

**STATE OF NEW MEXICO  
VILLAGE OF VIRDEN  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
For the Year Ended  
June 30, 2011**

**Harshwal & Company LLP  
Certified Public Accountants  
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Albuquerque, NM 87102  
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**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

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**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**OFFICIAL ROSTER**

**YEAR ENDED JUNE 30, 2011**

**Name**

**Title**

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**Board of Directors**

Archie W. Payne  
Kent Clouse  
Rulene Jensen  
Carl Crofts

Mayor  
Councilor  
Councilor  
Councilor

**Staff**

Nelda Potter  
Charlene Jones

Clerk/Treasurer  
Deputy Clerk

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

**To: Archie W. Payne, Mayor  
Village of Virden  
and  
Honorable Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico**

We have performed the procedures enumerated below which were agreed to by Village of Virden (Village) and New Mexico State Auditor (the specified parties), solely to users in evaluating the Village's financial reporting relating to its Cash, Capital Assets, Revenue, Expenditures, Journal Entries, and Budget information and its compliance with Section 12-6-3B (4) NMSA 1978 and Section 2.2.2.16 NMAC as of and for the year ended June 30, 2011. The Village is responsible for its financial reporting to the State Auditor as described above. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

In accordance with Tier 4 of the Audit Act - Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC, we performed the following procedures:

### **1. CASH**

#### **Procedures**

- a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand. For purposes of performing our procedures, "timely" means completion of the bank reconciliations within one month after the last day of the reporting month and "complete" means that statements for bank and investment accounts are all accounted for by the Village.
- b) Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to DFA-Local Government Division (DFA-LGD). For purposes of performing our procedures "accuracy" means that reconciling items agree to deposit slips and subsequent bank or investment statements.

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

### **Findings**

The Village has three checking bank accounts and one savings account. We noted that the saving bank account reconciliation was not tied with general ledger, which has been noted as finding 10-1 on page 15 of this report.

## **2. CAPITAL ASSETS**

### **Procedures**

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

### **Findings**

The Village did not perform a yearly inventory as required by Section 12-6-10 NMSA 1978 and has not been maintaining capital asset listing. This has been noted as finding 10-2 on page 16 of this report.

## **3. REVENUE**

### **Procedures**

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

a) Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

Select a sample of revenues based on auditor judgment and test using the following attributes:

b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

c) Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

### **Findings**

For five of 25 cash receipts reviewed totaling \$7,559, no supporting documentation was retained. This has been noted as finding 11-1 on page 18 of this report.

## **4. EXPENDITURES**

### **Procedures**

Select a sample of cash disbursements and test at least 25 transactions and 50% of the total amount of expenditures for the following attributes:

- a) Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and canceled check, as appropriate.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures. For purposes of performing our procedures, disbursements were considered to be properly authorized if they contained evidence of review such as sign off on invoices or approval through correspondence.
- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC ).

### **Findings**

None.

## **5. JOURNAL ENTRIES**

### **Procedures**

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

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

### **Findings**

None.

## **6. BUDGET**

### **Procedures**

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

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

**Findings**

None.

**OTHER**

**Procedures**

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10 (I) (3) (C) NMAC.

**Findings**

The agreed-upon procedures report for the year ending June 30, 2011 was not submitted by the deadline of December 1, 2011. The village is not in compliance with Section 2.2.2.16 H of the NMAC, Audit Rule 2011. This has been noted as finding 10-4 on page 17 of this report.

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

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

**Harshwal & Company LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Albuquerque, New Mexico**  
**February 25, 2013**

**SCHEDULE OF REVENUES &  
EXPENDITURES - BUDGET AND  
ACTUAL (ACCRUAL BASIS)**



**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (ACCRUAL BASIS)**

**GENERAL FUND**

**YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes:				
Property current	\$ 2,375	\$ 1,625	\$ 1,625	\$ 0
Gross receipts	10,648	6,231	6,231	
Intergovernmental				
Gas tax [0.01 cent]	7,506	5,004	5,004	
MVD	496	357	357	
Small city assistance	35,000	35,000	35,000	
Licenses and permits	88	42	42	
Charges for services	14,626	12,119	12,119	
Refund and other income	740	752	752	
Interest	283	283	283	
<b>Total Revenues</b>	71,762	61,413	61,413	0
<b>EXPENDITURES</b>				
Administrative - legislative	40,580	35,753	35,752	1
Culture and recreation	11,902	10,718	10,588	130
Finance and administration	10,000	8,000		8,000
Street utilities	2,833	1,598	1,598	
<b>Total Expenditures</b>	65,315	56,069	47,938	8,131
<b>Net change in fund balances</b>	6,447	5,344	13,475	(8,131)
Fund balances, beginning of year	0	0	142,933	142,933
<b>Fund balances, end of year</b>	\$ 6,447	\$ 5,344	\$ 156,408	\$ 134,802

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (ACCRUAL BASIS)**

**SPECIAL REVENUE FUNDS**

**YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>FIRE FUND</b>				
<b>REVENUES</b>				
State fire allotment	\$ 55,348	\$ 53,476	\$ 53,476	\$ 0
Fire department interest	<u>59</u>	<u>66</u>	<u>66</u>	<u>        </u>
<b>Total revenues</b>	<u>55,407</u>	<u>53,542</u>	<u>53,542</u>	<u>0</u>
<b>EXPENDITURES</b>	<u>54,006</u>	<u>48,705</u>	<u>48,635</u>	<u>70</u>
<b>Net change in fund balances</b>	1,401	4,837	4,907	(70)
Fund balances, beginning of year	<u>0</u>	<u>0</u>	<u>18,197</u>	<u>18,197</u>
<b>Fund balances, end of year</b>	<u>\$ 1,401</u>	<u>\$ 4,837</u>	<u>\$ 23,104</u>	<u>\$ 18,127</u>

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (ACCRUAL BASIS)**

**ENTERPRISE FUND**

**YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>WATER FUND</b>				
<b>REVENUES</b>				
Utility services	\$ 15,533	\$ 15,533	\$ 15,533	\$ 0
Connection	<u>235</u>	<u>235</u>	<u>235</u>	<u>0</u>
<b>Total revenues</b>	<u>15,768</u>	<u>15,768</u>	<u>15,768</u>	<u>0</u>
<b>EXPENDITURES</b>	<u>8,671</u>	<u>10,772</u>	<u>10,745</u>	<u>27</u>
<b>Net change in fund balances</b>	7,097	4,996	5,023	(27)
Fund balances, beginning of year	<u>0</u>	<u>0</u>	<u>36,863</u>	<u>36,863</u>
<b>Fund balances, end of year</b>	<u><u>\$ 7,097</u></u>	<u><u>\$ 4,996</u></u>	<u><u>\$ 41,886</u></u>	<u><u>\$ 36,836</u></u>

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA**

**YEAR ENDED JUNE 30, 2011**

Village of Virden

State Finance Report Village of Virden

Page: 1

GL Period: 06/11

Nov 07, 2012 10:35am

Summary Report

Report Criteria:

Electronic File: c:\STATEFIN\June2011.csv

Fund Title	Fund No	Beginning Cash	Revenue	Transfer	Expense	Balance Sheet Changes	Ending Cash	Outstanding Deposits	Outstanding Checks	Adjustments	Total	Ending Bank Balance	Difference
General Fund	101	51,695.60	33,290.57	.00	47,938.39	263.04	64,824.84	781.09	1,955.54		65,999.29	66,018.54	19.25
<b>Group 1 Totals:</b>		<b>51,695.60</b>	<b>33,290.57</b>	<b>.00</b>	<b>47,938.39</b>	<b>263.04</b>	<b>64,824.84</b>	<b>781.09</b>	<b>1,955.54</b>		<b>65,999.29</b>	<b>66,018.54</b>	<b>19.25</b>
Fire Fund	209	22,002.88	53,542.10	.00	48,706.14	30.35	26,808.49	.00	353.81		27,162.30	27,162.30	.00
<b>Group 2 Totals:</b>		<b>22,002.88</b>	<b>53,542.10</b>	<b>.00</b>	<b>48,706.14</b>	<b>30.35</b>	<b>26,808.49</b>	<b>.00</b>	<b>353.81</b>		<b>27,162.30</b>	<b>27,162.30</b>	<b>.00</b>
Water Fund	500	39,385.16	15,767.81	.00	10,745.32	1,248.68	45,455.38	.00	448.14		45,903.52	45,903.52	.00
<b>Group 3 Totals:</b>		<b>39,385.16</b>	<b>15,767.81</b>	<b>.00</b>	<b>10,745.32</b>	<b>1,248.68</b>	<b>45,455.38</b>	<b>.00</b>	<b>448.14</b>		<b>45,903.52</b>	<b>45,903.52</b>	<b>.00</b>
<b>Grand Totals:</b>		<b>113,083.64</b>	<b>36,019.34</b>	<b>.00</b>	<b>107,389.85</b>	<b>955.29</b>	<b>137,088.71</b>	<b>781.09</b>	<b>2,757.49</b>		<b>139,065.11</b>	<b>139,084.36</b>	<b>19.25</b>

# STATE OF NEW MEXICO

## VILLAGE OF VIRDEN

### YEAR-END FINANCIAL REPORT SUBMITTED TO DFA

#### YEAR ENDED JUNE 30, 2011

Village of Virden

State Finance Report Village of Virden

Page: 1

GL Period: 06/11

Nov 07, 2012 10:35am

Detail Report

Report Criteria:

Electronic File: c:\STATEFIN\June2011.csv

Receipts	Fund	Line Item	Qtr- Reporting	Year to Date Total	Approved Budget	Resolutions Adj Budget	Adjusted Budget	Budget Balance	Budget % Received
<b>Group 1</b>									
Property Current	101	30	406.37	1,624.96	2,374.50	749.50 -	1,625.00	.04	100.00
Bus License/Reg	101	32	21.25	41.85	87.50	45.50 -	42.00	.15	99.64
Rent	101	33	5,435.00	12,118.84	14,825.50	2,506.50 -	12,119.00	.16	100.00
Gross Receipts	101	311	1,553.08	6,230.68	10,648.00	4,417.00 -	6,231.00	.32	99.99
Gas Tax (.01 cent)	101	312	1,251.00	5,004.00	7,506.00	2,502.00 -	5,004.00	.00	100.00
MVD	101	314	96.37	357.39	496.00	139.00 -	357.00	.39 -	100.11
Small City Assistance	101	315	35,000.00	35,000.00	35,000.00	.00	35,000.00	.00	100.00
Savings Account Interest	101	10080	38.34 -	94,703.10 -	.00	.00	.00	94,703.10	.00
Interest Income - Savings	101	70100	38.34	282.81	283.00	.00	283.00	.19	99.93
Reimburse/Refund	101	70260	.00	752.00	740.00	12.00	752.00	.00	100.00
<b>General Fund Totals:</b>			<b>43,763.07</b>	<b>33,290.57 -</b>	<b>71,760.50</b>	<b>10,347.50 -</b>	<b>61,413.00</b>	<b>94,703.57</b>	<b>54.21 -</b>
<b>Group 1 Totals:</b>			<b>43,763.07</b>	<b>33,290.57 -</b>	<b>71,760.50</b>	<b>10,347.50 -</b>	<b>61,413.00</b>	<b>94,703.57</b>	<b>54.21 -</b>
<b>Group 2</b>									
State Fire Allot	209	70130	.00	53,476.00	55,348.00	1,872.00 -	53,476.00	.00	100.00
Fire Department Interest	209	70140	11.51	66.10	59.00	7.00	66.00	.10 -	100.15
<b>Fire Fund Totals:</b>			<b>11.51</b>	<b>53,542.10</b>	<b>55,407.00</b>	<b>1,885.00 -</b>	<b>53,542.00</b>	<b>.10 -</b>	<b>100.00</b>
<b>Group 2 Totals:</b>			<b>11.51</b>	<b>53,542.10</b>	<b>55,407.00</b>	<b>1,885.00 -</b>	<b>53,542.00</b>	<b>.10 -</b>	<b>100.00</b>
<b>Group 3</b>									
Util Services	500	70	.00	.00	40.00	40.00 -	.00	.00	.00
Connect	500	70120	3,881.85	15,532.81	15,533.00	.00	15,533.00	.19	100.00
Connect	500	70130	150.00	235.00	235.00	.00	235.00	.00	100.00
<b>Group 3 Totals:</b>			<b>4,031.85</b>	<b>15,767.81</b>	<b>15,808.00</b>	<b>40.00 -</b>	<b>15,768.00</b>	<b>.19</b>	<b>100.00</b>
<b>Unclassified Revenue Totals:</b>			<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA**

**YEAR ENDED JUNE 30, 2011**

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Village of Virden	State Finance Report Village of Virden								Page: 2
	GL Period: 06/11								Nov 07, 2012 10:35am
	Detail Report								
Receipts	Fund	Line Item	Qtr. Reporting	Year to Date Total	Approved Budget	Resolutions Adj. Budget	Adjusted Budget	Budget Balance	Budget % Received
Revenue Grand Totals:			47,806.43	36,019.34	142,975.50	12,252.50	130,723.00	94,703.66	27.55

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STATE OF NEW MEXICO

VILLAGE OF VIRDEN

YEAR-END FINANCIAL REPORT SUBMITTED TO DFA

YEAR ENDED JUNE 30, 2011

Village of Virden		State Finance Report Village of Virden								Page: 3	
		GL Period: 06/11								Nov 07, 2012 10:35am	
		Detail Report									
Disbursements	Fund	Line Item	Qtr. Reporting	Year to Date Total	Year to Date Encumbrances	Approved Budget	Resolutions Adj. Budget	Adjusted Budget	Budget Balance	Budget % Expended	
<b>Water Fund Totals:</b>			.00	.00	.00	.00	.00	.00	.00	.00	
<b>Group 1</b>											
Administrative Legislative	101	90	9,329.17	35,751.89	.00	40,580.00	4,827.00 -	35,753.00	1.11	100.00	
Culture and Recreation	101	91	2,518.56	10,588.48	.00	11,902.00	1,184.00 -	10,718.00	129.52	98.79	
Finance and Administration	101	93	.00	.00	.00	10,000.00	2,000.00 -	8,000.00	8,000.00	.00	
Street Utilities	101	95	764.31	1,598.02	.00	2,833.00	1,235.00 -	1,598.00	.02 -	100.00	
<b>General Fund Totals:</b>			12,612.04	47,938.39	.00	65,315.00	9,246.00 -	56,069.00	8,130.61	85.50	
<b>Group 1 Totals:</b>			12,612.04	47,938.39	.00	65,315.00	9,246.00 -	56,069.00	8,130.61	85.50	
<b>Group 2</b>											
Expenditure	209	90	12,000.89	48,706.14	.00	54,008.00	5,301.00 -	48,705.00	1.14 -	100.00	
<b>Group 2 Totals:</b>			12,000.89	48,706.14	.00	54,008.00	5,301.00 -	48,705.00	1.14 -	100.00	
<b>Group 3</b>											
Expenditures	500	90	3,601.16	10,745.32	.00	8,671.00	2,101.00	10,772.00	26.68	99.75	
<b>Group 3 Totals:</b>			3,601.16	10,745.32	.00	8,671.00	2,101.00	10,772.00	26.68	99.75	
<b>Unclassified Expenditure Totals:</b>			.00	.00	.00	.00	.00	.00	.00	.00	
<b>Expenditure Grand Totals:</b>			28,214.09	107,389.85	.00	127,992.00	12,446.00 -	115,546.00	8,156.16	92.94	

STATE OF NEW MEXICO

VILLAGE OF VIRDEN

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2011

1. Current Year Findings

	<u>Type of Finding</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Bank Reconciliation	D	10-1	10-1
Physical Inventory and Capital Listing	D	10-2	10-2
Unsupported Cash Receipt	C	N/A	11-1
Late Submission of the Agreed Upon Procedures Report	D	10-4	10-4

Follow-up on Prior Year Findings:

	<u>Type of Finding</u>	<u>Prior Year Finding Number</u>	<u>Status</u>
Bank Reconciliation	D	10-1	Repeated
Physical Inventory and Capital Listing	D	10-2	Repeated
Budget Overages	D	10-3	Resolved
Late Submission of the Agreed Upon Procedures Report	D	10-4	Repeated

\* **Legend for Findings:**

- A. Fraud
- B. Illegal Act(s)
- C. Internal Control Deficiency(ies)
- D. Noncompliance



**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**SCHEDULE OF FINDINGS AND RESPONSES**

**YEAR ENDED JUNE 30, 2011**

**10-1 Bank Reconciliations**

***Criteria or Specific Requirement:*** Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC requires each local public body to perform bank reconciliations in a timely manner and maintain bank and investment statements as part of entity's records.

***Condition:*** Bank reconciliations during the fiscal year were not properly reconciled. The Village did not reconcile the saving account on a monthly basis at June 30, 2011. Our testwork revealed a difference of \$1,427 on the saving account between the reconciled balance and the general ledger balance.

***Cause and Effect:*** The financial statements may have risk of misstatements and loss of assets, because of untimely bank reconciliations. The Village has not complied with Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC requirement.

***Recommendation:*** We recommend that the Village maintain bank statements and reconcile the bank, per NMAC requirement.

***Entity Response:*** Going forward we are implementing steps to maintain the bank statements and to reconcile with the bank.

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**SCHEDULE OF FINDINGS AND RESPONSES**

**YEAR ENDED JUNE 30, 2011**

**10-2 Physical Inventory and Capital Listing**

***Criteria or Specific Requirement:*** Capital asset records and yearly inventory should be maintained in accordance with Section 12-6-10 NMSA 1978. The records should be detailed enough that program management is able to adequately and efficiently identify and locate any and all items.

***Condition:*** During the year ended June 30, 2011, the entity's capital asset listing was not kept current in accordance with the above requirements. In addition, an adequate physical inventory has not been completed.

***Cause and Effect:*** The Village has not complied with Section 12-6-10 NMSA 1978 requirements. The entity does not have controls in place to ensure that all capital asset additions and disposals are captured by the accounting system in a timely manner.

***Recommendations:*** We recommend the Village to perform physical inventory count of capital assets and maintain documentation of the inventories at hand.

***Entity Response:*** We have plan in place to perform a physical inventory of captial assets and maintain documentation of the inventories on hand.

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**SCHEDULE OF FINDINGS AND RESPONSES**

**YEAR ENDED JUNE 30, 2011**

**10-4 Late Submission of the Agreed Upon Procedures Report**

***Criteria or Specific Requirement:*** 2.2.2 NMAC, Audit Rule 2011, specifies the deadline for submission of agreed-upon procedures report. Section 2.2.2.16 H stipulates that Village reports are due no later than December 1. Further, Section 2.2.2.9 A (2) requires that submission of a late report shall be reported as current year audit finding in the audit report.

***Condition:*** The agreed-upon procedures report for the year ending June 30, 2011 was not submitted by the deadline of December 1, 2011.

***Cause and Effect:*** There was a delay in submitting the IPA recommendation form and contract to the State Auditor's Office. The Village is not in compliance with Section 2.2.2.16 H of the NMAC, Audit Rule 2011.

***Auditors' Recommendations:*** Management should ensure that contract be executed on a timely manner to ensure that report will be submitted on or before the deadline.

***Entity Response:*** Going forward we will make every effort to get the contract executed in a timely manner.

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**SCHEDULE OF FINDINGS AND RESPONSES**

**YEAR ENDED JUNE 30, 2011**

**11-1 Unsupported Cash Receipt**

***Criteria or Specific Requirement:*** Maintenance of adequate supporting documentations for all cash receipts is integral part of sound internal control system established by all management to safeguard assets and accomplish timely preparation and submission of financial reports.

***Condition:*** During our fieldwork, we noted that

- For five out of 25 cash receipts tested, totaling \$7,665, the supporting documents were unable to locate.

***Cause and Effect:*** The Village did not follow proper internal control procedures. The Village may have lost valuable resources.

***Auditors' Recommendations:*** The Village should implement procedures to maintain proper supporting documentation.

***Entity Response:*** We are implementing procedures that will help maintain supporting documentation.

**STATE OF NEW MEXICO**

**VILLAGE OF VIRDEN**

**EXIT CONFERENCE**

**YEAR ENDED JUNE 30, 2011**

The report contents were discussed at an exit conference held on November 14, 2012 with the following in attendance:

**Village of Virden**

Archie W. Payne, Mayor  
Nelda Potter, Clerk/Treasurer

**Harshwal & Company LLP**

Miguel Garcia, Staff Auditor  
Albert Hwu, Staff Auditor