,360)        | (167,360)    | (4,000)             | 163,360                                       |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | (4,000)          | (4,000)      | 165,547             | 169,547                                       |
| <i>Cash Balance - Beginning of Year</i>   | -                | -            | 551,550             | 551,550                                       |
| <i>Restatement</i>  | -                | -            | (2,048)             | (2,048)                                       |
| <i>Cash Balance- Restated</i>   | -                | -            | 549,502             | 549,502                                       |
| <i>Cash Balance - End of Year</i>   | \$ (4,000)       | \$ (4,000)   | \$ 715,049          | \$ 1,270,599                                  |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |              | \$ 165,547          |   |
| Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals                        |                  |              | (88,205)            |   |
| Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals             |                  |              | 65,687              |   |
| <b>Net change in Fund Balances (GAAP basis)</b>   |                  |              | <b>\$ 143,029</b>   |   |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**911 GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                | Actual              | Variances                                     |
|---|------------------|----------------|---------------------|---|
|   | Original         | Final          | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                |                     |   |
| Taxes   | \$ -             | \$ -           | \$ -                | \$ -  |
| State Grants  | 2,891            | 2,891          | 2,891               | -   |
| Charges For Services  | -                | -              | -                   | -   |
| Licenses and Fees   | -                | -              | -                   | -   |
| Interest Income   | -                | -              | -                   | -   |
| Investment Income(Loss)   | -                | -              | -                   | -   |
| Miscellaneous   | -                | -              | -                   | -   |
| <i>Total revenues</i>   | <u>2,891</u>     | <u>2,891</u>   | <u>2,891</u>        | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |                |                     |   |
| Current:  |                  |                |                     |   |
| General Government  | -                | -              | -                   | -   |
| Public Safety   | -                | -              | -                   | -   |
| Public Works  | -                | -              | -                   | -   |
| Culture and Recreation  | -                | -              | -                   | -   |
| Health and Welfare  | 10,000           | 10,000         | 2,891               | 7,109   |
| Capital Outlay  | -                | -              | -                   | -   |
| Debt Service:   |                  |                |                     |   |
| Principal   | -                | -              | -                   | -   |
| Interest  | -                | -              | -                   | -   |
| <i>Total expenditures</i>   | <u>10,000</u>    | <u>10,000</u>  | <u>2,891</u>        | <u>7,109</u>                                  |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(7,109)</u>   | <u>(7,109)</u> | <u>-</u>            | <u>7,109</u>                                  |
| <i>Other financing sources (uses)</i>   |                  |                |                     |   |
| Designated Cash   | 7,109            | 7,109          | -                   | (7,109)                                       |
| Transfers In  | -                | -              | -                   | -   |
| Transfers Out   | -                | -              | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>7,109</u>     | <u>7,109</u>   | <u>-</u>            | <u>(7,109)</u>                                |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> |                  |                |                     |   |
|   | -                | -              | -                   | -   |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>       | <u>971</u>          | <u>971</u>                                    |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 971</u>       | <u>\$ 971</u>                                 |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                | \$ -                |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                | -                   |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                | -                   |   |
| Net change in fund balances (GAAP Basis)  |                  |                | <u>\$ -</u>         |   |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**FIRE PROTECTION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                 | Actual              | Variances                                     |
|---|------------------|-----------------|---------------------|---|
|   | Original         | Final           | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                 |                     |   |
| Taxes   | \$ -             | \$ -            | \$ -                | \$ -  |
| State Grants  | 126,995          | 126,995         | 127,187             | 192   |
| Charges For Services  | -                | -               | -                   | -   |
| Licenses and Fees   | -                | -               | -                   | -   |
| Interest Income   | -                | -               | -                   | -   |
| Investment Income(Loss)   | -                | -               | -                   | -   |
| Miscellaneous   | -                | -               | -                   | -   |
| <i>Total revenues</i>   | <u>126,995</u>   | <u>126,995</u>  | <u>127,187</u>      | <u>192</u>                                    |
| <i>Expenditures:</i>  |                  |                 |                     |   |
| <i>Current:</i>   |                  |                 |                     |   |
| General Government  | -                | -               | -                   | -   |
| Public Safety   | 139,848          | 139,848         | 74,483              | 65,365  |
| Public Works  | -                | -               | -                   | -   |
| Culture and Recreation  | -                | -               | -                   | -   |
| Health and Welfare  | -                | -               | -                   | -   |
| Capital Outlay  | -                | -               | -                   | -   |
| <i>Debt Service:</i>  |                  |                 |                     |   |
| Principal   | -                | -               | -                   | -   |
| Interest  | -                | -               | -                   | -   |
| <i>Total expenditures</i>   | <u>139,848</u>   | <u>139,848</u>  | <u>74,483</u>       | <u>65,365</u>                                 |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(12,853)</u>  | <u>(12,853)</u> | <u>52,704</u>       | <u>65,557</u>                                 |
| <i>Other financing sources (uses)</i>   |                  |                 |                     |   |
| Designated Cash   | 12,853           | 12,853          | -                   | (12,853)                                      |
| Transfers In  | -                | -               | -                   | -   |
| Transfers Out   | -                | -               | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>12,853</u>    | <u>12,853</u>   | <u>-</u>            | <u>(12,853)</u>                               |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | <u>-</u>         | <u>-</u>        | <u>52,704</u>       | <u>52,704</u>                                 |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>        | <u>56,841</u>       | <u>56,841</u>                                 |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 109,545</u>   | <u>\$ 109,545</u>                             |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                 | \$ 52,704           |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                 | -                   |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                 | (46,028)            |   |
| Net change in fund balances (GAAP Basis)  |                  |                 | <u>\$ 6,676</u>     |   |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**LODGERS' TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                  | Actual              | Variances                                     |
|---|------------------|------------------|---------------------|---|
|   | Original         | Final            | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                  |                     |   |
| Taxes   | \$ 629,273       | \$ 629,273       | \$ 629,273          | \$ -  |
| State Grants  | -                | -                | -                   | -   |
| Charges For Services  | -                | -                | -                   | -   |
| Licenses and Fees   | -                | -                | -                   | -   |
| Interest Income   | -                | -                | -                   | -   |
| Investment Income(Loss)   | -                | -                | -                   | -   |
| Miscellaneous   | -                | -                | -                   | -   |
| <i>Total revenues</i>   | <u>629,273</u>   | <u>629,273</u>   | <u>629,273</u>      | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |                  |                     |   |
| <i>Current:</i>   |                  |                  |                     |   |
| General Government  | -                | -                | -                   | -   |
| Public Safety   | -                | -                | -                   | -   |
| Public Works  | 20,000           | 20,000           | 20,000              | -   |
| Culture and Recreation  | 442,000          | 442,000          | 407,552             | 34,448  |
| Health and Welfare  | -                | -                | -                   | -   |
| Capital Outlay  | -                | -                | -                   | -   |
| <i>Debt Service:</i>  |                  |                  |                     |   |
| Principal   | -                | -                | -                   | -   |
| Interest  | -                | -                | -                   | -   |
| <i>Total expenditures</i>   | <u>462,000</u>   | <u>462,000</u>   | <u>427,552</u>      | <u>34,448</u>                                 |
| <i>Excess (deficiency) of revenues<br/>over expenditures</i>  | <u>167,273</u>   | <u>167,273</u>   | <u>201,721</u>      | <u>34,448</u>                                 |
| <i>Other financing sources (uses)</i>   |                  |                  |                     |   |
| Designated Cash   | 62,727           | 62,727           | -                   | (62,727)                                      |
| Transfers Out   | (230,000)        | (230,000)        | (218,500)           | 11,500  |
| Transfers In  | -                | -                | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>(167,273)</u> | <u>(167,273)</u> | <u>(218,500)</u>    | <u>(51,227)</u>                               |
| <i>Excess (deficiency) of revenues<br/>and other financing sources over<br/>expenditures and other financing<br/>(uses)</i> | -                | -                | (16,779)            | (16,779)                                      |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>         | <u>120,340</u>      | <u>120,340</u>                                |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 103,561</u>   | <u>\$ 103,561</u>                             |
| <i>Excess (deficiency) of revenues<br/>over expenditures (Non-GAAP<br/>basis)</i>   |                  |                  | \$ (16,779)         |   |
| <i>Adjustment expenditures for<br/>payables, payroll taxes, prepaid<br/>expenses and other accruals</i>                     |                  |                  | 12,605              |   |
| <i>Adjustment for revenues for tax<br/>accruals, earnings on investments,<br/>and other deferrals and accruals</i>          |                  |                  | (17,405)            |   |
| <i>Excess (deficiency) of revenues over<br/>expenditures (GAAP basis)</i>   |                  |                  | <u>\$ (21,579)</u>  |   |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
June 30, 2014

|   | Sewer/AWWT<br>Fund  | Solid Waste Fund  | Water Fund        | Total               |
|---|---------------------|-------------------|-------------------|---------------------|
| <i>Assets</i>   |                     |                   |                   |                     |
| <i>Current assets</i>   |                     |                   |                   |                     |
| Cash  | \$ 71,780           | \$ 128,457        | \$ 29,390         | \$ 229,627          |
| Accounts receivable (less allowance for doubtful<br>accounts of \$8,211, \$6,026 and \$7,379) | 49,902              | 24,568            | 31,970            | 106,440             |
| <i>Total current assets</i>   | <u>121,682</u>      | <u>153,025</u>    | <u>61,360</u>     | <u>336,067</u>      |
| <i>Capital assets</i>   |                     |                   |                   |                     |
| Capital assets  | 6,958,895           | 568,863           | 1,342,438         | 8,870,196           |
| Accumulated depreciation  | (5,562,603)         | (519,430)         | (1,221,004)       | (7,303,037)         |
| <i>Total Capital assets</i>   | <u>1,396,292</u>    | <u>49,433</u>     | <u>121,434</u>    | <u>1,567,159</u>    |
| <i>Total Assets</i>   | <u>\$ 1,517,974</u> | <u>\$ 202,458</u> | <u>\$ 182,794</u> | <u>\$ 1,903,226</u> |
| <i>Liabilities and Net Position</i>   |                     |                   |                   |                     |
| <i>Liabilities:</i>   |                     |                   |                   |                     |
| <i>Current liabilities</i>  |                     |                   |                   |                     |
| Accounts payable  | \$ 29,870           | \$ 13,715         | \$ 11,505         | \$ 55,090           |
| Accrued salaries and benefits   | 16,122              | 8,347             | 15,791            | 40,260              |
| <i>Total current liabilities</i>  | <u>45,992</u>       | <u>22,062</u>     | <u>27,296</u>     | <u>95,350</u>       |
| <i>Noncurrent liabilities</i>   |                     |                   |                   |                     |
| Accrued compensated absences payable  | 8,998               | 3,527             | 10,059            | 22,584              |
| <i>Total noncurrent liabilities</i>   | <u>8,998</u>        | <u>3,527</u>      | <u>10,059</u>     | <u>22,584</u>       |
| <i>Total liabilities</i>  | <u>54,990</u>       | <u>25,589</u>     | <u>37,355</u>     | <u>117,934</u>      |
| <i>Net Position:</i>  |                     |                   |                   |                     |
| Net Investment in Capital Assets  | 1,396,292           | 49,433            | 121,434           | 1,567,159           |
| Unrestricted  |                     |                   |                   |                     |
| Unrestricted, undesignated  | 66,692              | 127,436           | 24,005            | 218,133             |
| <i>Total net position</i>   | <u>1,462,984</u>    | <u>176,869</u>    | <u>145,439</u>    | <u>1,785,292</u>    |
| <i>Total Liabilities and Net Position</i>   | <u>\$ 1,517,974</u> | <u>\$ 202,458</u> | <u>\$ 182,794</u> | <u>\$ 1,903,226</u> |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
 For the Year Ended June 30, 2014

|   | Sewer/AWWT<br>Fund  | Solid Waste Fund  | Water Fund        | Total               |
|---|---------------------|-------------------|-------------------|---------------------|
| <i>Operating revenues:</i>                            |                     |                   |                   |                     |
| Charges for services                                  | \$ 449,937          | \$ 366,580        | \$ 383,631        | \$ 1,200,148        |
| <i>Total operating revenues</i>                       | <u>449,937</u>      | <u>366,580</u>    | <u>383,631</u>    | <u>1,200,148</u>    |
| <i>Operating expenses:</i>                            |                     |                   |                   |                     |
| Operating Expenses                                    | (57,452)            | 207,268           | 99,212            | 249,028             |
| Travel  | 5,404               | 23,384            | 6,776             | 35,564              |
| Gross Receipts Tax                                    | 20,603              | -                 | 15,462            | 36,065              |
| Depreciation  | 138,397             | 32,955            | 47,225            | 218,577             |
| Purchases for Resale                                  | 13                  | 7,315             | -                 | 7,328               |
| Contract Services                                     | (4,894)             | -                 | 9,338             | 4,444               |
| Salaries  | 272,603             | 95,854            | 244,265           | 612,722             |
| Supplies  | 21,870              | 973               | 5,360             | 28,203              |
| <i>Total operating expenses</i>                       | <u>396,544</u>      | <u>367,749</u>    | <u>427,638</u>    | <u>1,191,931</u>    |
| <i>Operating income (loss)</i>                        | <u>53,393</u>       | <u>(1,169)</u>    | <u>(44,007)</u>   | <u>8,217</u>        |
| <i>Non-operating revenues (expenses):</i>             |                     |                   |                   |                     |
| Interest Income                                       | -                   | -                 | -                 | -                   |
| Interest expense                                      | -                   | -                 | -                 | -                   |
| Transfers   | -                   | -                 | -                 | -                   |
| <i>Total non-operating revenues (expenses)</i>        | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>            |
| <i>Change in net position</i>                         | 53,393              | (1,169)           | (44,007)          | 8,217               |
| <i>Total net position, beginning of year</i>          | 1,409,591           | 178,038           | 189,446           | 1,777,075           |
| <i>Restatement</i>                                    | -                   | -                 | -                 | -                   |
| <i>Total net position, beginning of year restated</i> | <u>1,409,591</u>    | <u>178,038</u>    | <u>189,446</u>    | <u>1,777,075</u>    |
| <i>Total net position, end of year</i>                | <u>\$ 1,462,984</u> | <u>\$ 176,869</u> | <u>\$ 145,439</u> | <u>\$ 1,785,292</u> |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS**  
For the Year Ended June 30, 2014

|  | Sewer/AWWT<br>Fund | Solid Waste<br>Fund | Water Fund       | Total             |
|--|--------------------|---------------------|------------------|-------------------|
| <i>Cash flows from operating activities:</i>                                 |                    |                     |                  |                   |
| Cash received from user charges  | \$ 440,645         | \$ 366,345          | \$ 382,941       | \$ 1,189,931      |
| Cash payments to employees for services                                      | (268,727)          | (93,236)            | (238,858)        | (600,821)         |
| Cash payments to suppliers for goods and services                            | 20,042             | (235,209)           | (132,697)        | (347,864)         |
| <i>Net cash provided for operating activities</i>                            | <u>191,960</u>     | <u>37,900</u>       | <u>11,386</u>    | <u>241,246</u>    |
| <i>Cash flows from noncapital financing activities:</i>                      |                    |                     |                  |                   |
| Change in long term accrued compensated absences                             | (10,021)           | (14,932)            | 2,041            | (22,912)          |
| <i>Net cash provided (used) by noncapital financing activities:</i>          | <u>(10,021)</u>    | <u>(14,932)</u>     | <u>2,041</u>     | <u>(22,912)</u>   |
| <i>Cash flows from investing activities:</i>                                 |                    |                     |                  |                   |
| Adjustment to Capital Assets   | (215,339)          | -                   | -                | (215,339)         |
| <i>Net cash used by investing activities:</i>                                | <u>(215,339)</u>   | <u>-</u>            | <u>-</u>         | <u>(215,339)</u>  |
| <i>Net increase (decrease) in cash and cash equivalents</i>                  | (33,400)           | 22,968              | 13,427           | 2,995             |
| <i>Cash and cash equivalents - beginning of year</i>                         | \$ 105,180         | \$ 105,489          | \$ 15,963        | \$ 226,632        |
| <i>Cash and cash equivalents - end of year</i>                               | <u>\$ 71,780</u>   | <u>\$ 128,457</u>   | <u>\$ 29,390</u> | <u>\$ 229,627</u> |
| <i>Reconciliation of operating income (loss) to net cash provided (used)</i> |                    |                     |                  |                   |
| <i>by operating activities:</i>  |                    |                     |                  |                   |
| Operating income (loss)  | \$ 53,393          | \$ (1,169)          | \$ (44,007)      | \$ 8,217          |
| Adjustments to reconcile operating (loss) to net cash provided (used)        |                    |                     |                  |                   |
| by operating activities  |                    |                     |                  |                   |
| Depreciation   | 138,397            | 32,955              | 47,225           | 218,577           |
| Changes in assets and liabilities  |                    |                     |                  |                   |
| Receivables  | (9,292)            | (235)               | (690)            | (10,217)          |
| Accrued expenses   | 3,876              | 2,618               | 5,407            | 11,901            |
| Accounts payable   | 5,586              | 3,731               | 3,451            | 12,768            |
| <i>Net cash provided by operating activities</i>                             | <u>\$ 191,960</u>  | <u>\$ 37,900</u>    | <u>\$ 11,386</u> | <u>\$ 241,246</u> |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-AGENCY FUNDS**  
 June 30, 2014

|                                   | <u>Agency Funds</u> |
|-----------------------------------|---------------------|
| <i>Assets</i>                     |                     |
| Cash                              | \$ 16,017           |
| <i>Total assets</i>               | 16,017              |
| <br><i>Liabilities</i>            |                     |
| Deposits held in trust for others | 16,017              |
| <i>Total liabilities</i>          | \$ 16,017           |

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**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**NOTE 1. Summary of Significant Accounting Policies**

The Town of Red River (“Town”) was incorporated in 1971, under provisions of Chapter 3, Article 2, NMSA, 1978 as amended. The Town operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; water and sewer services; refuse collection; health and social services; culture-recreation; public improvements; planning and zoning; and general administrative services.

The Town of Red River is a body politic and corporate under the name and form of government selected by its qualified electors. The Town may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the Town is presented to assist in the understanding of the Town’s financial statements. The financial statements and notes are the representation of the Town’s management who is responsible for their integrity and objectivity. The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the Town’s accounting policies are described below.

**A. Financial Reporting Entity**

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB statements No. 61. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discreetly presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Town has no component units, and is not a component unit of another governmental agency.

**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the non-fiduciary 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 Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement no. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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



**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

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

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

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds. The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds.

Under the requirements of GASB No. 34, the Town is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund, 911 Grant Fund, Fire Protection Fund, Lodgers' Tax Fund, and the Capital Projects Fund. No other funds were required to be presented as major at the discretion of management.

*General Fund* – the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

Major Special Revenue Funds:

*911 Grant Fund (207)* – To account for monies received from the State of new Mexico under Section 63-9D-1 NMSA 1978 as amended for the enhancement of the 911 Telephone Emergency System.

*Fire Protection Fund (209)* – To account for the grant funds used for maintenance and development of the Town fire department. Financing is provided by a grant from the State of New Mexico. Such revenue provided for purchase and repairs of equipment as well as classes to upgrade the training of fire personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1.

*Lodgers' Tax Fund* – To account for the operations of a special fund to promote tourist operations in the Town. Financing is provided by a special lodger's tax charged on all transient lodging in the Town. One half of the tax collected must be used to promote the Town. Funding authority is NMSA 1978 Section 3-38-15.

Major Capital Project Funds:

*Grants Capital Projects Fund* – To account for various grant collections and expenditures. Authorization varies with each grant award.

**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

The Town reports its proprietary funds as a major business-type fund.

Major Enterprise Funds:

*Sewer/AWWT Fund* – to account for the provision of sewer services to the residents of the Town.

*Solid Waste Fund* – to account for the provision of solid waste services to the residents of the Town.

*Water Fund* – to account for the provision of water services to the residents of the Town.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

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

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Town does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified function and is included in the direct expense of each function. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Town's enterprise fund is charges for services for the Town's various utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Assets, Liabilities, and Net Position or Equity**

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

State statutes authorize the Town to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Town are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**D. Assets, Liabilities, and Net Position or Equity (continued)**

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied and the amount is available and provided. Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10<sup>th</sup> and April 10<sup>th</sup>. Property taxes uncollected after November 10<sup>th</sup> and April 10<sup>th</sup> are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Library books are expensed as purchased. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

| <b>Assets</b>         | <b>Years</b> |
|-----------------------|--------------|
| Buildings             | 30           |
| Building Improvements | 30           |
| Infrastructure        | 50           |
| Vehicles              | 5            |
| Equipment             | 5            |

**Inventory:** Inventory is reflected at historical cost.

**Unearned Revenues:** Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as unearned revenue.

**Deferred Inflow/Outflows of Resources:** GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period.

**Compensated Absences:** Qualified employees are entitled to accumulate compensated absences earned. Employees may not accumulate annual leave and lose any unused vacation pay from calendar year to calendar year. Upon termination, employees will be paid for all days of current year accrued annual leave not yet taken.

**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**D. Assets, Liabilities, and Net Position or Equity (continued)**

Qualified employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year. Upon termination employees receive no pay for sick time accumulated. The Town permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the Town. Accumulated sick leave benefits vest with each employee in accordance with the Town's policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the governmental-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of services by employees.

**Long-term Obligations:** 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 of 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.

**Net Position or Fund Equity:**

Committed fund balance represents amounts that are useable only for specified purposes by formal action of the governments' highest level of decision-making authority.

Assigned fund balance represents amounts that are intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high level body or official whom the governing body has delegated.

Restricted fund balance represents amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unassigned fund balance is the residual classification for the general fund and represents the amount that have not been assigned to other funds, and that have not been restricted, committed or assigned to specific purposes.

Net Investment in capital assets consists of net position including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

**Interfund Transactions:** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**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.

**Tax Revenues:** The Town receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1<sup>st</sup> of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Town recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Town records only the portion of the taxes considered 'measureable' and 'available' in the governmental fund financial statements. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. Property taxes classified as deferred inflows of resources are recorded only when the information is available and provided.

**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**NOTE 2. Stewardship, Compliance, and Accountability**

*Budgetary Information*

Annual budgets of the Town are prepared prior to June 1 and must be approved by resolution of the Town Councilors, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Town Councilors and the Department of Finance and Administration. The legal level of budgetary control is at the fund level. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

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

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

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

The Town Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2014 is presented.

The reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund are shown on each budgetary statement.

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of the Town funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the Town properly followed State investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Town. 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 rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

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.

**STATE OF NEW MEXICO**  
Town of Red River  
Notes to the Financial Statements  
June 30, 2014

**NOTE 3. Deposits and Investments (continued)**

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

NM State 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 Town for at least one half the amount in excess of FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Town's deposits.

|   | Peoples<br>Bank     | NMFA<br>Reserves |
|---|---------------------|------------------|
| Operating, interest bearing                                     | \$ 1,852,975        | \$ 70,311        |
| Certificate of deposit, Interest bearing                        | 83,358              | -                |
| <b>Total Deposits</b>   | <b>1,936,333</b>    | <b>70,311</b>    |
| Less: FDIC Coverage   | (250,000)           | (70,311)         |
| <b>Total uninsured public funds</b>                             | <b>1,686,333</b>    | <b>-</b>         |
| 50% Collateral requirement                                      | 843,167             | -                |
| <br>Pledged Securities  | <br>967,734         | <br>-            |
| (Over)Under collateralized                                      | \$ (124,568)        | \$ -             |
| <br><b>Custodial Credit Risk-Deposits</b>                       |                     |                  |
| Account Balance   | \$ 2,006,644        |                  |
| FDIC Insured  | 320,311             |                  |
| Collateral:   |                     |                  |
| Collateral held by the pledging<br>bank, not in the Town's name |                     |                  |
| Uninsured and uncollateralized                                  | 1,686,333           |                  |
| <b>Total Deposits</b>   | <b>\$ 2,006,644</b> |                  |

The collateral pledged is listed on Schedule II of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, district or political subdivision of the State of New Mexico.

**Reconciliation of Cash and Temporary Investments**

Carrying amounts by fund per financial statement at June 30, 2014 is:

|   |                     |
|---|---------------------|
| Governmental Funds- Balance Sheet         |                     |
| Cash and cash equivalents per Exhibit A-1 | \$ 1,673,547        |
| Cash and cash equivalents per Exhibit D-1 | 229,627             |
| Cash and cash equivalents per Exhibit E-1 | 16,017              |
| Add Reconciling items                     | 87,453              |
|   | <b>\$ 2,006,644</b> |

**STATE OF NEW MEXICO**  
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**NOTE 3. Deposits and Investments (continued)**

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that in the event of counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged for bank accounts in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Town for at least 50% of the amount on deposit with the institution.

The New MexiGrow Local Governmental Investment Pool’s (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance. In accordance with Sections 6-10-10 I through 6-10-10-P and Section 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 19078, as the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2014, the Town’s investment balances were exposed to custodial credit risk as follows:

|  |           |
|--|-----------|
| Investment in the State Treasurer Local Government Investment Pool | \$ -      |
| NMFA reserves  | \$ 70,311 |

Interest Rate Risk and Credit Rating

The Town does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The Town’s investments at June 30, 2014 include the following:

|  |           |
|--|-----------|
| State Treasurer LGIP, AAAM, 59-day WAM (r) | \$ -      |
| NMFA reserves                              | \$ 70,311 |

**NOTE 4. Receivables**

Receivables as of June 30, 2014, are as follows:

|                             | <u>General Fund</u> | <u>Grant Fund</u> | <u>Lodgers’ Tax Fund</u> | <u>Other Governmental Funds</u> | <u>Total</u>      |
|-----------------------------|---------------------|-------------------|--------------------------|---------------------------------|-------------------|
| Property Taxes Receivables: | \$ 71,864           | \$ -              | \$ -                     | \$ -                            | \$ 71,864         |
| Due from other governments: | 121,283             | 2,500             | -                        | 74,980                          | 198,763           |
| Other accounts receivable   | -                   | -                 | 59,785                   | 6,124                           | 65,909            |
| <b>Total</b>                | <b>\$ 193,147</b>   | <b>\$ 2,500</b>   | <b>\$ 59,785</b>         | <b>\$ 81,104</b>                | <b>\$ 336,536</b> |

  

|                     | <u>Sewer/AWWT Fund</u> | <u>Solid Waste Fund</u> | <u>Water Fund</u> | <u>Total</u> |
|---------------------|------------------------|-------------------------|-------------------|--------------|
| Accounts Receivable | \$ 49,902              | \$ 24,568               | \$ 31,970         | \$ 106,440   |

The above governmental receivables are deemed 100% collectible. The utility accounts receivable are net of an estimated allowance for uncollectible accounts of \$8,211, \$6,026 and \$7,379, respectively.

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**NOTE 5. Accounts Payables**

Accounts payable as of June 30, 2014, are as follows:

|                       | Governmental activities |    | Business-like activities |
|-----------------------|-------------------------|----|--------------------------|
| Payable to suppliers  | \$ 118,478              | \$ | 54,740                   |
| Payables to employees | 55,890                  |    | 39,302                   |
| Total                 | \$ 174,368              | \$ | 94,042                   |

**NOTE 6. Interfund Receivables, Payables, and Transfers**

“Due to” and “Due from” balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2014 is as follows:

|              | Interfund Receivables |    | Interfund Payables |
|--------------|-----------------------|----|--------------------|
| General Fund | \$ 90,539             | \$ | -                  |
| Grant Fund   | -                     |    | 90,539             |
| Total        | \$ 90,539             | \$ | 90,539             |

**Transfers**

This schedule is reported on the government-wide basis of accounting due to the transfers of capital assets between governmental funds and business-type funds.

|                                 | Transfers In |    | Transfers Out |
|---------------------------------|--------------|----|---------------|
| General Fund                    | \$ -         | \$ | 4,000         |
| Lodgers' Tax Fund               | -            |    | 218,500       |
| Transportation Fund             | 60,000       |    | -             |
| Economic Development Grant Fund | 158,500      |    | -             |
| Motor Vehicle Department Fund   | 4,000        |    | -             |
| Total                           | \$ 222,500   | \$ | 222,500       |



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**NOTE 7. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2014 follows.

| <b>Governmental Activities</b>           | <u>June 30, 2013</u> | <u>Additions</u>    | <u>Adjustments</u> | <u>Deletions</u> | <u>June 30, 2014</u> |
|--|----------------------|---------------------|--------------------|------------------|----------------------|
| Capital assets not depreciated:          |                      |                     |                    |                  |                      |
| Land                                     | \$ 2,176,627         | \$ -                | \$ -               | \$ -             | \$ 2,176,627         |
| Capital assets being depreciated:        |                      |                     |                    |                  |                      |
| Buildings & Improvements                 | 4,256,553            | 9,527               | -                  | -                | 4,266,080            |
| Equipment                                | 2,025,239            | 136,078             | -                  | 30,000           | 2,131,317            |
| Vehicles                                 | 2,252,489            | 166,413             | -                  | 233,619          | 2,185,283            |
| Infrastructure                           | 2,483,617            | 33,599              | -                  | -                | 2,517,216            |
| Total capital assets being depreciated   | <u>11,017,898</u>    | <u>345,617</u>      | <u>-</u>           | <u>263,619</u>   | <u>11,099,896</u>    |
| <b>Total Capital Assets</b>              | <u>13,194,525</u>    | <u>345,617</u>      | <u>-</u>           | <u>263,619</u>   | <u>13,276,523</u>    |
| Less accumulated depreciation:           |                      |                     |                    |                  |                      |
| Building & Improvements                  | 1,971,560            | 104,104             | -                  | -                | 2,075,664            |
| Equipment                                | 1,890,207            | 100,132             | -                  | (30,000)         | 1,960,339            |
| Vehicles                                 | 1,674,588            | 230,851             | -                  | (233,619)        | 1,671,820            |
| Infrastructure                           | 1,066,713            | 55,223              | -                  | -                | 1,121,936            |
| Total Accumulated Depreciation           | <u>6,603,068</u>     | <u>490,310</u>      | <u>-</u>           | <u>(263,619)</u> | <u>6,829,759</u>     |
| Total capital assets net of depreciation | <u>\$ 6,591,457</u>  | <u>\$ (144,693)</u> | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 6,446,764</u>  |
| <b>Business-Like Activities</b>          | <u>June 30, 2013</u> | <u>Additions</u>    | <u>Adjustments</u> | <u>Deletions</u> | <u>June 30, 2014</u> |
| Land, Building & Improvements            | \$ 7,883,425         | \$ 199,589          | \$ -               | \$ -             | \$ 8,083,014         |
| Equipment                                | 352,726              | 15,750              | -                  | -                | 368,476              |
| Vehicles                                 | 418,706              | -                   | -                  | -                | 418,706              |
| Total Capital Assets                     | <u>8,654,857</u>     | <u>215,339</u>      | <u>-</u>           | <u>-</u>         | <u>8,870,196</u>     |
| Less accumulated depreciation:           |                      |                     |                    |                  |                      |
| Land, Building & Improvements            | 6,419,592            | 176,882             | -                  | -                | 6,596,474            |
| Equipment                                | 328,550              | 8,740               | -                  | -                | 337,290              |
| Vehicles                                 | 336,318              | 32,955              | -                  | -                | 369,273              |
| Total Accumulated Depreciation           | <u>7,084,460</u>     | <u>218,577</u>      | <u>-</u>           | <u>-</u>         | <u>7,303,037</u>     |
| Total capital assets net of depreciation | <u>\$ 1,570,397</u>  | <u>\$ (3,238)</u>   | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 1,567,159</u>  |

Depreciation expense for the year ended June 30, 2014 was charged to the following functions and funds:

|  |                   |
|--|-------------------|
| General Government                                   | \$ 90,499         |
| Public Safety  | 190,687           |
| Public Works   | 91,193            |
| Culture and Recreation                               | 45,228            |
| Health and Welfare                                   | <u>72,703</u>     |
| <b>Total depreciation expense governmental funds</b> | <u>\$ 490,310</u> |

Depreciation expense relating to business-like activities for the year ended June 30, 2014 totaled \$218,577.

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**NOTE 8. Long-term Debt**

During the year ended June 30, 2014, the following changes occurred in the liabilities reported in the government-wide statement of net position:

|                                 | Balance<br>June 30, 2013 | Additions        | Retirements       | Balance<br>June 30, 2014 | Due Within<br>One Year |
|---------------------------------|--------------------------|------------------|-------------------|--------------------------|------------------------|
| <b>Governmental Activities</b>  |                          |                  |                   |                          |                        |
| Sales Tax Revenue Bond          | \$ 230,000               | \$ -             | \$ 55,000         | \$ 175,000               | \$ 55,000              |
| Dell Computers                  | 4,289                    | -                | 4,289             | -                        | -                      |
| Front End Loader                | 88,446                   | -                | 29,264            | 59,182                   | 29,451                 |
| Osage Ambulance                 | 34,914                   | -                | 11,482            | 23,432                   | 12,037                 |
| Aerial Platform Truck           | 188,053                  | -                | 18,940            | 169,113                  | 19,265                 |
| Fire Station Loan               | 194,717                  | -                | 1,513             | 193,204                  | 1,539                  |
| Accrued Compensated Absences    | 59,009                   | 53,202           | 28,645            | 83,566                   | -                      |
| <b>Total</b>                    | <b>\$ 799,428</b>        | <b>\$ 53,202</b> | <b>\$ 149,133</b> | <b>\$ 703,497</b>        | <b>\$ 117,292</b>      |
|                                 |                          |                  |                   |                          |                        |
|                                 | Balance<br>June 30, 2013 | Additions        | Retirements       | Balance<br>June 30, 2014 | Due Within<br>One Year |
| <b>Business-type Activities</b> |                          |                  |                   |                          |                        |
| Accrued Compensated Absences    | \$ 45,496                | \$ 12,713        | \$ 35,625         | \$ 22,584                | \$ -                   |
| <b>Total Long Term Debt</b>     | <b>\$ 45,496</b>         | <b>\$ 12,713</b> | <b>\$ 35,625</b>  | <b>\$ 22,584</b>         | <b>\$ -</b>            |

The annual requirements to amortize the long term debt of June 30, 2014, including interest payments are as follows:

| Fiscal Year  | Principal         | Interest          | Total             |
|--------------|-------------------|-------------------|-------------------|
| 2015         | \$ 117,292        | \$ 23,195         | \$ 140,487        |
| 2016         | 117,375           | 20,680            | 138,055           |
| 2017         | 86,762            | 12,664            | 99,426            |
| 2018         | 22,332            | 12,093            | 34,425            |
| 2019         | 22,974            | 11,451            | 34,425            |
| 2020-2024    | 107,707           | 131,267           | 238,974           |
| 2025-2029    | 99,165            | 24,987            | 124,152           |
| Thereafter   | 46,324            | 3,336             | 49,660            |
| <b>Total</b> | <b>\$ 619,931</b> | <b>\$ 239,673</b> | <b>\$ 859,604</b> |

Short-term Debt: The Town had no short-term debt activity during the year.

**NOTE 9. Risk Management**

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The Town of Red River participates in the New Mexico Self-Insurer's Fund risk pool. The Town pays an annual premium to the pool based on claim experience and the status of the pool. The Town is not liable for more than the premium paid.

The Town has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Town which exceeds the insurance coverage, the Town 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 and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued. At June 30, 2014, 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 Town of Red River.

New Mexico Self-Insurers' Fund has not provided information or an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

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**NOTE 10. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combining Statements - Overview of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.  
Grants Capital Project Fund                      \$(88,039)

Fund deficits will be funded by general fund transfers or by grant revenues.

B. No expenditures exceeded appropriations by fund.

**NOTE 11. PERA Pension Plans**

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

*Funding Policy.* Plan members are required to contribute 8.5% to 10.65% of their gross salary, and the Town is required to contribute 9.15% to 17.5%, depending upon the plan and the employee status of the gross covered salary. The contribution requirements of plan members and the Town are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Town's contributions to PERA for the fiscal years ending June 30, 2014, 2013 and 2012 were \$147,899, \$132,266 and \$100,412, respectively, which equal the required contributions for each year. The Town of Red River is subject to GASB 68 for pension plans and as such their financial statements for 2015 may include a material liability for pension participation.

**NOTE 12. Post-Employment Benefits**

The Town of Red River has elected not to obtain Retiree Health Care Act Coverage.

**NOTE 13. Contingent Liabilities**

The Town is party to various claims and lawsuits arising in the normal course of business. Management and the Town's attorney are unaware of any material pending or threatened litigation, claims or assessments against the Town which are not covered by the Town's insurance as described in Note 9.

**NOTE 14. Federal and State Grants**

In the normal course of operations, the Town receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

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**NOTE 15. Memorandum of Understanding/Joint Powers Agreements**

**Creation of “The Enchanted Circle Regional Fire Protection Association”**

*Purpose:* The agreement is for the sole purpose of establishing, implementing, and maintaining a regional fire protection association. This program will provide cooperative fire suppression, firefighter training programs, and cost efficient purchasing of firefighting equipment and supplies for all parties involved.

*Participants:* The Town of Red River, The Town of Red River, The Town of Angel Fire, The Town of Eagle Nest, The Town of Red River, The Town of Questa, The County of Red River, and The County of Colfax

*Responsible Party for Operation and Audit:* The Town of Red River

*Beginning and Ending Date of Agreement:* Started March 23, 2007 and is renewed annually with changes made no later than September 30

*Total Estimated Amount of Project and Actual Amount Contributed:* None

**Operation of the Solid Waste Landfill**

*Purpose:* To operate the Taos Regional Landfill

*Participants:* Town of Taos, Questa, Eagle Nest, Taos Ski Valley, Taos County and the Town of Red River

*Responsible Party for Operation and Audit:* Town of Taos

*Beginning and Ending Date of Agreement:* Started July 22, 2008 for a period of 50 years

*Total Estimated Amount of Project and Actual Amount Contributed:* Undetermined

**Wildland Suppression**

*Purpose:* To document EMNRD and the Town of Red River’s commitment to wildland fire suppression by using interagency cooperation, management assistance, and cooperation with the use of federal excess property.

*Participants:* EMNRD and the Town of Red River

*Responsible Party for Operation and Audit:* The Energy, Minerals and Natural Resources Department

*Beginning and Ending Date of Agreement:* Started September 22, 2006 and is continuous unless terminated by either party due to insufficient appropriation or suspended performance pending approval from the New Mexico State Legislature.

*Total Estimated Amount of Project and Actual Amount Contributed:* Undetermined

**STATE OF NEW MEXICO**  
Town of Red River  
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**NOTE 15. Memorandum of Understanding/Joint Powers Agreements (continued)**

**E911 Land Line Services**

*Purpose:* The Town of Red River and Town of Angel Fire to provide funding for enhanced 911 landline service and wireless Phase I and Phase II Services.

*Participants:* Town of Red River and Town of Angel Fire

*Responsible Party for Operation and Audit:* Town of Angel Fire

*Beginning and Ending Date of Agreement:* 02-20-07 to 30 days upon written notification by either party

*Total Estimated Amount of Project and Actual Amount Contributed:* None

**Traffic Safety Bureau Grant**

*Purpose:* All are concerned with the safety, health, and welfare to the rest of our community and desire to reduce DWI in their communities and Taos County overall.

*Participants:* Town of Red River, Questa, Taos and Taos County

*Responsible Party for Operation and Audit:* Taos County

*Beginning and Ending Date of Agreement:* 5-25-2010 to 30 days upon written notification by either party

*Total Estimated Amount of Project and Actual Amount Contributed:* Undetermined

**NOTE 16. Related Party Transactions**

The Town engages in various related party transactions due to the limitations of a small municipality. The Towns' related party transactions are as follows:

Ambitions Technology Group, owned by the nephew of the Town Administrator, was paid \$29,682 for the year ended June 30, 2014.

CARQUEST Auto Parts, owned by the spouse of the Town Administrator, was paid \$1,558 for the year ended June 30, 2014.

Questa Lumber & Hardware Co., owned by the spouse of the Town Administrator, was paid \$314 for the year ended June 30, 2014.

Der Markt Food Store, owned by the Mayor, was paid \$919 for the year ended June 30, 2014.

Diamond Shamrock, owned by the Judge, was paid \$18,385 for the year ended June 30, 2014.

MCT Inc., owned by the family of the previous Public Works Director, was paid \$27,041 for the year ended June 30, 2014.

Red River Miner, owned by the Librarian, was paid \$7,165 for the year ended June 30, 2014.

Shotgun Willie's, owned by a Councilman, was paid \$2,841 for the year ended June 30, 2014.

**STATE OF NEW MEXICO**  
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**NOTE 16. Related Party Transactions (continued)**

Universal Professional Services, Inc., owned by a family member of the Town Administrator, was paid \$19,999 for the year ended June 30, 2014.

Sitzmark Sports, owned by a Councilman, was paid \$271 for the year ended June 30, 2014.

Valero Marketing & Supply, owned by the Judge, was paid \$4,104 for the year ended June 30, 2014.

Red River Construction Company, owned by a Public Safety Department employee, was paid \$3,381 for the year ended June 30, 2014.

G&M Tire Repair., owned by a Public Works Department employee, was paid \$1,339 for the year ended June 30, 2014.

J. Griffin Co, owned by the Judge, was paid \$135 for the year ended June 30, 2014.

Mountain Treasurers Gallery, owned by a Councilman, was paid \$137 for the year ended June 30, 2014.

Bob's Yard, owned by a Public Safety Department employee, was paid \$9,723 for the year ended June 30, 2014.

Andamo Sanchez Excavation & Trucking Inc., owned by a Public Works Department employee, was paid \$242,595 for the year ended June 30, 2014.

4-W Mechanical Inc., owned by a Fire Department employee, was paid \$2,347 for the year ended June 30, 2014.

In addition, the Town has employees that are engaged in personal relationships. The Fire Chief and the EMS Department Head are married, a Councilman and the current Director of Finance are married, and the Judge and the Court Clerk are in a relationship.

**NOTE 17. Subsequent Accounting Standard Pronouncements**

Statement No. 67, Financial Reporting for Pension Plans. This statement also amends Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for the fiscal years beginning after June 15, 2013 with earlier application encouraged. The Town has reviewed the statement and has determined that this does not apply to the Town.

Statement No. 68, Accounting and Financial Reporting for Pensions. The statement replaces the requirements of GASBS 27, Accounting for Pensions by State and Local Governmental Employers, and the requirements of GASBS 50 Pension Disclosures, as they related to pensions that are provided through pension plans administered as trusts. The requirements of Statements 27 and 50 remain applicable for pensions that are covered by GASBS 68. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. The Town is reviewing the effects of the implementation of this statement.

Statement No. 69, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013 and should be applied on a prospective basis. The Town has reviewed the statement and has determined that this does not apply to the Town.

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**NOTE 17. Subsequent Accounting Standard Pronouncements (continued)**

Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees. This statement establishes accounting and financial reporting standards for financial guarantees that are non-exchange transactions extended or received by a state or local government. A non-exchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. This statement is effective for financial statements for reporting periods beginning after June 15, 2013. The Town has reviewed the statement and has determined that this does not apply to the Town.

**NOTE 18. Restatement of Net Position and Fund Balance**

For the year ended June 30, 2014, the Town reclassified the Motor Vehicle Fund from a department within the General Fund to a Special Revenue Fund and reclassified the Enchanted Circle EMS fund from a Special Revenue Fund to an agency fund. The effect of these changes is reflected below:

|                        |    |           |
|------------------------|----|-----------|
| Beginning Net Position | \$ | 7,577,658 |
| Restatement            |    | (13,186)  |
| Net Position, restated | \$ | 7,564,472 |

| Fund                   | General Fund | Motor Vehicle Fund | Enchanted Circle EMS Fund |
|------------------------|--------------|--------------------|---------------------------|
| Beginning Fund Balance | \$ 734,087   | \$ -               | \$ 13,186                 |
| Restatement            | (2,048)      | 2,048              | (13,186)                  |
| Fund Balance, restated | \$ 732,039   | \$ 2,048           | \$ -                      |

**NOTE 19. Subsequent Review**

The Town of Red River has evaluated subsequent events through October 12, 2014, which is the date the financial statements were dated.

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
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**SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the Town with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

**Local Government Corrections Fund (201)** – To account for the operation and maintenance of the Town’s jail. Financing is provided by the assessment of correction fees which may be used only for prisoner care. Authorized by NMSA 1978 35-14-44.

**Environmental Gross Receipts Tax Fund (202)** – To account for the collection and expenditure of one sixteenth of one percent gross receipts tax dedicated for the acquisition, construction, operation and maintenance of solid waste facilities, water facilities, waste water facilities or sewer systems. Authorized by NMSA Chapter 7, Article 20E.

**Emergency Medical Services Fund (206)** – To account for the acquisition of emergency medical equipment and the operation of the equipment financed through a grant from the State of New Mexico. Authorized by NMSA 24-10A & NMS 6-11-6.

**Law Enforcement Protection Fund (211)** – To account for the grant funds used for maintenance and development of the Town’s police force. Financing is provided by a grant from the State of New Mexico. Such revenue provided for purchase and repairs of equipment as well as classes to upgrade the training of police personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1.

**State Library Grant Fund (213)** – To account for the operation s of a Library Grant from the New Mexico State Library for additions to the Town Library. Authorized by Section 18-2-4B NMSA 1978.

**State Gasoline Tax Fund (216)** – To account for special gasoline tax distribution to be used for maintenance and improvement of the streets and highways. Funding is form State gasoline tax. Authorized by NMSA 1978 7-1-6.9 to 7-13-18.

**Transportation Grant Fund (224)** - To account for a grant to administer and operate a Federal Transportation Administration 5311 Program- Rural Transportation System

**Ambulance Transfer Fund (290)** – To account for Ambulance fees collected and transferred between the Town of Red River and Taos County.

**Motor Vehicle Department Fund (296)** – To account for a portion of the fees and taxes collected through the Motor Vehicle Department for payroll purposes within the MVD.

**Economic Development Fund (298)** - To account for monies received from the State of New Mexico for the purpose of advertising and promoting the tourism industry of Red River and the enhancement of economic development.

**Fire/EMS Donations Fund (299)** - To account for State grant funds to be used to provide an advanced life support system for the Town’s Fire and EMS departments. Authorized by Emergency Medical Services Fund Section 24-10A-1, NMSA 1978.

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
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**CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital projects.

The Town has four separate funds classified as non-major Capital Projects Funds as follows:

**Sewer/AWWT Replacement Fund (304)** – To account for funds collected in prior years to fund the replacement of part of the waste water treatment plant

**Water Line Replacement Fund (306)** – To account for financing, construction and maintenance of water lines within the Town limits. Funding is from a ¼ cent sales tax imposed by legislation for such projects.

**Park Replacement Fund (310)** – To account for the financing, construction and maintenance of land and parks within the Town limits. Funding is from a ¼ cent sales tax imposed by legislation for such projects.

**Infrastructure Replacement Fund (311)** – To account for the financing, construction and maintenance of streets within the Town limits. Funding is from a 1/8 cent sales tax imposed by legislation for such projects.

**Streets Tax Fund** – To account for the collection of a quarter cent sales tax imposed by the Town Council to fund the construction and maintenance of streets within the Town limits.

**DEBT SERVICE FUNDS**

**Debt Service Funds** - To account for financial resources to be used for the acquisition and payment of long term bonds and notes of the Town.

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
June 30, 2014

**PROPRIETARY FUNDS**

**Sewer/AWWT Fund (503)** – To account for the provision of sewer services to the residents of the Town. All utilities activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, billing and maintenance.

**Solid Waste Fund (504)** – To account for the provision of solid waste services to the residents of the Town. All utilities activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, billing and maintenance.

**Water Fund (505)** – To account for the provision of water services to the residents of the Town. All utilities activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, billing and maintenance.

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**

Schedule A-1

|  | Local<br>Government<br>Corrections Fund | Environmental<br>Gross Receipts<br>Tax Fund | Emergency<br>Medical Services<br>Fund |
|--|---|---|---------------------------------------|
|  | <u>          </u>                       | <u>          </u>                           | <u>          </u>                     |
| <i>Assets</i>                              |   |   |                                       |
| Cash and cash equivalents                  | \$ 9,847                                | \$ 38,798                                   | \$ -                                  |
| Investments                                | -                                       | -   | 3,341                                 |
| Accounts and taxes receivable              | -                                       | -   | -                                     |
| Other receivables                          | -                                       | -   | -                                     |
| Due from other governments                 | -                                       | 6,035                                       | 578                                   |
| Inventory                                  | -                                       | -   | -                                     |
| Due from other funds                       | -                                       | -   | -                                     |
| <i>Total assets</i>                        | <u>\$ 9,847</u>                         | <u>\$ 44,833</u>                            | <u>\$ 3,919</u>                       |
| <i>Liabilities</i>                         |   |   |                                       |
| Accounts payable                           | \$ 240                                  | \$ -  | \$ -                                  |
| Accrued salaries and benefits              | -                                       | -   | -                                     |
| Accrued compensated absences               | -                                       | -   | -                                     |
| Unearned revenue                           | -                                       | -   | -                                     |
| Due to other funds                         | -                                       | -   | -                                     |
| <i>Total liabilities</i>                   | <u>240</u>                              | <u>-</u>                                    | <u>-</u>                              |
| <i>Fund Balances</i>                       |   |   |                                       |
| Fund Balance                               |   |   |                                       |
| Restricted for:                            |   |   |                                       |
| General Fund                               | -                                       | -   | -                                     |
| Special Revenue Funds                      | 9,607                                   | 44,833                                      | 3,919                                 |
| Capital Projects Funds                     | -                                       | -   | -                                     |
| Debt Service Funds                         | -                                       | -   | -                                     |
| Committed for:                             |   |   |                                       |
| General Fund                               | -                                       | -   | -                                     |
| Special Revenue Funds                      | -                                       | -   | -                                     |
| Capital Projects Funds                     | -                                       | -   | -                                     |
| Assigned for:                              |   |   |                                       |
| General Fund                               | -                                       | -   | -                                     |
| Special Revenue Funds                      | -                                       | -   | -                                     |
| Capital Projects Funds                     | -                                       | -   | -                                     |
| Unassigned for:                            |   |   |                                       |
| General Fund                               | -                                       | -   | -                                     |
| <i>Total fund balances</i>                 | <u>9,607</u>                            | <u>44,833</u>                               | <u>3,919</u>                          |
| <i>Total liabilities and fund balances</i> | <u>\$ 9,847</u>                         | <u>\$ 44,833</u>                            | <u>\$ 3,919</u>                       |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
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| Law Enforcement<br>Protection Fund | State Library<br>Grant Fund | State Gasoline<br>Tax Fund | Federal<br>Transportation<br>Grant Fund |
|------------------------------------|-----------------------------|----------------------------|---|
| \$ 12,869                          | \$ 298                      | \$ 10,513                  | \$ 48,827                               |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | 816                        | 8,969                                   |
| -                                  | -                           | -                          | -                                       |
| <u>\$ 12,869</u>                   | <u>\$ 298</u>               | <u>\$ 11,329</u>           | <u>\$ 57,796</u>                        |
| -                                  | -                           | -                          | 9,010                                   |
| -                                  | -                           | -                          | 2,159                                   |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | -                                       |
| <u>-</u>                           | <u>-</u>                    | <u>-</u>                   | <u>11,169</u>                           |
| -                                  | -                           | -                          | -                                       |
| 12,869                             | 298                         | 11,329                     | 46,627                                  |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | -                                       |
| <u>-</u>                           | <u>-</u>                    | <u>-</u>                   | <u>-</u>                                |
| <u>12,869</u>                      | <u>298</u>                  | <u>11,329</u>              | <u>46,627</u>                           |
| <u>\$ 12,869</u>                   | <u>\$ 298</u>               | <u>\$ 11,329</u>           | <u>\$ 57,796</u>                        |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2014

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|  | <u>Ambulance<br/>Transfer Fund</u> | <u>Motor Vehicle<br/>Department Fund</u> | <u>Economic<br/>Development<br/>Fund</u> |
|--|------------------------------------|--|--|
| <i>Assets</i>                              |                                    |  |  |
| Cash and cash equivalents                  | \$ 15,703                          | \$ 2,287                                 | \$ 39,057                                |
| Investments                                | -                                  | -  | -  |
| Accounts and taxes receivable              | -                                  | -  | -  |
| Other receivables                          | 6,124                              | -  | -  |
| Due from other governments                 | -                                  | -  | -  |
| Inventory                                  | -                                  | -  | -  |
| Due from other funds                       | -                                  | -  | -  |
| <i>Total assets</i>                        | <u>\$ 21,827</u>                   | <u>\$ 2,287</u>                          | <u>\$ 39,057</u>                         |
| <i>Liabilities</i>                         |                                    |  |  |
| Accounts payable                           | \$ -                               | \$ 1,210                                 | \$ 7,760                                 |
| Accrued salaries and benefits              | -                                  | -  | 4,236                                    |
| Accrued compensated absences               | -                                  | -  | -  |
| Unearned revenue                           | -                                  | -  | -  |
| Due to other funds                         | -                                  | -  | -  |
| <i>Total liabilities</i>                   | <u>-</u>                           | <u>1,210</u>                             | <u>11,996</u>                            |
| <i>Fund Balances</i>                       |                                    |  |  |
| Fund Balance                               |                                    |  |  |
| Restricted for:                            |                                    |  |  |
| General Fund                               | -                                  | -  | -  |
| Special Revenue Funds                      | 21,827                             | 1,077                                    | 27,061                                   |
| Capital Projects Funds                     | -                                  | -  | -  |
| Debt Service Funds                         | -                                  | -  | -  |
| Committed for:                             |                                    |  |  |
| General Fund                               | -                                  | -  | -  |
| Special Revenue Funds                      | -                                  | -  | -  |
| Capital Projects Funds                     | -                                  | -  | -  |
| Assigned for:                              |                                    |  |  |
| General Fund                               | -                                  | -  | -  |
| Special Revenue Funds                      | -                                  | -  | -  |
| Capital Projects Funds                     | -                                  | -  | -  |
| Unassigned for:                            |                                    |  |  |
| General Fund                               | -                                  | -  | -  |
| <i>Total fund balances</i>                 | <u>21,827</u>                      | <u>1,077</u>                             | <u>27,061</u>                            |
| <i>Total liabilities and fund balances</i> | <u>\$ 21,827</u>                   | <u>\$ 2,287</u>                          | <u>\$ 39,057</u>                         |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
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| Fire/EMS<br>Donations Fund | Sewer/AWWT<br>Replacement<br>Fund | Water Line<br>Replacement<br>Fund | Park Replacement<br>fund |
|----------------------------|-----------------------------------|-----------------------------------|--------------------------|
| \$ 41,370                  | \$ 98,844                         | \$ 40,156                         | \$ 47,920                |
| -                          | -                                 | -                                 | -                        |
| -                          | -                                 | -                                 | -                        |
| 35,721                     | -                                 | 6,112                             | 6,112                    |
| -                          | -                                 | -                                 | -                        |
| <u>\$ 77,091</u>           | <u>\$ 98,844</u>                  | <u>\$ 46,268</u>                  | <u>\$ 54,032</u>         |
| \$ -                       | \$ -                              | \$ 561                            | \$ 178                   |
| 17,074                     | -                                 | -                                 | 1,246                    |
| -                          | -                                 | -                                 | -                        |
| -                          | -                                 | -                                 | -                        |
| <u>17,074</u>              | <u>-</u>                          | <u>561</u>                        | <u>1,424</u>             |
| -                          | -                                 | -                                 | -                        |
| 60,017                     | -                                 | -                                 | -                        |
| -                          | 98,844                            | 45,707                            | 52,608                   |
| -                          | -                                 | -                                 | -                        |
| -                          | -                                 | -                                 | -                        |
| -                          | -                                 | -                                 | -                        |
| -                          | -                                 | -                                 | -                        |
| <u>60,017</u>              | <u>98,844</u>                     | <u>45,707</u>                     | <u>52,608</u>            |
| <u>\$ 77,091</u>           | <u>\$ 98,844</u>                  | <u>\$ 46,268</u>                  | <u>\$ 54,032</u>         |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2014

Schedule A-1

|  | Infrastructure<br>Replacement<br>Fund | Streets Tax Fund  | Debt Service      | Enchanted Circle<br>EMS | Total Nonmajor<br>Governmental<br>Funds |
|--|---------------------------------------|-------------------|-------------------|-------------------------|---|
| <i>Assets</i>                              |                                       |                   |                   |                         |   |
| Cash and cash equivalents                  | \$ 48,365                             | \$ 75,390         | \$ 127,478        | \$ -                    | \$ 657,722                              |
| Investments                                | -                                     | 83,358            | -                 | -                       | 86,699                                  |
| Accounts and taxes receivable              | -                                     | -                 | -                 | -                       | -                                       |
| Other receivables                          | -                                     | -                 | -                 | -                       | 6,124                                   |
| Due from other governments                 | 4,525                                 | 6,112             | -                 | -                       | 74,980                                  |
| Inventory                                  | -                                     | -                 | -                 | -                       | -                                       |
| Due from other funds                       | -                                     | -                 | -                 | -                       | -                                       |
| <i>Total assets</i>                        | <u>\$ 52,890</u>                      | <u>\$ 164,860</u> | <u>\$ 127,478</u> | <u>\$ -</u>             | <u>\$ 825,525</u>                       |
| <i>Liabilities</i>                         |                                       |                   |                   |                         |   |
| Accounts payable                           | \$ 680                                | \$ 2,172          | \$ -              | \$ -                    | \$ 21,811                               |
| Accrued salaries and benefits              | 2,770                                 | -                 | -                 | -                       | 27,485                                  |
| Accrued compensated absences               | -                                     | -                 | -                 | -                       | -                                       |
| Unearned revenue                           | -                                     | -                 | -                 | -                       | -                                       |
| Due to other funds                         | -                                     | -                 | -                 | -                       | -                                       |
| <i>Total liabilities</i>                   | <u>3,450</u>                          | <u>2,172</u>      | <u>-</u>          | <u>-</u>                | <u>49,296</u>                           |
| <i>Fund Balances</i>                       |                                       |                   |                   |                         |   |
| Fund Balance                               |                                       |                   |                   |                         |   |
| Restricted for:                            |                                       |                   |                   |                         |   |
| General Fund                               | -                                     | -                 | -                 | -                       | -                                       |
| Special Revenue Funds                      | -                                     | -                 | -                 | -                       | 239,464                                 |
| Capital Projects Funds                     | 49,440                                | 162,688           | -                 | -                       | 409,287                                 |
| Debt Service Funds                         | -                                     | -                 | 127,478           | -                       | 127,478                                 |
| Committed for:                             |                                       |                   |                   |                         |   |
| General Fund                               | -                                     | -                 | -                 | -                       | -                                       |
| Special Revenue Funds                      | -                                     | -                 | -                 | -                       | -                                       |
| Capital Projects Funds                     | -                                     | -                 | -                 | -                       | -                                       |
| Assigned for:                              |                                       |                   |                   |                         |   |
| General Fund                               | -                                     | -                 | -                 | -                       | -                                       |
| Special Revenue Funds                      | -                                     | -                 | -                 | -                       | -                                       |
| Capital Projects Funds                     | -                                     | -                 | -                 | -                       | -                                       |
| Unassigned for:                            |                                       |                   |                   |                         |   |
| General Fund                               | -                                     | -                 | -                 | -                       | -                                       |
| <i>Total fund balances</i>                 | <u>49,440</u>                         | <u>162,688</u>    | <u>127,478</u>    | <u>-</u>                | <u>776,229</u>                          |
| <i>Total liabilities and fund balances</i> | <u>\$ 52,890</u>                      | <u>\$ 164,860</u> | <u>\$ 127,478</u> | <u>\$ -</u>             | <u>\$ 825,525</u>                       |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2014**

|  | Local<br>Government<br>Corrections Fund | Environmental<br>Gross Receipts<br>Tax Fund | Emergency<br>Medical Services<br>Fund |
|--|---|---|---------------------------------------|
| <i>Revenues:</i>   |   |   |                                       |
| Taxes  | \$ -                                    | \$ 38,880                                   | \$ -                                  |
| State Grants   | -                                       | -   | 10,022                                |
| Federal Grants   | -                                       | -   | -                                     |
| Charges for Services                                     | -                                       | -   | -                                     |
| Licenses and Fees  | 1,671                                   | -   | -                                     |
| Investment Income (Loss)                                 | -                                       | -   | -                                     |
| Miscellaneous  | -                                       | -   | -                                     |
| <i>Total revenues</i>                                    | <u>1,671</u>                            | <u>38,880</u>                               | <u>10,022</u>                         |
| <i>Expenditures:</i>                                     |   |   |                                       |
| Current:   |   |   |                                       |
| General Government                                       | -                                       | -   | -                                     |
| Public Safety  | 1,200                                   | -   | -                                     |
| Public Works   | -                                       | 30,712                                      | -                                     |
| Culture and Recreation                                   | -                                       | -   | -                                     |
| Health and Welfare                                       | -                                       | -   | 5,417                                 |
| Capital Outlay   | -                                       | -   | -                                     |
| Debt Service:  |   |   |                                       |
| Principal  | -                                       | -   | -                                     |
| Interest   | -                                       | -   | -                                     |
| <i>Total expenditures</i>                                | <u>1,200</u>                            | <u>30,712</u>                               | <u>5,417</u>                          |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>471</u>                              | <u>8,168</u>                                | <u>4,605</u>                          |
| <i>Other financing sources (uses)</i>                    |   |   |                                       |
| Bond Proceeds  | -                                       | -   | -                                     |
| Transfers In   | -                                       | -   | -                                     |
| Transfers Out  | -                                       | -   | -                                     |
| <i>Total other financing sources (uses)</i>              | <u>-</u>                                | <u>-</u>                                    | <u>-</u>                              |
| <i>Net change in fund balances</i>                       | 471                                     | 8,168                                       | 4,605                                 |
| <i>Fund balances - beginning of year</i>                 | 9,136                                   | 36,665                                      | (686)                                 |
| <i>Restatement</i>                                       | -                                       | -   | -                                     |
| <i>Fund balance-beginning of year, restated</i>          | <u>9,136</u>                            | <u>36,665</u>                               | <u>(686)</u>                          |
| <i>Fund balances - end of year</i>                       | <u>\$ 9,607</u>                         | <u>\$ 44,833</u>                            | <u>\$ 3,919</u>                       |



| Law Enforcement<br>Protection Fund | State Library<br>Grant Fund | State Gasoline<br>Tax Fund | Federal<br>Transportation<br>Grant Fund |
|------------------------------------|-----------------------------|----------------------------|---|
| \$ -                               | \$ -                        | \$ 8,760                   | \$ -                                    |
| 22,400                             | 7,955                       | -                          | 89,160                                  |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | 94                                      |
| -                                  | -                           | -                          | -                                       |
| 2,500                              | -                           | -                          | 13,350                                  |
| <u>24,900</u>                      | <u>7,955</u>                | <u>8,760</u>               | <u>102,604</u>                          |
| -                                  | -                           | -                          | -                                       |
| 12,031                             | -                           | -                          | -                                       |
| -                                  | -                           | 8,620                      | -                                       |
| -                                  | 7,848                       | -                          | 140,010                                 |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | -                                       |
| <u>12,031</u>                      | <u>7,848</u>                | <u>8,620</u>               | <u>140,010</u>                          |
| <u>12,869</u>                      | <u>107</u>                  | <u>140</u>                 | <u>(37,406)</u>                         |
| -                                  | -                           | -                          | -                                       |
| -                                  | -                           | -                          | 60,000                                  |
| <u>-</u>                           | <u>-</u>                    | <u>-</u>                   | <u>-</u>                                |
| <u>-</u>                           | <u>-</u>                    | <u>-</u>                   | <u>60,000</u>                           |
| 12,869                             | 107                         | 140                        | 22,594                                  |
| -                                  | 191                         | 11,189                     | 24,033                                  |
| -                                  | -                           | -                          | -                                       |
| <u>-</u>                           | <u>191</u>                  | <u>11,189</u>              | <u>24,033</u>                           |
| <u>\$ 12,869</u>                   | <u>\$ 298</u>               | <u>\$ 11,329</u>           | <u>\$ 46,627</u>                        |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2014**

|  | <u>Ambulance<br/>Transfer Fund</u> | <u>Motor Vehicle<br/>Department Fund</u> | <u>Economic<br/>Development<br/>Fund</u> |
|--|------------------------------------|--|--|
| <i>Revenues:</i>   |                                    |  |  |
| Taxes  | \$ -                               | \$ -                                     | \$ -                                     |
| State Grants   | -                                  | -  | -  |
| Federal Grants   | -                                  | -  | -  |
| Charges for Services                                     | 205,624                            | -  | 75,246                                   |
| Licenses and Fees  | -                                  | 13,835                                   | -  |
| Investment Income (Loss)                                 | -                                  | -  | -  |
| Miscellaneous  | 901                                | -  | -  |
| <i>Total revenues</i>                                    | <u>206,525</u>                     | <u>13,835</u>                            | <u>75,246</u>                            |
| <i>Expenditures:</i>                                     |                                    |  |  |
| <i>Current:</i>  |                                    |  |  |
| General Government                                       | -                                  | 18,806                                   | -  |
| Public Safety  | -                                  | -  | -  |
| Public Works   | -                                  | -  | -  |
| Culture and Recreation                                   | -                                  | -  | 230,009                                  |
| Health and Welfare                                       | 270,282                            | -  | -  |
| Capital Outlay   | -                                  | -  | -  |
| <i>Debt Service:</i>                                     |                                    |  |  |
| Principal  | -                                  | -  | -  |
| Interest   | -                                  | -  | -  |
| <i>Total expenditures</i>                                | <u>270,282</u>                     | <u>18,806</u>                            | <u>230,009</u>                           |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(63,757)</u>                    | <u>(4,971)</u>                           | <u>(154,763)</u>                         |
| <i>Other financing sources (uses)</i>                    |                                    |  |  |
| Bond Proceeds  | -                                  | -  | -  |
| Transfers In   | -                                  | 4,000                                    | 158,500                                  |
| Transfers Out  | -                                  | -  | -  |
| <i>Total other financing sources (uses)</i>              | <u>-</u>                           | <u>4,000</u>                             | <u>158,500</u>                           |
| <i>Net change in fund balances</i>                       | (63,757)                           | (971)                                    | 3,737                                    |
| <i>Fund balances - beginning of year</i>                 | 85,584                             | -  | 23,324                                   |
| <i>Restatement</i>                                       | -                                  | 2,048                                    | -  |
| <i>Fund balance-beginning of year, restated</i>          | <u>85,584</u>                      | <u>2,048</u>                             | <u>23,324</u>                            |
| <i>Fund balances - end of year</i>                       | <u>\$ 21,827</u>                   | <u>\$ 1,077</u>                          | <u>\$ 27,061</u>                         |

| Fire/EMS Donations<br>Fund | Sewer/AWWT<br>Replacement Fund | Water Line<br>Replacement Fund | Park Replacement<br>Fund |
|----------------------------|--------------------------------|--------------------------------|--------------------------|
| \$ -                       | \$ -                           | \$ 108,510                     | \$ 108,510               |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| 379,453                    | -                              | -                              | 50                       |
| <u>379,453</u>             | <u>-</u>                       | <u>108,510</u>                 | <u>108,560</u>           |
| -                          | -                              | -                              | -                        |
| 373,538                    | -                              | -                              | -                        |
| -                          | -                              | 128,584                        | -                        |
| -                          | -                              | -                              | 107,751                  |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| <u>373,538</u>             | <u>-</u>                       | <u>128,584</u>                 | <u>107,751</u>           |
| <u>5,915</u>               | <u>-</u>                       | <u>(20,074)</u>                | <u>809</u>               |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| -                          | -                              | -                              | -                        |
| 5,915                      | -                              | (20,074)                       | 809                      |
| 54,102                     | 98,844                         | 65,781                         | 51,799                   |
| -                          | -                              | -                              | -                        |
| <u>54,102</u>              | <u>98,844</u>                  | <u>65,781</u>                  | <u>51,799</u>            |
| <u>\$ 60,017</u>           | <u>\$ 98,844</u>               | <u>\$ 45,707</u>               | <u>\$ 52,608</u>         |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2014**

|  | Infrastructure<br>Replacement<br>Fund | Streets Tax Fund  | Debt Service      | Enchanted<br>Circle EMS | Total Nonmajor<br>Governmental Funds |
|--|---------------------------------------|-------------------|-------------------|-------------------------|--------------------------------------|
| <i>Revenues:</i>   |                                       |                   |                   |                         |                                      |
| Taxes  | \$ 161,592                            | \$ 108,510        | \$ -              | \$ -                    | \$ 534,762                           |
| State Grants   | -                                     | -                 | -                 | -                       | 129,537                              |
| Federal Grants   | -                                     | -                 | -                 | -                       | -                                    |
| Charges for Services                                     | 20,175                                | -                 | -                 | -                       | 301,045                              |
| Licenses and Fees  | -                                     | -                 | -                 | -                       | 15,600                               |
| Investment Income (Loss)                                 | -                                     | 373               | -                 | -                       | 373                                  |
| Miscellaneous  | 25                                    | -                 | 72,000            | -                       | 468,279                              |
| <i>Total revenues</i>                                    | <u>181,792</u>                        | <u>108,883</u>    | <u>72,000</u>     | <u>-</u>                | <u>1,449,596</u>                     |
| <i>Expenditures:</i>                                     |                                       |                   |                   |                         |                                      |
| <i>Current:</i>  |                                       |                   |                   |                         |                                      |
| General Government                                       | 182,731                               | -                 | -                 | -                       | 201,537                              |
| Public Safety  | -                                     | -                 | -                 | -                       | 386,769                              |
| Public Works   | -                                     | 85,703            | -                 | -                       | 253,619                              |
| Culture and Recreation                                   | -                                     | -                 | -                 | -                       | 485,618                              |
| Health and Welfare                                       | -                                     | -                 | -                 | -                       | 275,699                              |
| Capital Outlay   | -                                     | -                 | -                 | -                       | -                                    |
| <i>Debt Service:</i>                                     |                                       |                   |                   |                         |                                      |
| Principal  | 52,000                                | -                 | -                 | -                       | 52,000                               |
| Interest   | -                                     | -                 | 66,745            | -                       | 66,745                               |
| <i>Total expenditures</i>                                | <u>234,731</u>                        | <u>85,703</u>     | <u>66,745</u>     | <u>-</u>                | <u>1,721,987</u>                     |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(52,939)</u>                       | <u>23,180</u>     | <u>5,255</u>      | <u>-</u>                | <u>(272,391)</u>                     |
| <i>Other financing sources (uses)</i>                    |                                       |                   |                   |                         |                                      |
| Bond Proceeds  | -                                     | -                 | -                 | -                       | -                                    |
| Transfers In   | -                                     | -                 | -                 | -                       | 222,500                              |
| Transfers Out  | -                                     | -                 | -                 | -                       | -                                    |
| <i>Total other financing sources (uses)</i>              | <u>-</u>                              | <u>-</u>          | <u>-</u>          | <u>-</u>                | <u>222,500</u>                       |
| <i>Net change in fund balances</i>                       | <u>(52,939)</u>                       | <u>23,180</u>     | <u>5,255</u>      | <u>-</u>                | <u>(49,891)</u>                      |
| <i>Fund balances - beginning of year</i>                 | 102,379                               | 139,508           | 122,223           | 13,186                  | 837,258                              |
| <i>Restatement</i>                                       | -                                     | -                 | -                 | (13,186)                | (11,138)                             |
| <i>Fund balance-beginning of year, restated</i>          | <u>102,379</u>                        | <u>139,508</u>    | <u>122,223</u>    | <u>-</u>                | <u>826,120</u>                       |
| <i>Fund balances - end of year</i>                       | <u>\$ 49,440</u>                      | <u>\$ 162,688</u> | <u>\$ 127,478</u> | <u>\$ -</u>             | <u>\$ 776,229</u>                    |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**LOCAL GOVERNMENT CORRECTIONS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |         | Actual              | Variances                                     |
|---|------------------|---------|---------------------|---|
|   | Original         | Final   | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |         |                     |   |
| Taxes   | \$ -             | \$ -    | \$ -                | \$ -  |
| State Grants  | -                | -       | -                   | -   |
| Charges For Services  | -                | -       | -                   | -   |
| Licenses and Fees   | 1,671            | 1,671   | 1,671               | -   |
| Interest Income   | -                | -       | -                   | -   |
| Investment Income(Loss)   | -                | -       | -                   | -   |
| Miscellaneous   | -                | -       | -                   | -   |
| <i>Total revenues</i>   | 1,671            | 1,671   | 1,671               | -   |
| <i>Expenditures:</i>  |                  |         |                     |   |
| <i>Current:</i>   |                  |         |                     |   |
| General Government  | -                | -       | -                   | -   |
| Public Safety   | 5,000            | 5,000   | 960                 | 4,040   |
| Public Works  | -                | -       | -                   | -   |
| Culture and Recreation  | -                | -       | -                   | -   |
| Health and Welfare  | -                | -       | -                   | -   |
| Capital Outlay  | -                | -       | -                   | -   |
| <i>Debt Service:</i>  |                  |         |                     |   |
| Principal   | -                | -       | -                   | -   |
| Interest  | -                | -       | -                   | -   |
| <i>Total expenditures</i>   | 5,000            | 5,000   | 960                 | 4,040   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (3,329)          | (3,329) | 711                 | 4,040   |
| <i>Other financing sources (uses)</i>   |                  |         |                     |   |
| Designated Cash   | 3,329            | 3,329   | -                   | (3,329)                                       |
| Transfers In  | -                | -       | -                   | -   |
| Transfers Out   | -                | -       | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 3,329            | 3,329   | -                   | (3,329)                                       |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -       | 711                 | 711   |
| <i>Cash Balance - Beginning of Year</i>   | -                | -       | 9,136               | 9,136   |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -    | \$ 9,847            | \$ 9,847                                      |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |         | \$ 711              |   |
| Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals                        |                  |         | -                   |   |
| Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals             |                  |         | (240)               |   |
| Net change in fund balances (GAAP basis)  |                  |         | \$ 471              |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**ENVIRONMENTAL GROSS RECEIPTS TAX SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                 | Actual              | Variances                                     |
|---|------------------|-----------------|---------------------|---|
|   | Original         | Final           | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                 |                     |   |
| Taxes   | \$ 33,192        | \$ 33,192       | \$ 34,083           | \$ 891  |
| State Grants  | -                | -               | -                   | -   |
| Charges For Services  | -                | -               | -                   | -   |
| Licenses and Fees   | -                | -               | -                   | -   |
| Interest Income   | -                | -               | -                   | -   |
| Investment Income(Loss)   | -                | -               | -                   | -   |
| Miscellaneous   | -                | -               | -                   | -   |
| <i>Total revenues</i>   | <u>33,192</u>    | <u>33,192</u>   | <u>34,083</u>       | <u>891</u>                                    |
| <i>Expenditures:</i>  |                  |                 |                     |   |
| Current:  |                  |                 |                     |   |
| General Government  | -                | -               | -                   | -   |
| Public Safety   | -                | -               | -                   | -   |
| Public Works  | 58,112           | 58,112          | 31,254              | 26,858  |
| Culture and Recreation  | -                | -               | -                   | -   |
| Health and Welfare  | -                | -               | -                   | -   |
| Capital Outlay  | -                | -               | -                   | -   |
| Debt Service:   |                  |                 |                     |   |
| Principal   | -                | -               | -                   | -   |
| Interest  | -                | -               | -                   | -   |
| <i>Total expenditures</i>   | <u>58,112</u>    | <u>58,112</u>   | <u>31,254</u>       | <u>26,858</u>                                 |
| <i>Excess (deficiency) of revenues over expenditures Non-GAAP basis</i>   | <u>(24,920)</u>  | <u>(24,920)</u> | <u>2,829</u>        | <u>27,749</u>                                 |
| <i>Other financing sources (uses)</i>   |                  |                 |                     |   |
| Designated Cash   | 24,920           | 24,920          | -                   | (24,920)                                      |
| Transfers In  | -                | -               | -                   | -   |
| Transfers Out   | -                | -               | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>24,920</u>    | <u>24,920</u>   | <u>-</u>            | <u>(24,920)</u>                               |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -               | 2,829               | 2,829   |
| <i>Cash Balance - Beginning of Year</i>   | -                | -               | 35,969              | 35,969  |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 38,798</u>    | <u>\$ 38,798</u>                              |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                 | \$ 2,829            |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                 | 4,797               |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                 | 542                 |   |
| Net change in fund balances (GAAP Basis)  |                  |                 | <u>\$ 8,168</u>     |   |



**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |        | Actual              | Variances                                     |
|---|------------------|--------|---------------------|---|
|   | Original         | Final  | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |        |                     |   |
| Taxes   | \$ -             | \$ -   | \$ -                | \$ -  |
| State Grants  | 10,022           | 10,022 | 10,022              | -   |
| Charges For Services  | -                | -      | -                   | -   |
| Licenses and Fees   | -                | -      | -                   | -   |
| Interest Income   | -                | -      | -                   | -   |
| Investment Income(Loss)   | -                | -      | -                   | -   |
| Miscellaneous   | -                | -      | -                   | -   |
| <i>Total revenues</i>   | 10,022           | 10,022 | 10,022              | -   |
| <i>Expenditures:</i>  |                  |        |                     |   |
| <i>Current:</i>   |                  |        |                     |   |
| General Government  | -                | -      | -                   | -   |
| Public Safety   | -                | -      | -                   | -   |
| Public Works  | -                | -      | -                   | -   |
| Culture and Recreation  | -                | -      | -                   | -   |
| Health and Welfare  | 10,022           | 10,022 | 10,022              | -   |
| Capital Outlay  | -                | -      | -                   | -   |
| <i>Debt Service:</i>  |                  |        |                     |   |
| Principal   | -                | -      | -                   | -   |
| Interest  | -                | -      | -                   | -   |
| <i>Total expenditures</i>   | 10,022           | 10,022 | 10,022              | -   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | -                | -      | -                   | -   |
| <i>Other financing sources (uses)</i>   |                  |        |                     |   |
| Designated Cash   | -                | -      | -                   | -   |
| Transfers In  | -                | -      | -                   | -   |
| Transfers Out   | -                | -      | -                   | -   |
| <i>Total other financing sources (uses)</i>   | -                | -      | -                   | -   |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -      | -                   | -   |
| <i>Cash Balance - Beginning of Year</i>   | -                | -      | 3,341               | 3,341   |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -   | \$ 3,341            | \$ 3,341                                      |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |        | \$ -                |   |
| Adjustment to revenue for accruals and other deferrals  |                  |        | 578                 |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |        | 4,027               |   |
| Net change in fund balances (GAAP Basis)  |                  |        | \$ 4,605            |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                | Actual              | Variances                                     |
|---|------------------|----------------|---------------------|---|
|   | Original         | Final          | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                |                     |   |
| Taxes   | \$ -             | \$ -           | \$ -                | \$ -  |
| State Grants  | 22,400           | 22,400         | 22,400              | -   |
| Charges For Services  | -                | -              | -                   | -   |
| Licenses and Fees   | -                | -              | -                   | -   |
| Interest Income   | -                | -              | -                   | -   |
| Investment Income(Loss)   | -                | -              | -                   | -   |
| Miscellaneous   | 2,500            | 2,500          | 2,500               | -   |
| <i>Total revenues</i>   | <u>24,900</u>    | <u>24,900</u>  | <u>24,900</u>       | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |                |                     |   |
| Current:  |                  |                |                     |   |
| General Government  | -                | -              | -                   | -   |
| Public Safety   | 22,400           | 22,400         | 12,031              | 10,369  |
| Public Works  | -                | -              | -                   | -   |
| Culture and Recreation  | -                | -              | -                   | -   |
| Health and Welfare  | -                | -              | -                   | -   |
| Capital Outlay  | -                | -              | -                   | -   |
| Debt Service:   |                  |                |                     |   |
| Principal   | -                | -              | -                   | -   |
| Interest  | -                | -              | -                   | -   |
| <i>Total expenditures</i>   | <u>22,400</u>    | <u>22,400</u>  | <u>12,031</u>       | <u>10,369</u>                                 |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>2,500</u>     | <u>2,500</u>   | <u>12,869</u>       | <u>10,369</u>                                 |
| <i>Other financing sources (uses)</i>   |                  |                |                     |   |
| Designated Cash   | (2,500)          | (2,500)        | -                   | 2,500   |
| Transfers In  | -                | -              | -                   | -   |
| Transfers Out   | -                | -              | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>(2,500)</u>   | <u>(2,500)</u> | <u>-</u>            | <u>2,500</u>                                  |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -              | 12,869              | 12,869  |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>       | <u>-</u>            | <u>-</u>                                      |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 12,869</u>    | <u>\$ 12,869</u>                              |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                | \$ 12,869           |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                | -                   |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                | -                   |   |
| Net change in fund balances (GAAP Basis)  |                  |                | <u>\$ 12,869</u>    |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATE LIBRARY GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |         | Actual              | Variances                                     |
|---|------------------|---------|---------------------|---|
|   | Original         | Final   | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |         |                     |   |
| Taxes   | \$ -             | \$ -    | \$ -                | \$ -  |
| State Grants  | 7,955            | 7,955   | 7,955               | -   |
| Charges For Services  | -                | -       | -                   | -   |
| Licenses and Fees   | -                | -       | -                   | -   |
| Interest Income   | -                | -       | -                   | -   |
| Investment Income(Loss)   | -                | -       | -                   | -   |
| Miscellaneous   | -                | -       | -                   | -   |
| <i>Total revenues</i>   | 7,955            | 7,955   | 7,955               | -   |
| <i>Expenditures:</i>  |                  |         |                     |   |
| <i>Current:</i>   |                  |         |                     |   |
| General Government  | -                | -       | -                   | -   |
| Public Safety   | -                | -       | -                   | -   |
| Public Works  | -                | -       | -                   | -   |
| Culture and Recreation  | 11,419           | 11,419  | 7,848               | 3,571   |
| Health and Welfare  | -                | -       | -                   | -   |
| Capital Outlay  | -                | -       | -                   | -   |
| <i>Debt Service:</i>  |                  |         |                     |   |
| Principal   | -                | -       | -                   | -   |
| Interest  | -                | -       | -                   | -   |
| <i>Total expenditures</i>   | 11,419           | 11,419  | 7,848               | 3,571   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (3,464)          | (3,464) | 107                 | 3,571   |
| <i>Other financing sources (uses)</i>   |                  |         |                     |   |
| Designated Cash   | 3,464            | 3,464   | -                   | (3,464)                                       |
| Transfers In  | -                | -       | -                   | -   |
| Transfers Out   | -                | -       | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 3,464            | 3,464   | -                   | (3,464)                                       |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -       | 107                 | 107   |
| <i>Cash Balance - Beginning of Year</i>   | -                | -       | 191                 | 191   |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -    | \$ 298              | \$ 298  |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |         | \$ 107              |   |
| Adjustment to revenue for accruals and other deferrals  |                  |         | -                   |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |         | -                   |   |
| Net change in fund balances (GAAP Basis)  |                  |         | \$ 107              |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STATE GASOLINE TAX SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |           | Actual              | Variances                                     |
|---|------------------|-----------|---------------------|---|
|   | Original         | Final     | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |           |                     |   |
| Taxes   | \$ 10,476        | \$ 10,476 | \$ 10,476           | \$ -  |
| State Grants  | -                | -         | -                   | -   |
| Charges For Services  | -                | -         | -                   | -   |
| Licenses and Fees   | -                | -         | -                   | -   |
| Interest Income   | -                | -         | -                   | -   |
| Investment Income(Loss)   | -                | -         | -                   | -   |
| Miscellaneous   | -                | -         | -                   | -   |
| <i>Total revenues</i>   | 10,476           | 10,476    | 10,476              | -   |
| <i>Expenditures:</i>  |                  |           |                     |   |
| <i>Current:</i>   |                  |           |                     |   |
| General Government  | -                | -         | -                   | -   |
| Public Safety   | -                | -         | -                   | -   |
| Public Works  | 11,828           | 11,828    | 8,620               | 3,208   |
| Culture and Recreation  | -                | -         | -                   | -   |
| Health and Welfare  | -                | -         | -                   | -   |
| Capital Outlay  | -                | -         | -                   | -   |
| <i>Debt Service:</i>  |                  |           |                     |   |
| Principal   | -                | -         | -                   | -   |
| Interest  | -                | -         | -                   | -   |
| <i>Total expenditures</i>   | 11,828           | 11,828    | 8,620               | 3,208   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (1,352)          | (1,352)   | 1,856               | 3,208   |
| <i>Other financing sources (uses)</i>   |                  |           |                     |   |
| Designated Cash   | 1,352            | 1,352     | -                   | (1,352)                                       |
| Transfers In  | -                | -         | -                   | -   |
| Transfers Out   | -                | -         | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 1,352            | 1,352     | -                   | (1,352)                                       |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -         | 1,856               | 1,856   |
| <i>Cash Balance - Beginning of Year</i>   | -                | -         | 8,657               | 8,657   |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -      | \$ 10,513           | \$ 10,513                                     |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |           | \$ 1,856            |   |
| Adjustment to revenue for accruals and other deferrals  |                  |           | (1,716)             |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |           | -                   |   |
| Net change in fund balances (GAAP Basis)  |                  |           | \$ 140              |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**TRANSPORTATION GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                 | Actual              | Variances                                     |
|---|------------------|-----------------|---------------------|---|
|   | Original         | Final           | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                 |                     |   |
| Taxes   | \$ -             | \$ -            | \$ -                | \$ -  |
| Federal Grants  | 94,803           | 94,803          | 94,803              | -   |
| Charges For Services  | -                | -               | -                   | -   |
| Licenses and Fees   | 94               | 94              | 94                  | -   |
| Interest Income   | -                | -               | -                   | -   |
| Investment Income(Loss)   | -                | -               | -                   | -   |
| Miscellaneous   | 13,350           | 13,350          | 13,350              | -   |
| <i>Total revenues</i>   | <u>108,247</u>   | <u>108,247</u>  | <u>108,247</u>      | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |                 |                     |   |
| Current:  |                  |                 |                     |   |
| General Government  | -                | -               | -                   | -   |
| Public Safety   | -                | -               | -                   | -   |
| Public Works  | -                | -               | -                   | -   |
| Culture and Recreation  | 168,051          | 168,051         | 141,345             | 26,706  |
| Health and Welfare  | -                | -               | -                   | -   |
| Capital Outlay  | -                | -               | -                   | -   |
| Debt Service:   |                  |                 |                     |   |
| Principal   | -                | -               | -                   | -   |
| Interest  | -                | -               | -                   | -   |
| <i>Total expenditures</i>   | <u>168,051</u>   | <u>168,051</u>  | <u>141,345</u>      | <u>26,706</u>                                 |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(59,804)</u>  | <u>(59,804)</u> | <u>(33,098)</u>     | <u>26,706</u>                                 |
| <i>Other financing sources (uses)</i>   |                  |                 |                     |   |
| Designated Cash   | (196)            | (196)           | -                   | 196   |
| Transfers In  | 60,000           | 60,000          | 60,000              | -   |
| Transfers Out   | -                | -               | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>59,804</u>    | <u>59,804</u>   | <u>60,000</u>       | <u>196</u>                                    |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -               | 26,902              | 26,902  |
| <i>Cash Balance - Beginning of Year</i>   | -                | -               | 21,925              | 21,925  |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 48,827</u>    | <u>\$ 48,827</u>                              |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                 | \$ 26,902           |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                 | 2,381               |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                 | (6,689)             |   |
| Net change in fund balances (GAAP Basis)  |                  |                 | <u>\$ 22,594</u>    |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**AMBULANCE TRANSFER SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                 | Actual              | Variances                                     |
|---|------------------|-----------------|---------------------|---|
|   | Original         | Final           | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                 |                     |   |
| Taxes   | \$ -             | \$ -            | \$ -                | \$ -  |
| State Grants  | -                | -               | -                   | -   |
| Charges For Services  | 211,439          | 211,439         | 211,439             | -   |
| Licenses and Fees   | -                | -               | -                   | -   |
| Interest Income   | -                | -               | -                   | -   |
| Investment Income(Loss)   | -                | -               | -                   | -   |
| Miscellaneous   | 901              | 901             | 901                 | -   |
| <i>Total revenues</i>   | <u>212,340</u>   | <u>212,340</u>  | <u>212,340</u>      | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |                 |                     |   |
| Current:  |                  |                 |                     |   |
| General Government  | -                | -               | -                   | -   |
| Public Safety   | -                | -               | -                   | -   |
| Public Works  | -                | -               | -                   | -   |
| Culture and Recreation  | -                | -               | -                   | -   |
| Health and Welfare  | 274,455          | 274,455         | 274,455             | -   |
| Capital Outlay  | -                | -               | -                   | -   |
| Debt Service:   |                  |                 |                     |   |
| Principal   | -                | -               | -                   | -   |
| Interest  | -                | -               | -                   | -   |
| <i>Total expenditures</i>   | <u>274,455</u>   | <u>274,455</u>  | <u>274,455</u>      | <u>-</u>                                      |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(62,115)</u>  | <u>(62,115)</u> | <u>(62,115)</u>     | <u>-</u>                                      |
| <i>Other financing sources (uses)</i>   |                  |                 |                     |   |
| Designated Cash   | 62,115           | 62,115          | -                   | (62,115)                                      |
| Transfers In  | -                | -               | -                   | -   |
| Transfers Out   | -                | -               | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>62,115</u>    | <u>62,115</u>   | <u>-</u>            | <u>(62,115)</u>                               |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -               | (62,115)            | (62,115)                                      |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>        | <u>77,818</u>       | <u>77,818</u>                                 |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 15,703</u>    | <u>\$ 15,703</u>                              |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                 | \$ (62,115)         |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                 | (5,815)             |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                 | 4,173               |   |
| Net change in fund balances (GAAP Basis)  |                  |                 | <u>\$ (63,757)</u>  |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**MOTOR VEHICLE DEPARTMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |         | Actual              | Variances                                     |
|---|------------------|---------|---------------------|---|
|   | Original         | Final   | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |         |                     |   |
| Taxes   | \$ -             | \$ -    | \$ -                | \$ -  |
| State Grants  | -                | -       | -                   | -   |
| Charges For Services  | -                | -       | -                   | -   |
| Licenses and Fees   | -                | -       | -                   | -   |
| Interest Income   | 13,835           | 13,835  | 13,835              | -   |
| Investment Income(Loss)   | -                | -       | -                   | -   |
| Miscellaneous   | -                | -       | -                   | -   |
| <i>Total revenues</i>   | 13,835           | 13,835  | 13,835              | -   |
| <i>Expenditures:</i>  |                  |         |                     |   |
| <i>Current:</i>   |                  |         |                     |   |
| General Government  | 21,947           | 21,947  | 18,159              | 3,788   |
| Public Safety   | -                | -       | -                   | -   |
| Public Works  | -                | -       | -                   | -   |
| Culture and Recreation  | -                | -       | -                   | -   |
| Health and Welfare  | -                | -       | -                   | -   |
| Capital Outlay  | -                | -       | -                   | -   |
| <i>Debt Service:</i>  |                  |         |                     |   |
| Principal   | -                | -       | -                   | -   |
| Interest  | -                | -       | -                   | -   |
| <i>Total expenditures</i>   | 21,947           | 21,947  | 18,159              | 3,788   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (8,112)          | (8,112) | (4,324)             | 3,788   |
| <i>Other financing sources (uses)</i>   |                  |         |                     |   |
| Designated Cash   | 4,112            | 4,112   | -                   | (4,112)                                       |
| Transfers In  | 4,000            | 4,000   | 4,000               | -   |
| Transfers Out   | -                | -       | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 8,112            | 8,112   | 4,000               | (4,112)                                       |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -       | (324)               | (324)   |
| <i>Cash Balance - Beginning of Year</i>   | -                | -       | 2,611               | 2,611   |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -    | \$ 2,287            | \$ 2,287                                      |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |         | \$ (324)            |   |
| Adjustment to revenue for accruals and other deferrals  |                  |         | -                   |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |         | (647)               |   |
| Net change in fund balances (GAAP Basis)  |                  |         | \$ (971)            |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**ECONOMIC DEVELOPMENT GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |            | Actual              | Variances                                     |
|---|------------------|------------|---------------------|---|
|   | Original         | Final      | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |            |                     |   |
| Taxes   | \$ -             | \$ -       | \$ -                | \$ -  |
| State Grants  | -                | -          | -                   | -   |
| Charges For Services  | 76,746           | 76,746     | 76,746              | -   |
| Licenses and Fees   | -                | -          | -                   | -   |
| Interest Income   | -                | -          | -                   | -   |
| Investment Income(Loss)   | -                | -          | -                   | -   |
| Miscellaneous   | -                | -          | -                   | -   |
| <i>Total revenues</i>   | 76,746           | 76,746     | 76,746              | -   |
| <i>Expenditures:</i>  |                  |            |                     |   |
| <i>Current:</i>   |                  |            |                     |   |
| General Government  | -                | -          | -                   | -   |
| Public Safety   | -                | -          | -                   | -   |
| Public Works  | -                | -          | -                   | -   |
| Culture and Recreation  | 237,701          | 237,701    | 229,471             | 8,230   |
| Health and Welfare  | -                | -          | -                   | -   |
| Capital Outlay  | -                | -          | -                   | -   |
| <i>Debt Service:</i>  |                  |            |                     |   |
| Principal   | -                | -          | -                   | -   |
| Interest  | -                | -          | -                   | -   |
| <i>Total expenditures</i>   | 237,701          | 237,701    | 229,471             | 8,230   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (160,955)        | (160,955)  | (152,725)           | 8,230   |
| <i>Other financing sources (uses)</i>   |                  |            |                     |   |
| Designated Cash   | 319,455          | 319,455    | -                   | (319,455)                                     |
| Transfers In  | 158,500          | 158,500    | 158,500             | -   |
| Transfers Out   | -                | -          | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 477,955          | 477,955    | 158,500             | (319,455)                                     |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | 317,000          | 317,000    | 5,775               | (311,225)                                     |
| <i>Cash Balance - Beginning of Year</i>   | -                | -          | 33,282              | 33,282  |
| <i>Cash Balance - End of Year</i>   | \$ 317,000       | \$ 317,000 | \$ 39,057           | \$ (277,943)                                  |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |            | \$ 5,775            |   |
| Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals                        |                  |            | (1,500)             |   |
| Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals             |                  |            | (538)               |   |
| Net change in fund balances (GAAP basis)  |                  |            | \$ 3,737            |   |



**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**FIRE/EMS DONATIONS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |          | Actual              | Variances                                     |
|---|------------------|----------|---------------------|---|
|   | Original         | Final    | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |          |                     |   |
| Taxes   | \$ -             | \$ -     | \$ -                | \$ -  |
| State Grants  | -                | -        | -                   | -   |
| Charges For Services  | -                | -        | -                   | -   |
| Licenses and Fees   | -                | -        | -                   | -   |
| Interest Income   | -                | -        | -                   | -   |
| Investment Income(Loss)   | -                | -        | -                   | -   |
| Miscellaneous   | 423,730          | 423,730  | 423,730             | -   |
| <i>Total revenues</i>   | 423,730          | 423,730  | 423,730             | -   |
| <i>Expenditures:</i>  |                  |          |                     |   |
| <i>Current:</i>   |                  |          |                     |   |
| General Government  | -                | -        | -                   | -   |
| Public Safety   | 463,755          | 463,755  | 394,111             | 69,644  |
| Public Works  | -                | -        | -                   | -   |
| Culture and Recreation  | -                | -        | -                   | -   |
| Health and Welfare  | -                | -        | -                   | -   |
| Capital Outlay  | -                | -        | -                   | -   |
| <i>Debt Service:</i>  |                  |          |                     |   |
| Principal   | -                | -        | -                   | -   |
| Interest  | -                | -        | -                   | -   |
| <i>Total expenditures</i>   | 463,755          | 463,755  | 394,111             | 69,644  |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (40,025)         | (40,025) | 29,619              | 69,644  |
| <i>Other financing sources (uses)</i>   |                  |          |                     |   |
| Designated Cash   | 40,025           | 40,025   | -                   | (40,025)                                      |
| Transfers In  | -                | -        | -                   | -   |
| Transfers Out   | -                | -        | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 40,025           | 40,025   | -                   | (40,025)                                      |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -        | 29,619              | 29,619  |
| <i>Cash Balance - Beginning of Year</i>   | -                | -        | 11,751              | 11,751  |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -     | \$ 41,370           | \$ 41,370                                     |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |          | \$ 29,619           |   |
| Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals                        |                  |          | (44,277)            |   |
| Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals             |                  |          | 20,573              |   |
| Net change in fund balances (GAAP basis)  |                  |          | \$ 5,915            |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**SEWER/AWWT REPLACEMENT CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |       | Actual              | Variances                                     |
|---|------------------|-------|---------------------|---|
|   | Original         | Final | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |       |                     |   |
| Taxes   | \$ -             | \$ -  | \$ -                | \$ -  |
| State Grants  | -                | -     | -                   | -   |
| Charges For Services  | -                | -     | -                   | -   |
| Licenses and Fees   | -                | -     | -                   | -   |
| Interest Income   | -                | -     | -                   | -   |
| Investment Income(Loss)   | -                | -     | -                   | -   |
| Miscellaneous   | -                | -     | -                   | -   |
| <i>Total revenues</i>   | -                | -     | -                   | -   |
| <i>Expenditures:</i>  |                  |       |                     |   |
| <i>Current:</i>   |                  |       |                     |   |
| General Government  | -                | -     | -                   | -   |
| Public Safety   | -                | -     | -                   | -   |
| Public Works  | -                | -     | -                   | -   |
| Culture and Recreation  | -                | -     | -                   | -   |
| Health and Welfare  | -                | -     | -                   | -   |
| Capital Outlay  | -                | -     | -                   | -   |
| <i>Debt Service:</i>  |                  |       |                     |   |
| Principal   | -                | -     | -                   | -   |
| Interest  | -                | -     | -                   | -   |
| <i>Total expenditures</i>   | -                | -     | -                   | -   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | -                | -     | -                   | -   |
| <i>Other financing sources (uses)</i>   |                  |       |                     |   |
| Designated Cash   | -                | -     | -                   | -   |
| Transfers In  | -                | -     | -                   | -   |
| Transfers Out   | -                | -     | -                   | -   |
| <i>Total other financing sources (uses)</i>   | -                | -     | -                   | -   |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -     | -                   | -   |
| <i>Cash Balance - Beginning of Year</i>   | -                | -     | 98,844              | 98,844  |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -  | \$ 98,844           | \$ 98,844                                     |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |       | \$ -                |   |
| Adjustment to revenue for accruals and other deferrals  |                  |       | -                   |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |       | -                   |   |
| Net change in fund balances (GAAP Basis)  |                  |       | \$ -                |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**WATER LINE REPLACEMENT CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | <u>Budgeted Amounts</u> |                 | <u>Actual</u>               | <u>Variances</u>                   |
|---|-------------------------|-----------------|-----------------------------|------------------------------------|
|   | <u>Original</u>         | <u>Final</u>    | <u>(Non-GAAP<br/>Basis)</u> | <u>Favorable<br/>(Unfavorable)</u> |
|   |                         |                 |                             | <u>Final to Actual</u>             |
| <i>Revenues:</i>  |                         |                 |                             |                                    |
| Taxes   | \$ 107,417              | \$ 107,417      | \$ 107,417                  | \$ -                               |
| State Grants  | -                       | -               | -                           | -                                  |
| Charges For Services  | -                       | -               | -                           | -                                  |
| Licenses and Fees   | -                       | -               | -                           | -                                  |
| Interest Income   | -                       | -               | -                           | -                                  |
| Investment Income(Loss)   | -                       | -               | -                           | -                                  |
| Miscellaneous   | -                       | -               | -                           | -                                  |
| <i>Total revenues</i>   | <u>107,417</u>          | <u>107,417</u>  | <u>107,417</u>              | <u>-</u>                           |
| <i>Expenditures:</i>  |                         |                 |                             |                                    |
| <i>Current:</i>   |                         |                 |                             |                                    |
| General Government  | -                       | -               | -                           | -                                  |
| Public Safety   | -                       | -               | -                           | -                                  |
| Public Works  | 151,023                 | 151,023         | 129,085                     | 21,938                             |
| Culture and Recreation  | -                       | -               | -                           | -                                  |
| Health and Welfare  | -                       | -               | -                           | -                                  |
| Capital Outlay  | -                       | -               | -                           | -                                  |
| <i>Debt Service:</i>  |                         |                 |                             |                                    |
| Principal   | -                       | -               | -                           | -                                  |
| Interest  | -                       | -               | -                           | -                                  |
| <i>Total expenditures</i>   | <u>151,023</u>          | <u>151,023</u>  | <u>129,085</u>              | <u>21,938</u>                      |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(43,606)</u>         | <u>(43,606)</u> | <u>(21,668)</u>             | <u>21,938</u>                      |
| <i>Other financing sources (uses)</i>   |                         |                 |                             |                                    |
| Designated Cash   | 43,606                  | 43,606          | -                           | (43,606)                           |
| Transfers In  | -                       | -               | -                           | -                                  |
| Transfers Out   | -                       | -               | -                           | -                                  |
| <i>Total other financing sources (uses)</i>   | <u>43,606</u>           | <u>43,606</u>   | <u>-</u>                    | <u>(43,606)</u>                    |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                       | -               | (21,668)                    | (21,668)                           |
| <i>Cash Balance - Beginning of Year</i>   | -                       | -               | 61,824                      | 61,824                             |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>             | <u>\$ -</u>     | <u>\$ 40,156</u>            | <u>\$ 40,156</u>                   |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                         |                 | \$ (21,668)                 |                                    |
| Adjustment to revenue for accruals and other deferrals  |                         |                 | 1,093                       |                                    |
| Adjustment to expenditures for payables, prepaids and other accruals  |                         |                 | 501                         |                                    |
| Net change in fund balances (GAAP Basis)  |                         |                 | <u>\$ (20,074)</u>          |                                    |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**PARK REPLACEMENT CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                 | Actual              | Variances                                     |
|---|------------------|-----------------|---------------------|---|
|   | Original         | Final           | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                 |                     |   |
| Taxes   | \$ 107,417       | \$ 107,417      | \$ 107,417          | \$ -  |
| State Grants  | -                | -               | -                   | -   |
| Charges For Services  | -                | -               | -                   | -   |
| Licenses and Fees   | -                | -               | -                   | -   |
| Interest Income   | -                | -               | -                   | -   |
| Investment Income(Loss)   | -                | -               | -                   | -   |
| Miscellaneous   | 50               | 50              | 50                  | -   |
| <i>Total revenues</i>   | <u>107,467</u>   | <u>107,467</u>  | <u>107,467</u>      | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |                 |                     |   |
| <i>Current:</i>   |                  |                 |                     |   |
| General Government  | -                | -               | -                   | -   |
| Public Safety   | -                | -               | -                   | -   |
| Public Works  | -                | -               | -                   | -   |
| Culture and Recreation  | 121,395          | 121,395         | 110,175             | 11,220  |
| Health and Welfare  | -                | -               | -                   | -   |
| Capital Outlay  | -                | -               | -                   | -   |
| <i>Debt Service:</i>  |                  |                 |                     |   |
| Principal   | -                | -               | -                   | -   |
| Interest  | -                | -               | -                   | -   |
| <i>Total expenditures</i>   | <u>121,395</u>   | <u>121,395</u>  | <u>110,175</u>      | <u>11,220</u>                                 |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(13,928)</u>  | <u>(13,928)</u> | <u>(2,708)</u>      | <u>11,220</u>                                 |
| <i>Other financing sources (uses)</i>   |                  |                 |                     |   |
| Designated Cash   | 13,928           | 13,928          | -                   | (13,928)                                      |
| Transfers In  | -                | -               | -                   | -   |
| Transfers Out   | -                | -               | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>13,928</u>    | <u>13,928</u>   | <u>-</u>            | <u>(13,928)</u>                               |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -               | (2,708)             | (2,708)                                       |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>        | <u>50,628</u>       | <u>50,628</u>                                 |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 47,920</u>    | <u>\$ 47,920</u>                              |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                 | \$ (2,708)          |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                 | 1,093               |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                 | 2,424               |   |
| Net change in fund balances (GAAP Basis)  |                  |                 | <u>\$ 809</u>       |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**INFRASTRUCTURE REPLACEMENT CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                 | Actual             | Variances                               |
|---|------------------|-----------------|--------------------|---|
|   | Original         | Final           | (Non-GAAP Basis)   | Favorable (Unfavorable) Final to Actual |
| <i>Revenues:</i>  |                  |                 |                    |   |
| Taxes   | \$ 152,419       | \$ 152,419      | 159,545            | \$ 7,126                                |
| State Grants  | -                | -               | -                  | -                                       |
| Charges For Services  | 20,175           | 20,175          | 20,175             | -                                       |
| Licenses and Fees   | -                | -               | -                  | -                                       |
| Interest Income   | -                | -               | -                  | -                                       |
| Investment Income(Loss)   | -                | -               | -                  | -                                       |
| Miscellaneous   | 25               | 25              | 25                 | -                                       |
| <i>Total revenues</i>   | <u>172,619</u>   | <u>172,619</u>  | <u>179,745</u>     | <u>7,126</u>                            |
| <i>Expenditures:</i>  |                  |                 |                    |   |
| Current:  |                  |                 |                    |   |
| General Government  | 193,711          | 193,711         | 180,682            | 13,029                                  |
| Public Safety   | -                | -               | -                  | -                                       |
| Public Works  | -                | -               | -                  | -                                       |
| Culture and Recreation  | -                | -               | -                  | -                                       |
| Health and Welfare  | -                | -               | -                  | -                                       |
| Capital Outlay  | -                | -               | -                  | -                                       |
| Debt Service:   |                  |                 |                    |   |
| Principal   | 52,000           | 52,000          | 52,000             | -                                       |
| Interest  | -                | -               | -                  | -                                       |
| <i>Total expenditures</i>   | <u>245,711</u>   | <u>245,711</u>  | <u>232,682</u>     | <u>13,029</u>                           |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(73,092)</u>  | <u>(73,092)</u> | <u>(52,937)</u>    | <u>20,155</u>                           |
| <i>Other financing sources (uses)</i>   |                  |                 |                    |   |
| Designated Cash   | 73,092           | 73,092          | -                  | (73,092)                                |
| Transfers In  | -                | -               | -                  | -                                       |
| Transfers Out   | -                | -               | -                  | -                                       |
| <i>Total other financing sources (uses)</i>   | <u>73,092</u>    | <u>73,092</u>   | <u>-</u>           | <u>(73,092)</u>                         |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -               | (52,937)           | (52,937)                                |
| <i>Cash Balance - Beginning of Year</i>   | -                | -               | 101,302            | 101,302                                 |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 48,365</u>   | <u>\$ 48,365</u>                        |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                 | \$ (52,937)        |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                 | 2,047              |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                 | (2,049)            |   |
| Net change in fund balances (GAAP Basis)  |                  |                 | <u>\$ (52,939)</u> |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**STREETS TAX SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                 | Actual              | Variances                                     |
|---|------------------|-----------------|---------------------|---|
|   | Original         | Final           | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                 |                     |   |
| Taxes   | \$ 107,417       | \$ 107,417      | 107,417             | \$ -  |
| State Grants  | -                | -               | -                   | -   |
| Charges For Services  | -                | -               | -                   | -   |
| Licenses and Fees   | -                | -               | -                   | -   |
| Interest Income   | -                | -               | -                   | -   |
| Investment Income(Loss)   | -                | -               | 373                 | 373   |
| Miscellaneous   | -                | -               | -                   | -   |
| <i>Total revenues</i>   | <u>107,417</u>   | <u>107,417</u>  | <u>107,790</u>      | <u>373</u>                                    |
| <i>Expenditures:</i>  |                  |                 |                     |   |
| <i>Current:</i>   |                  |                 |                     |   |
| General Government  | -                | -               | -                   | -   |
| Public Safety   | -                | -               | -                   | -   |
| Public Works  | 136,740          | 136,740         | 86,860              | 49,880  |
| Culture and Recreation  | -                | -               | -                   | -   |
| Health and Welfare  | -                | -               | -                   | -   |
| Capital Outlay  | -                | -               | -                   | -   |
| <i>Debt Service:</i>  |                  |                 |                     |   |
| Principal   | -                | -               | -                   | -   |
| Interest  | -                | -               | -                   | -   |
| <i>Total expenditures</i>   | <u>136,740</u>   | <u>136,740</u>  | <u>86,860</u>       | <u>49,880</u>                                 |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(29,323)</u>  | <u>(29,323)</u> | <u>20,930</u>       | <u>(50,253)</u>                               |
| <i>Other financing sources (uses)</i>   |                  |                 |                     |   |
| Designated Cash   | 29,323           | 29,323          | -                   | (29,323)                                      |
| Transfers In  | -                | -               | -                   | -   |
| Transfers Out   | -                | -               | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>29,323</u>    | <u>29,323</u>   | <u>-</u>            | <u>(29,323)</u>                               |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -               | 20,930              | 20,930  |
| <i>Cash Balance - Beginning of Year</i>   | -                | -               | 137,818             | 137,818                                       |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 158,748</u>   | <u>\$ 158,748</u>                             |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                 | \$ 20,930           |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                 | 1,093               |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                 | 1,157               |   |
| Net change in fund balances (GAAP Basis)  |                  |                 | <u>\$ 23,180</u>    |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**GRANTS CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |                  | Actual              | Variances                                     |
|---|------------------|------------------|---------------------|---|
|   | Original         | Final            | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |                  |                     |   |
| Taxes   | \$ -             | \$ -             | \$ -                | \$ -  |
| State Grants  | 514,378          | 514,378          | 514,378             | -   |
| Federal Grants  | 350,605          | 350,605          | 350,605             | -   |
| Charges for Services  | 1,872            | 1,872            | 1,872               | -   |
| Interest Income   | -                | -                | -                   | -   |
| Investment Income(Loss)   | -                | -                | -                   | -   |
| Miscellaneous   | -                | -                | -                   | -   |
| <i>Total revenues</i>   | <u>866,855</u>   | <u>866,855</u>   | <u>866,855</u>      | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |                  |                     |   |
| Current:  |                  |                  |                     |   |
| General Government  | -                | -                | -                   | -   |
| Public Safety   | -                | -                | -                   | -   |
| Public Works  | 1,355,847        | 1,355,847        | 904,860             | 450,987                                       |
| Culture and Recreation  | -                | -                | -                   | -   |
| Health and Welfare  | -                | -                | -                   | -   |
| Capital Outlay  | -                | -                | -                   | -   |
| Debt Service:   |                  |                  |                     |   |
| Principal   | -                | -                | -                   | -   |
| Interest  | -                | -                | -                   | -   |
| <i>Total expenditures</i>   | <u>1,355,847</u> | <u>1,355,847</u> | <u>904,860</u>      | <u>450,987</u>                                |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>(488,992)</u> | <u>(488,992)</u> | <u>(38,005)</u>     | <u>(450,987)</u>                              |
| <i>Other financing sources (uses)</i>   |                  |                  |                     |   |
| Designated Cash   | 488,992          | 488,992          | -                   | (488,992)                                     |
| Transfers In  | -                | -                | -                   | -   |
| Transfers Out   | -                | -                | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>488,992</u>   | <u>488,992</u>   | <u>-</u>            | <u>(488,992)</u>                              |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | <u>-</u>         | <u>-</u>         | <u>(38,005)</u>     | <u>(38,005)</u>                               |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>         | <u>(52,534)</u>     | <u>(52,534)</u>                               |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ (90,539)</u>  | <u>\$ (90,539)</u>                            |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |                  | \$ (38,005)         |   |
| Adjustment to revenue for accruals and other deferrals  |                  |                  | (48,089)            |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |                  | 50,590              |   |
| Net change in fund balances (GAAP Basis)  |                  |                  | <u>\$ (35,504)</u>  |   |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |               | Actual              | Variances                                     |
|---|------------------|---------------|---------------------|---|
|   | Original         | Final         | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |               |                     |   |
| Taxes   | \$ -             | \$ -          | \$ -                | \$ -  |
| State Grants  | -                | -             | -                   | -   |
| Charges For Services  | -                | -             | -                   | -   |
| Licenses and Fees   | -                | -             | -                   | -   |
| Interest Income   | -                | -             | -                   | -   |
| Investment Income(Loss)   | -                | -             | -                   | -   |
| Miscellaneous   | 72,000           | 72,000        | 72,000              | -   |
| <i>Total revenues</i>   | <u>72,000</u>    | <u>72,000</u> | <u>72,000</u>       | <u>-</u>                                      |
| <i>Expenditures:</i>  |                  |               |                     |   |
| <i>Current:</i>   |                  |               |                     |   |
| General Government  | -                | -             | -                   | -   |
| Public Safety   | -                | -             | -                   | -   |
| Public Works  | -                | -             | -                   | -   |
| Culture and Recreation  | -                | -             | -                   | -   |
| Health and Welfare  | -                | -             | -                   | -   |
| Capital Outlay  | -                | -             | -                   | -   |
| <i>Debt Service:</i>  |                  |               |                     |   |
| Principal   | -                | -             | -                   | -   |
| Interest  | 72,000           | 72,000        | 66,745              | 5,255   |
| <i>Total expenditures</i>   | <u>72,000</u>    | <u>72,000</u> | <u>66,745</u>       | <u>5,255</u>                                  |
| <i>Excess (deficiency) of revenues over expenditures</i>  | <u>-</u>         | <u>-</u>      | <u>5,255</u>        | <u>5,255</u>                                  |
| <i>Other financing sources (uses)</i>   |                  |               |                     |   |
| Designated Cash   | -                | -             | -                   | -   |
| Transfers In  | -                | -             | -                   | -   |
| Transfers Out   | -                | -             | -                   | -   |
| <i>Total other financing sources (uses)</i>   | <u>-</u>         | <u>-</u>      | <u>-</u>            | <u>-</u>                                      |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | <u>-</u>         | <u>-</u>      | <u>5,255</u>        | <u>5,255</u>                                  |
| <i>Cash Balance - Beginning of Year</i>   | <u>-</u>         | <u>-</u>      | <u>122,223</u>      | <u>122,223</u>                                |
| <i>Cash Balance - End of Year</i>   | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ 127,478</u>   | <u>\$ 127,478</u>                             |
| Excess (deficiency) of revenues over expenditures (Non-GAAP basis)  |                  |               | \$ 5,255            |   |
| Adjustment to revenue for accruals and other deferrals  |                  |               | -                   |   |
| Adjustment to expenditures for payables, prepaids and other accruals  |                  |               | -                   |   |
| Net change in fund balances (GAAP Basis)  |                  |               | <u>\$ 5,255</u>     |   |



**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**SEWER/AWWT PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |          | Actual              | Variances                                     |
|---|------------------|----------|---------------------|---|
|   | Original         | Final    | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |          |                     |   |
| Taxes   | \$ -             | \$ -     | \$ -                | \$ -  |
| State Grants  | -                | -        | -                   | -   |
| Charges For Services  | 452,025          | 452,025  | 452,443             | 418   |
| Interest Income   | -                | -        | -                   | -   |
| Investment Income(Loss)   | -                | -        | -                   | -   |
| Miscellaneous   | -                | -        | -                   | -   |
| <i>Total revenues</i>   | 452,025          | 452,025  | 452,443             | 418   |
| <i>Expenditures:</i>  |                  |          |                     |   |
| <i>Current:</i>   |                  |          |                     |   |
| Operating Expenses  | 198,050          | 198,050  | 151,580             | 46,470  |
| Travel  | 4,700            | 4,700    | 3,561               | 1,139   |
| Gross Receipts Tax  | 19,635           | 19,635   | 20,603              | (968)   |
| Depreciation  | -                | -        | -                   | -   |
| Purchases for Resale  | -                | -        | 13                  | (13)  |
| Contract Services   | 6,000            | 6,000    | 9,750               | (3,750)                                       |
| Salaries  | 278,700          | 278,700  | 278,204             | 496   |
| Supplies  | 31,000           | 31,000   | 22,132              | 8,868   |
| <i>Debt Service:</i>  |                  |          |                     |   |
| Principal   | -                | -        | -                   | -   |
| Interest  | -                | -        | -                   | -   |
| <i>Total expenditures</i>   | 538,085          | 538,085  | 485,843             | 52,242  |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (86,060)         | (86,060) | (33,400)            | 52,660  |
| <i>Other financing sources (uses)</i>   |                  |          |                     |   |
| Designated Cash   | 86,060           | 86,060   | 86,060              | -   |
| Transfers In  | -                | -        | -                   | -   |
| Transfers Out   | -                | -        | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 86,060           | 86,060   | 86,060              | -   |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -        | 52,660              | 52,660  |
| <i>Cash Balance - Beginning of Year</i>   | -                | -        | 105,180             | 105,180                                       |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -     | \$ 157,840          | \$ 157,840                                    |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**SOLID WASTE PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Year Ended June 30, 2014

|   | Budgeted Amounts |           | Actual              | Variances                                     |
|---|------------------|-----------|---------------------|---|
|   | Original         | Final     | (Non-GAAP<br>Basis) | (Unfavorable)<br>Favorable<br>Final to Actual |
| <i>Revenues:</i>  |                  |           |                     |   |
| Taxes   | \$ -             | \$ -      | \$ -                | \$ -  |
| State Grants  | -                | -         | -                   | -   |
| Charges For Services  | 368,628          | 368,628   | 369,092             | 464   |
| Interest Income   | -                | -         | -                   | -   |
| Investment Income(Loss)   | -                | -         | -                   | -   |
| Miscellaneous   | -                | -         | -                   | -   |
| <i>Total revenues</i>   | 368,628          | 368,628   | 369,092             | 464   |
| <i>Expenditures:</i>  |                  |           |                     |   |
| <i>Current:</i>   |                  |           |                     |   |
| Operating Expenses  | 230,695          | 230,695   | 205,134             | 25,561  |
| Travel  | 25,700           | 25,700    | 24,509              | 1,191   |
| Gross Receipts Tax  | -                | -         | -                   | -   |
| Depreciation  | -                | -         | -                   | -   |
| Purchases for Resale  | 6,500            | 6,500     | 7,315               | (815)   |
| Contract Services   | -                | -         | -                   | -   |
| Salaries  | 143,770          | 143,770   | 108,193             | 35,577  |
| Supplies  | 2,500            | 2,500     | 973                 | 1,527   |
| <i>Debt Service:</i>  |                  |           |                     |   |
| Principal   | -                | -         | -                   | -   |
| Interest  | -                | 82,275    | -                   | 82,275  |
| <i>Total expenditures</i>   | 409,165          | 491,440   | 346,124             | 145,316                                       |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (40,537)         | (122,812) | 22,968              | 145,780                                       |
| <i>Other financing sources (uses)</i>   |                  |           |                     |   |
| Designated Cash   | 40,537           | 122,812   | -                   | (122,812)                                     |
| Transfers In  | -                | -         | -                   | -   |
| Transfers Out   | -                | -         | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 40,537           | 122,812   | -                   | (122,812)                                     |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -         | 22,968              | 22,968  |
| <i>Cash Balance - Beginning of Year</i>   | -                | -         | 105,489             | 105,489                                       |
| <i>Cash Balance - End of Year</i>   | \$ -             | \$ -      | \$ 128,457          | \$ 128,457                                    |

**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**WATER PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2014**

|   | Budgeted Amounts |         | Actual              | Variances                                     |
|---|------------------|---------|---------------------|---|
|   | Original         | Final   | (Non-GAAP<br>Basis) | Favorable<br>(Unfavorable)<br>Final to Actual |
| <i>Revenues:</i>  |                  |         |                     |   |
| Taxes   | \$ -             | \$ -    | \$ -                | \$ -  |
| State Grants  | -                | -       | -                   | -   |
| Charges For Services  | 361,652          | 361,652 | 383,187             | 21,535  |
| Interest Income   | -                | -       | -                   | -   |
| Investment Income(Loss)   | -                | -       | -                   | -   |
| Miscellaneous   | -                | -       | -                   | -   |
| <i>Total revenues</i>   | 361,652          | 361,652 | 383,187             | 21,535  |
| <i>Expenditures:</i>  |                  |         |                     |   |
| <i>Current:</i>   |                  |         |                     |   |
| Operating Expenses  | 108,688          | 108,688 | 99,229              | 9,459   |
| Travel  | 8,000            | 8,000   | 6,751               | 1,249   |
| Gross Receipts Tax  | 15,000           | 15,000  | 15,462              | (462)   |
| Depreciation  | -                | -       | -                   | -   |
| Purchases for Resale  | -                | -       | -                   | -   |
| Contract Services   | 6,250            | 6,250   | 7,315               | (1,065)                                       |
| Salaries  | 226,142          | 226,142 | 235,643             | (9,501)                                       |
| Supplies  | 6,500            | 6,500   | 5,360               | 1,140   |
| <i>Debt Service:</i>  |                  |         |                     |   |
| Principal   | -                | -       | -                   | -   |
| Interest  | -                | -       | -                   | -   |
| <i>Total expenditures</i>   | 370,580          | 370,580 | 369,760             | 820   |
| <i>Excess (deficiency) of revenues over expenditures</i>  | (8,928)          | (8,928) | 13,427              | 22,355  |
| <i>Other financing sources (uses)</i>   |                  |         |                     |   |
| Designated Cash   | 8,928            | 8,928   | 8,928               | -   |
| Transfers In  | -                | -       | -                   | -   |
| Transfers Out   | -                | -       | -                   | -   |
| <i>Total other financing sources (uses)</i>   | 8,928            | 8,928   | 8,928               | -   |
| <i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i> | -                | -       | 22,355              | 22,355  |
| <i>Cash Balance- Beginning of Year</i>  | -                | -       | 15,963              | 15,963  |
| <i>Cash Balance- End of Year</i>  | \$ -             | \$ -    | \$ 38,318           | \$ 38,318                                     |

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**SUPPORTING SCHEDULES**

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STATE OF NEW MEXICO

Schedule I

TOWN OF RED RIVER

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES- AGENCY FUNDS

For The Year Ended June 30, 2014

|                                   | <u>Balance</u><br><u>July 1, 2013</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u><br><u>June 30, 2014</u> |
|-----------------------------------|---------------------------------------|------------------|------------------|--|
| <b><u>ASSETS</u></b>              |                                       |                  |                  |  |
| Cash-Enchanted Circle EMS         | <u>\$ 13,427</u>                      | <u>10,371</u>    | <u>7,782</u>     | <u>\$ 16,017</u>                       |
| <b><u>LIABILITIES</u></b>         |                                       |                  |                  |  |
| Deposits held in trust for others | <u>\$ 13,427</u>                      | <u>10,371</u>    | <u>7,782</u>     | <u>\$ 16,017</u>                       |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2014**

Schedule II

| Name of<br>Depository | Description<br>of Pledged<br>Collateral         | Fair<br>Market Value<br>June 30, 2014 | Name and<br>Location of<br>Safekeeper     |
|-----------------------|---|---------------------------------------|---|
| Peoples Bank          | MBS FHLMC Gold 15 Yr, 2.5%<br>3132G5AS8, 5/1/28 | \$ 770,457                            | UMB: United Missouri Bank<br>Overland, KS |
| Peoples Bank          | MBS FHLMC 20 Yr, 5.0%<br>31335HVE0, 1/1/23      | \$ 156,694                            | UMB: United Missouri Bank<br>Overland, KS |
| Peoples Bank          | MBS FNMA Conv, 3.5%<br>31418AGR3, 7/1/2032      | 40,584                                | UMB: United Missouri Bank<br>Overland, KS |
|                       |   | <u>\$ 967,734</u>                     |   |

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**STATE OF NEW MEXICO**  
**TOWN OF RED RIVER**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2014**

Schedule III

| Bank Account Type/Name  | Peoples Bank        | Total                      |
|---|---------------------|----------------------------|
| Ambulance Replacement Money Market, Interest Bearing                | \$ 2,368            | \$ 2,368                   |
| Checking - Operational Account, Non-interest Bearing                | 1,606,055           | 1,606,055                  |
| Checking - Court Bond Account, Non-interest Bearing                 | 4,900               | 4,900                      |
| Bond Revenue Account, Interest Bearing                              | 127,478             | 127,478                    |
| Savings-Solid Waste Equipment Replacement Account, Interest Bearing | 45,128              | 45,128                     |
| Checking-Claimjumper Account, Interest Bearing                      | 30,339              | 30,339                     |
| Checking- Planning, Interest Bearing                                | 36,708              | 36,708                     |
| Certificate of Deposit, Interest Bearing                            | 83,358              | 83,358                     |
| <br>  |                     |                            |
| Total On Deposit  | 1,936,334           | 1,936,334                  |
| <br>  |                     |                            |
| Reconciling Items   | (87,453)            | (87,453)                   |
| <br>  |                     |                            |
| Reconciled Balance  | <u>\$ 1,848,881</u> | <u>\$ 1,848,881</u>        |
| <br>  |                     |                            |
| NMFA Reserves   |                     | 70,311                     |
| Total cash and investments at June 30, 2014                         |                     | <u><u>\$ 1,919,192</u></u> |

This amount is reflected in the financial statements as follows:

|                                       |                            |
|---------------------------------------|----------------------------|
| Cash and cash equivalents-Exhibit A-1 | 1,749,506                  |
| Investments-Exhibit A-1               | 153,669                    |
| Cash and cash equivalents-Exhibit E-1 | 16,017                     |
|                                       | <u><u>\$ 1,919,192</u></u> |

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**COMPLIANCE SECTION**

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**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***

**INDEPENDENT AUDITOR'S REPORT**

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Town of Red River  
Red River, NM

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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, of the Town of Red River as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Red River's basic financial statements, and the combining and individual and related budgetary comparisons of the Town of Red River, presented as supplemental information, and have issued our report thereon dated October 12, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Red River's internal control over financial reporting to determine the auditing 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 Town of Red River's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Red River's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. The material weakness is described as 2010-002 and 2013-002.

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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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. The significant deficiency is described as 2012-002, 2013-001, and 2013-003.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Red River'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 as items 2010-002, 2012-002, 2013-001, 2013-002 and 2013-003.

### **Town of Red River's Response to Findings**

The Town of Red River's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town of Red River's responses were not subjected to 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 result of that testing, and not to provide an opinion on the effectiveness of the Town of Red River'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 Town of Red River's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Precision Accounting LLC*

*Precision Accounting LLC*  
Albuquerque, New Mexico  
October 12, 2014

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STATE OF NEW MEXICO  
TOWN OF RED RIVER  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2014

**Section I – Prior year findings:**

2010-002 [FS 10-02] Travel and Per Diem-Repeated and Revised  
2012-002 [FS 12-02] Utility Billing –Repeated and Revised

Note: For traceability purposes, the audit finding reference numbers reported in prior year audit reports are presented in brackets, and where applicable, have been renumbered to comply with reporting standards.

**Section II – Current year findings:**

**2010-002 [FS 10-02] Travel and Per Diem (repeated and revised)-(Material Weakness, Other Matter)**

CONDITION: In the travel and per diem and credit card test work, we found (8) eight transactions that were inadequately supported by receipts and/or related documents to demonstrate the purpose of the business travel expenses. Also, one transaction involved a meal purchased that was more than the \$30 per day limit as permitted by DFA Rule 95-1. The transaction was in the amount of \$34.56. Out of 483 samples tested, 9 errors were found which resulted in a deviation of 1%, which projected to the total population results in an estimated 49 errors.

CRITERIA: DFA Rule 95-1 requires that reimbursements for meal expenses involving in-state travel not exceed \$30.00 per day and those actual expenditures be supported by receipts.

CAUSE: We are uncertain about the cause for the non-compliance; however it appears the staff may not be submitting proper documentation on expenses for travel and per diem.

EFFECT: Failure to provide adequate supporting documents for travel and per diem expenses would not demonstrate whether expenses were reasonable and/or there was misuse of funds. The overpayment of the reimbursement appears to be a violation of the DFA Rule 95-1 which mandates meal reimbursements not exceed \$30.00 per day, causing an overstatement on the Town's expenses.

RECOMMENDATION: The Town of Red River should review and implement procedures to ensure all receipts must be itemized and correctly monitored to ensure they are accurate and complete. Adding a supervisory oversight may assist with the issue.

RESPONSE: On Thursday, October 2, 2014 a meeting was held with auditors, department heads and supervisors to discuss the importance of having supporting documentation for travel expenses and the DFA rules about expense limits with regard to travel. After the meeting an e-mail was sent out to all department heads with a copy of the DFA Rules attached so they can refer to and ensure compliance with the rules.

Going forward, the Finance Department will be more diligent in the verification of expenses and supporting documentation. The Finance Department will also require employees who over spend the limit to pay back the overage. If supporting documentation is missing the Finance Department will request such documentation from the department head. If itemized receipts are not available the Finance Department will allow two instances of and affidavit of lost receipt to be used. Upon the third instance the responsible employee will be required to reimburse the Town for the full amount of the expenditure.

STATE OF NEW MEXICO  
TOWN OF RED RIVER  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2014

**2012-002 [FS 12-02] Utility Billing (repeated and revised)- (Significant Deficiency, Other Matter)**

CONDITION: During our test work of controls over utility billing we found one instance where a customer was not billed in accordance with the utility billing ordinance rate for garbage, large commercial plus 27 residential. The amount that was billed was a flat rate that has been associated with the customer and overrode the calculation; we were unable to substantiate the reason for the difference in the bill. We found one instance where the customer was not charged the admin fee on their garbage bill, there was no indication in the file as to why there was not an admin fee on this customer.

CRITERIA: The Town of Red River's utility billing ordinance minimum for garbage with respect to this customer is larger commercial (\$97.05) plus 27 residential (\$13.42 each = \$362.34) for a total of \$459.39. The Town of Red River's utility billing ordinance also requires a 10% admin fee on all garbage bills.

CAUSE: There is no validation of the calculation after billing changes.

EFFECT: This resulted in an underpayment by the customer of approximately \$461.28 for the year and an underpayment of \$245.16 per year.

RECOMMENDATION: The Town needs to implement a policy for adjusting bills and implement a monitoring of the monthly bills to identify any deviations from the ordinance including set minimum bills and ensure that the council has approved the deviation.

RESPONSE: The administrative fee was added as soon as it was discovered and Caselle was contacted regarding the special garbage assessment. Caselle informed the Town management that the way the system was set up overrode any annual increases so manual adjustments will need to be made in the future. Management is aware of this issue and have made a note to manually change the rates for the specific accounts.

**2013-001 Non-compliance with State Audit Rule (Significant Deficiency, Other Matter)**

CONDITION: We were notified that the Town had not met the May 15, 2014 deadline to have their auditor selection submitted to the State Auditor.

CRITERIA: NMAC 2.2.2.8.G(6)(c) states that each Municipality must have their auditor selection submitted to the State Auditor by no later than May 15, 2014.

CAUSE: Unforeseen personal family matters of key management resulted in the untimely submission to the State Auditor's Office by the due date of May 15, 2014.

EFFECT: The Town is not compliant with the State Audit Rule.

RECOMMENDATION: We recommend that the Town comply with the State Audit Rule and meet all required deadlines set forth within.

RESPONSE: Going forward, the town administration will set internal controls so that full compliance with the State Audit Rule and associated deadlines are achieved.

STATE OF NEW MEXICO  
TOWN OF RED RIVER  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2014

**2013-002 Safeguarding of Town Assets (Material Weakness, Other Matter)**

**CONDITION:** During our audit fieldwork, we were provided with a letter that was sent to the State Auditor regarding potential misappropriation of assets. In addition to the items specified within the letter, we noted that the necessary due diligence was not conducted with regards to the purchase of a used dump truck from legislative appropriations.

**CRITERIA:** Sound business practices would suggest that due diligence be employed when purchasing any items to ensure that the assets acquired are legitimate and in good working order and are necessary to operations.

**CAUSE:** Unknown, however, the purchase was made without due diligence in determining whether assets acquired were legitimate and in good working order and were necessary to operations. The fair value of the asset and the condition were not considered prior to purchase.

**EFFECT:** Purchases were made with monies out of legislative appropriations and other Town funds that may not have been in the best interest of the Town. The lack of due diligence by town employees demonstrates an abuse of public funds. The Town did immediately release the responsible employees and followed protocol with notifying the State Auditor and the auditor of the events.

**RECOMMENDATION:** We recommend that the Town perform due diligence when procuring significant assets for town use and that all employees understand their roles as fiduciary representatives of Town constituents.

**RESPONSE:** The Town of Red River purchased a used dump truck via an ITB process and according to the department head, the vehicle met specifications and was in good working order. This employee is no longer employed for the Town of Red River and going forward, the administration will be more diligent when acquiring assets to assure that it is in the best interest of the municipality.

**2013-003 Non-compliance with Procurement Code (Significant Deficiency, Other Matter)**

**CONDITION:** During our test work we noted issues involving the procurement procedures. We identified (3) three transactions (\$981.69 in total) out of a forty tested samples, where the purchase order was created after the invoice had been received. With a population of 2703 transactions, this resulted in a projected error of 7.5% or 203 errors.

**CRITERIA:** The Town of Red River was not in compliance with the adopted NM Procurement Code (13-1-28 to 13-1-199 NMSA 1978).

**CAUSE:** It appears that staff may not be complying with the New Mexico Procurement Code (13-1-28 to 13-1-199 NMSA 1978), where the purchase orders should be approved by management prior to any all purchases.

**EFFECT:** By not complying with the procurement procedures, management review is not involved in the purchasing process therefore no oversight is in place to determine whether departmental budgets are met as established and approved by DFA.

**RECOMMENDATION:** We recommend that the Town review and re-train all staff on the New Mexico Procurement Code regulations and procedures to ensure appropriate controls are met.

**RESPONSE:** On Thursday, October 2, 2014 a meeting was held with auditors, department heads and supervisors to re-train on the proper procurement code regulations and procedures. An e-mail was sent to all department heads that contained the state and local procurement code regulations for review and compliance. Going forward the Finance Department will work with department heads and supervisors to ensure that the procurement codes are followed and PO's are completed correctly.

STATE OF NEW MEXICO  
TOWN OF RED RIVER  
OTHER DISCLOSURES  
Year Ended June 30, 2014

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

It would be preferred and desirable for the Town to prepare its own GAAP-basis financial statements; however, it was determined that the Town's personnel, who is qualified to perform this task, does not have the time to prepare them. Although the financial statements are the responsibility of the Town, the preparation of those statements was included in the contract as services to be provided by the auditor. As such the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

**B. EXIT CONFERENCE**

The contents of this report were discussed on October 2, 2014. The following individuals were in attendance.

Town of Red River

Linda Calhoun, Mayor

Georgiana Rael, Town Administrator

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CICA, CGMA