

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD**

**Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
and  
Compilation Report of Independent Accountant and  
Compiled Financial Statements**

**For the Year Ended  
June 30, 2019**



**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
TABLE OF CONTENTS  
JUNE 30, 2019**

	Page
<b>Official Roster</b> .....	1
<b>Independent Accountants' Report on Applying Agreed-Upon Procedures</b> .....	2-8
<b>Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)</b>	
General Fund .....	9
Environmental Gross Receipts Tax.....	10
Streets.....	11
Capital Projects.....	12
Children’s Christmas .....	13
<b>Schedule of Revenues and Expenses – Budget and Actual (Non-GAAP Budgetary Basis)</b>	
Waste Water Enterprise.....	14
Solid Waste Enterprise .....	15
Water Enterprise .....	16
<b>Year-End Financial Report Submitted to DFA</b> .....	17-21
<b>Schedule of Capital Projects</b> .....	22
<b>Schedule of Findings and Responses</b> .....	23-27
<b>Status of Prior Year Findings</b> .....	28
<b>Exit Conference</b> .....	29
 <b><u>Compiled Financial Statements and Report</u></b>  	
<b>Compilation Report of Independent Accountant</b> .....	30-31
<b>Balance Sheet – Governmental Funds</b> .....	32-33
<b>Statement of Revenues, Expenditures and Changes In Fund Balance – Governmental Funds</b> .....	34-35
<b>Statement of Net Position – Proprietary Funds</b> .....	36

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
TABLE OF CONTENTS (CONTINUED)  
JUNE 30, 2019

<b>Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....</b>	<b>37</b>
<b>Notes to Compiled Financial Statements .....</b>	<b>38-46</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
OFFICIAL ROSTER  
JUNE 30, 2019

Name	Title
------	-------

Village Council

Robert Chavez	Mayor
Lorine A. Mendez	Mayor Pro-Tem
Faye Chavez	Council Member
Tabitha Garcia	Council Member
Ricardo Garcia	Council Member

Village Administration

Angelina Halbert	Clerk/Treasurer
Vonda Lehr	Assistant Clerk/Billing Clerk



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

Village Council  
Village of Willard, New Mexico  
and  
Brian S. Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

I have performed the procedures enumerated below which were agreed to by State of New Mexico Village of Willard (Village) and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the Village's financial reporting relating to its Cash, Capital Assets, Revenues, Expenditures, Journal Entries, Budget, and Capital Outlay information and its compliance with Section 12-6-3 NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended June 30, 2019. The Village is responsible for its financial reporting as described above. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I 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 6 of the Audit Act – Section 12-6-3 B (6) NMSA 1978 and Section 2.2.2.16 NMAC, my procedures and associated findings are as follows:

**1. REVENUE CALCULATION**

**Procedures**

Verify the local public body's revenue calculation and tier determination documented on the form provided at [www.osanm.org](http://www.osanm.org) under "Tiered System Reporting Page".

**Findings**

The Village's revenues were \$296,439, which requires Tier 6 Agreed-Upon Procedures in accordance with the Audit Rule.

## **2. 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 my 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) Test at least 30% of the bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to Department of Finance & Administration - Local Government Division (DFA-LGD). For purposes of performing my procedures "accuracy" means that reconciling items agree to canceled checks or deposit slips and subsequent bank or investment statements, and the reconciliations are mathematically correct.

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**

Bank accounts were complete and on-hand. 6 bank accounts were not reconciled within one month, see item #2017-002 in the accompanying schedule of findings and responses. 33% of the reconciliations were tested for accuracy and agreement to the general ledger and 2 were not accurate, see item #2017-002 in the accompanying schedule of findings and responses. Cash balances were also not reported to DFA accurately, see item #2014-003 in the accompanying schedule of findings and responses. All 12 months were tested for uninsured bank balances, none were noted.

## **3. CAPITAL ASSETS**

### **Procedure**

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

### **Findings**

The Village performed and certified their annual capital asset inventory without exception.

#### **4. DEBT**

##### **Procedures**

If the local public body has any debt, verify that all required payments were made during the year. If the debt agreement requires reserves, verify that the local public body is in compliance with those requirements.

##### **Findings**

The Village made the required debt payments with no exceptions.

#### **5. 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 equal to at least 30% of the total dollar amount and test 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**

Revenues were analytically tested against budgeted and prior year revenues and they were determined to be reasonable. 35% of the total dollar amount of receipts were tested and were determined to be properly recorded as to amount, classification and period.

## **6. EXPENDITURES**

### **Procedures**

Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test 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 cancelled check, as appropriate.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

### **Findings**

19 disbursements were tested. Disbursements tested were approved and accurate as to amount, payee, date and description, and were in compliance with the budget, procurement code, and the Per Diem and Mileage Act, where applicable.

## **7. JOURNAL ENTRIES**

### **Procedures**

Test all non-routine journal entries, adjustments and reclassifications posted to the general ledger for the following attributes:

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

### **Findings**

Journal entries were reviewed and approved in accordance with Village policies. All entries were reasonable and properly supported.



## **8. BUDGET**

### **Procedures**

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

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

### **Findings**

The budget and budget amendment were reviewed and determined to be properly authorized by the Village Council and certified by DFA-LGD. Expenditures exceeded budgeted amounts for the General Fund, Wastewater Fund, and the Water Fund at the fund level, which is the legal level of budgetary control. See item #2014-002 in the accompanying schedule of findings and responses. The budget and actual schedules for all funds are presented on pages 9 through 16 of this report.

## **9. CAPITAL OUTLAY APPROPRIATIONS**

### **Procedures**

The scope of the agreed-upon procedures engagement shall encompass any and all state-funded capital outlay appropriations of the New Mexico Legislature that meet Tier 6 criteria. Request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year that meet Tier 6 criteria. Perform the following tests on all state-funded capital outlay expenditures:

- a) Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.
- b) Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.

- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).
- d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.
- e) Verify that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with the general ledger and other supporting documentation.
- f) If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.
- g) If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor.
- h) Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.
- i) Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request for reimbursement.

### **Findings**

100% of capital outlay disbursements were tested and were agreed to the supporting documentation without exception. All related disbursements were properly approved. The contract was processed in accordance with the New Mexico Procurement Code. Status reports, physical existence were tested without exception. All reimbursement requests were properly supported by costs incurred by the Village.

## **10. OTHER**

### **Procedure**

a) 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 all required content detailed in Section 2.2.2.10 (L) NMAC.

### **Findings**

Fund balance and net position did not agree to last year's ending balances. See finding 2019-001 in the accompanying schedule of findings and responses. Nothing else was noted that is required to be disclosed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's financial reporting and compliance as described above. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

*James L. Hartogensis, CPA LLC*

Albuquerque, New Mexico  
December 16, 2019

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
**Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Taxes:				
Local effort	\$ 21,800	\$ 21,800	\$ 28,134	\$ 6,334
State shared	14,050	14,050	23,661	9,611
Intergovernmental				
Small Cities Assistance	90,000	90,000	90,000	-
Licenses and permits	70	70	212	142
Charges for services	11,935	11,935	10,750	(1,185)
Miscellaneous	13,140	13,140	33,929	20,789
<b>Total revenues</b>	<u>150,995</u>	<u>150,995</u>	<u>186,686</u>	<u>35,691</u>
<b>EXPENDITURES:</b>				
Executive - legislative	7,250	7,850	7,112	738
Elections	-	-	250	(250)
Finance & administration	120,442	138,493	164,129	(25,636)
Operations & maintenance	1,500	1,500	-	1,500
<b>Total expenditures</b>	<u>129,192</u>	<u>147,843</u>	<u>171,491</u>	<u>(23,648)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	21,803	3,152	15,195	12,043
<b>Other financing sources (uses)</b>				
Operating transfers in	58,000	58,000	-	58,000
Operating transfers out	(58,000)	(67,234)	-	67,234
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(9,234)</u>	<u>-</u>	<u>125,234</u>
<b>Net change in fund balance</b>	<u>\$ 21,803</u>	<u>\$ (6,082)</u>	<u>\$ 15,195</u>	<u>\$ 137,277</u>
<b>Prior year cash available to balance budget</b>		<u>\$ 6,082</u>		

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ENVIRONMENTAL GROSS RECEIPTS TAX FUND**  
**Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Miscellaneous	\$ -	\$ 889	\$ 889	\$ -
<b>EXPENDITURES:</b>				
Contractual services	-	889	889	-
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**STREETS FUND**  
**Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES:</b>				
State shared	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Intergovernmental	58,000	58,000	-	(58,000)
<b>Total revenues</b>	<u>63,000</u>	<u>63,000</u>	<u>-</u>	<u>(63,000)</u>
<b>EXPENDITURES:</b>				
Highways & streets	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ 63,000</u>	<u>\$ 63,000</u>	<u>\$ -</u>	<u>\$ (63,000)</u>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUND**  
**Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original Budget</u>	<u>Final Budget</u>		Favorable (Unfavorable)
<b>REVENUES:</b>				
Grants	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ (125,000)</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ 125,000</u></u>	<u><u>\$ 125,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (125,000)</u></u>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CHILDREN'S CHRISTMAS FUND**  
**Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		Favorable (Unfavorable)
<b>REVENUES:</b>				
Miscellaneous	\$ 100	\$ 100	\$ -	\$ (100)
<b>EXPENDITURES:</b>				
Miscellaneous	100	100	-	100
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WASTEWATER ENTERPRISE FUND  
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		Favorable (Unfavorable)
<b>REVENUES:</b>				
Charges for services	\$ 30,000	\$ 30,000	\$ 28,764	\$ (1,236)
Grants	-	-	23,622	23,622
<b>Total revenues</b>	<u>30,000</u>	<u>30,000</u>	<u>52,386</u>	<u>22,386</u>
<b>EXPENSES:</b>				
Operating expenses	28,691	32,055	17,781	14,274
Capital outlay	-	-	21,754	(21,754)
<b>Total expenses</b>	<u>28,691</u>	<u>32,055</u>	<u>39,535</u>	<u>(7,480)</u>
<b>Excess (deficiency) of revenues over expenses</b>	1,309	(2,055)	12,851	14,906
<b>Other financing sources (uses)</b>				
Operating transfers in	3,491	3,491	-	(3,491)
Operating transfers out	(3,491)	(3,491)	-	3,491
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 1,309</u>	<u>\$ (2,055)</u>	<u>\$ 12,851</u>	<u>\$ 14,906</u>
<b>Prior year cash available to balance budget</b>		<u>\$ 2,055</u>		

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SOLID WASTE ENTERPRISE FUND**  
**Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Charges for services	\$ 21,000	\$ 21,000	\$ 19,799	\$ (1,201)
<b>EXPENSES:</b>				
Operating expenses	20,000	29,233	29,032	201
<b>Excess (deficiency) of revenues over expenses</b>	1,000	(8,233)	(9,233)	(1,402)
<b>Other financing sources (uses)</b>				
Operating transfers in	-	9,234	-	(9,234)
Operating transfers out	-	-	-	-
<b>Total other financing         sources (uses)</b>	-	9,234	-	(9,234)
<b>Net change in fund balance</b>	<u>\$ 1,000</u>	<u>\$ 1,001</u>	<u>\$ (9,233)</u>	<u>\$ (10,636)</u>

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WATER ENTERPRISE FUND  
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		Favorable (Unfavorable)
<b>REVENUES:</b>				
Charges for services	\$ 63,000	\$ 63,000	\$ 46,581	\$ (16,419)
Interest on investments	150	150	3	(147)
<b>Total revenues</b>	63,150	63,150	46,584	(16,566)
<b>EXPENSES:</b>				
Operating costs	42,418	51,754	60,530	(8,776)
Capital outlay	-	-	-	-
Debt service	6,915	6,915	6,665	250
<b>Total expenses</b>	49,333	58,669	67,195	(8,526)
<b>Excess (deficiency) of revenues over expenses</b>	13,817	4,481	(20,611)	(25,092)
<b>Other financing sources (uses)</b>				
Operating transfers in	6,915	6,915	3,491	(3,424)
Operating transfers out	(6,915)	(6,915)	(3,491)	3,424
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ 13,817</b>	<b>\$ 4,481</b>	<b>\$ (20,611)</b>	<b>\$ (25,092)</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
 YEAR ENDED JUNE 30, 2019

**State of New Mexico**  
**Local Government Budget Management System (LGBMS)**  
**Report Recap - Fiscal Year 2018-2019 - Willard (Village) - FY 2019 Q4**  
 Printed from LGBMS on 2019-07-22 13:35:45

Fund	Cash	Investments	Revenues	Transfers	Expenditures	Adjustments	Balance	Reserves	Adjusted Balance
11000 General Operating Fund	91,642.00	0.00	176,784.34	0.00	173,885.35	0.00	94,740.89	14,473.78	80,267.21
20200 Environmental	741.00	0.00	0.00	0.00	888.89	888.89	740.90	0.00	740.90
21600 Municipal Street	17,939.00	0.00	0.00	0.00	0.00	0.00	17,939.00	0.00	17,939.00
29900 Other Special Revenue	121.00	0.00	0.00	0.00	0.00	0.00	121.00	0.00	121.00
50100 Water Enterprise	7,546.00	12,881.62	46,437.92	0.00	58,927.89	0.00	6,937.55	0.00	6,937.55
50200 Solid Waste Enterprise	0.00	0.00	19,798.57	0.00	29,031.96	0.00	-9,233.39	0.00	-9,233.39
50300 Wastewater/Sewer Enterprise	2,735.00	0.00	28,703.86	0.00	18,117.05	0.00	13,381.83	0.00	13,381.83
59900 Other Enterprise	3,061.00	0.00	0.95	0.00	0.00	0.00	3,081.95	0.00	3,081.95
69900 Other Internal Service	2,024.00	0.00	53.25	0.00	0.00	0.00	2,077.25	0.00	2,077.25
70100 Meter Deposits	5,820.00	0.00	141.88	0.00	0.00	0.00	5,961.88	0.00	5,961.88
<b>Totals</b>	<b>131,649.00</b>	<b>12,881.62</b>	<b>271,980.79</b>	<b>0.00</b>	<b>291,651.34</b>	<b>888.89</b>	<b>135,748.96</b>	<b>14,473.78</b>	<b>121,275.18</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
 YEAR ENDED JUNE 30, 2019

**State of New Mexico**  
**Local Government Budget Management System (LGBMS)**

**Year-to-Date Actuals - Fiscal Year 2018-2019 - FY 2019 Q4**  
**Willard (Village) - Entity**  
**Summary Report Sorted by Fund and Department**

Printed from LGBMS on 2019-07-22 13:35:05

**11000 General Operating Fund**

**10000 Assets**

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	102,408.00	0.00	102,408.00	106,115.78	(3,707.78)	103.62
<b>0001 Totals</b>	<b>102,408.00</b>	<b>0.00</b>	<b>102,408.00</b>	<b>106,115.78</b>	<b>(3,707.78)</b>	<b>103.62</b>
<b>10000 Assets Totals</b>	<b>102,408.00</b>	<b>0.00</b>	<b>102,408.00</b>	<b>106,115.78</b>	<b>(3,707.78)</b>	<b>103.62</b>

**40000 Revenues**

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
41000 Taxes Local Effort	21,800.00	0.00	21,800.00	28,133.50	(6,333.50)	129.05
42000 Taxes State Shared	14,050.00	0.00	14,050.00	23,860.83	(9,610.83)	168.40
43000 Licenses and Permits	70.00	0.00	70.00	211.75	(141.75)	302.50
44000 Charges for Services	11,935.00	0.00	11,935.00	10,750.00	1,185.00	90.07
46000 Miscellaneous Revenues	13,140.00	0.00	13,140.00	24,028.28	(10,888.28)	182.86
47000 Intergovernmental Grants (Distributions)	90,000.00	0.00	90,000.00	90,000.00	0.00	100.00
<b>0001 Totals</b>	<b>150,995.00</b>	<b>0.00</b>	<b>150,995.00</b>	<b>176,784.34</b>	<b>(25,789.34)</b>	<b>117.08</b>
<b>40000 Revenues Totals</b>	<b>150,995.00</b>	<b>0.00</b>	<b>150,995.00</b>	<b>176,784.34</b>	<b>(25,789.34)</b>	<b>117.08</b>

**50000 Expenditures**

1001 Governing Body	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	4,500.00	0.00	4,500.00	3,700.00	800.00	82.22
53000 Travel Costs	500.00	0.00	500.00	307.51	192.49	61.50
<b>1001 Totals</b>	<b>5,000.00</b>	<b>0.00</b>	<b>5,000.00</b>	<b>4,007.51</b>	<b>992.49</b>	<b>80.15</b>
1007 Mayor	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	2,250.00	0.00	2,250.00	2,850.00	(600.00)	126.67
<b>1007 Totals</b>	<b>2,250.00</b>	<b>0.00</b>	<b>2,250.00</b>	<b>2,850.00</b>	<b>(600.00)</b>	<b>126.67</b>
2002 General Administration	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	48,200.00	0.00	48,200.00	85,028.74	(36,828.74)	176.40
52000 Employee Benefits	4,540.00	0.00	4,540.00	6,112.79	(1,572.79)	134.64
53000 Travel Costs	325.00	0.00	325.00	32.32	292.68	9.94
54000 Purchased Property Services	7,500.00	0.00	7,500.00	16,888.83	(9,388.83)	225.18
55000 Contractual Services	7,482.00	0.00	7,482.00	7,482.19	(0.19)	100.00
56000 Supplies	15,000.00	0.00	15,000.00	19,167.10	(4,167.10)	127.78
57000 Operating Costs	37,395.00	0.00	37,395.00	30,925.38	6,469.62	82.70
<b>2002 Totals</b>	<b>120,442.00</b>	<b>0.00</b>	<b>120,442.00</b>	<b>165,635.35</b>	<b>(45,193.35)</b>	<b>137.52</b>
2006 Operations & Maintenance	Original	Adjustments	Adjusted	YTD	Balance	% Realized
55000 Contractual Services	1,500.00	0.00	1,500.00	1,500.00	0.00	100.00
<b>2006 Totals</b>	<b>1,500.00</b>	<b>0.00</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>0.00</b>	<b>100.00</b>
<b>50000 Expenditures Totals</b>	<b>129,192.00</b>	<b>0.00</b>	<b>129,192.00</b>	<b>173,992.86</b>	<b>(44,800.86)</b>	<b>134.68</b>

**60000 Other Financing Sources**

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
61000 Transfers	0.00	0.00	0.00	0.00	0.00	0.00
<b>0001 Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>60000 Other Financing Sources Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**20200 Environmental**

**10000 Assets**

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
--------------------	----------	-------------	----------	-----	---------	------------

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA**  
**YEAR ENDED JUNE 30, 2019**

10100 Cash Assets	741.00	0.00	741.00	741.00	0.00	100.00
12000 Receivables	0.00	0.00	0.00	888.89	(888.89)	0.00
<b>0001 Totals</b>	<b>741.00</b>	<b>0.00</b>	<b>741.00</b>	<b>1,629.89</b>	<b>(888.89)</b>	<b>219.96</b>
<b>10000 Assets Totals</b>	<b>741.00</b>	<b>0.00</b>	<b>741.00</b>	<b>1,629.89</b>	<b>(888.89)</b>	<b>219.96</b>
<b>40000 Revenues</b>						
<b>0001 No Department</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
46000 Miscellaneous Revenues	0.00	0.00	0.00	0.00	0.00	0.00
<b>0001 Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>40000 Revenues Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>50000 Expenditures</b>						
<b>2002 General Administration</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
55000 Contractual Services	0.00	0.00	0.00	888.99	(888.99)	0.00
58000 Debt Service	0.00	0.00	0.00	0.00	0.00	0.00
<b>2002 Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>888.99</b>	<b>(888.99)</b>	<b>0.00</b>
<b>50000 Expenditures Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>888.99</b>	<b>(888.99)</b>	<b>0.00</b>
<b>21600 Municipal Street</b>						
<b>10000 Assets</b>						
<b>0001 No Department</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
10100 Cash Assets	17,939.00	0.00	17,939.00	17,939.00	0.00	100.00
<b>0001 Totals</b>	<b>17,939.00</b>	<b>0.00</b>	<b>17,939.00</b>	<b>17,939.00</b>	<b>0.00</b>	<b>100.00</b>
<b>10000 Assets Totals</b>	<b>17,939.00</b>	<b>0.00</b>	<b>17,939.00</b>	<b>17,939.00</b>	<b>0.00</b>	<b>100.00</b>
<b>40000 Revenues</b>						
<b>0001 No Department</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
42000 Taxes State Shared	5,000.00	0.00	5,000.00	0.00	5,000.00	0.00
47000 Intergovernmental Grants (Distributions)	58,000.00	0.00	58,000.00	0.00	58,000.00	0.00
<b>0001 Totals</b>	<b>63,000.00</b>	<b>0.00</b>	<b>63,000.00</b>	<b>0.00</b>	<b>63,000.00</b>	<b>0.00</b>
<b>40000 Revenues Totals</b>	<b>63,000.00</b>	<b>0.00</b>	<b>63,000.00</b>	<b>0.00</b>	<b>63,000.00</b>	<b>0.00</b>
<b>29900 Other Special Revenue</b>						
<b>10000 Assets</b>						
<b>0001 No Department</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
10100 Cash Assets	121.00	0.00	121.00	121.00	0.00	100.00
<b>0001 Totals</b>	<b>121.00</b>	<b>0.00</b>	<b>121.00</b>	<b>121.00</b>	<b>0.00</b>	<b>100.00</b>
<b>10000 Assets Totals</b>	<b>121.00</b>	<b>0.00</b>	<b>121.00</b>	<b>121.00</b>	<b>0.00</b>	<b>100.00</b>
<b>30300 State Legislative Appropriation Project</b>						
<b>40000 Revenues</b>						
<b>0001 No Department</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
47000 Intergovernmental Grants (Distributions)	125,000.00	0.00	125,000.00	0.00	125,000.00	0.00
<b>0001 Totals</b>	<b>125,000.00</b>	<b>0.00</b>	<b>125,000.00</b>	<b>0.00</b>	<b>125,000.00</b>	<b>0.00</b>
<b>40000 Revenues Totals</b>	<b>125,000.00</b>	<b>0.00</b>	<b>125,000.00</b>	<b>0.00</b>	<b>125,000.00</b>	<b>0.00</b>
<b>50100 Water Enterprise</b>						
<b>10000 Assets</b>						
<b>0001 No Department</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
10100 Cash Assets	20,351.00	0.00	20,351.00	20,427.62	(76.62)	100.38
<b>0001 Totals</b>	<b>20,351.00</b>	<b>0.00</b>	<b>20,351.00</b>	<b>20,427.62</b>	<b>(76.62)</b>	<b>100.38</b>
<b>10000 Assets Totals</b>	<b>20,351.00</b>	<b>0.00</b>	<b>20,351.00</b>	<b>20,427.62</b>	<b>(76.62)</b>	<b>100.38</b>
<b>40000 Revenues</b>						
<b>0001 No Department</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>
14000 Charges for Services	63,000.00	0.00	63,000.00	46,434.68	16,565.32	73.71
16000 Miscellaneous Revenues	150.00	0.00	150.00	3.24	146.76	2.16
<b>0001 Totals</b>	<b>63,150.00</b>	<b>0.00</b>	<b>63,150.00</b>	<b>46,437.92</b>	<b>16,712.08</b>	<b>73.54</b>
<b>40000 Revenues Totals</b>	<b>63,150.00</b>	<b>0.00</b>	<b>63,150.00</b>	<b>46,437.92</b>	<b>16,712.08</b>	<b>73.54</b>
<b>50000 Expenditures</b>						
<b>2002 General Administration</b>	<b>Original</b>	<b>Adjustments</b>	<b>Adjusted</b>	<b>YTD</b>	<b>Balance</b>	<b>% Realized</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
 YEAR ENDED JUNE 30, 2019

51000 Salary & Wages (FTE required)	29,000.00	0.00	29,000.00	36,064.23	(7,064.23)	124.36
52000 Employee Benefits	2,018.00	0.00	2,018.00	2,618.54	(800.54)	129.76
54000 Purchased Property Services	3,750.00	0.00	3,750.00	2,111.21	1,638.79	56.30
56000 Supplies	2,000.00	0.00	2,000.00	600.95	1,399.05	30.05
57000 Operating Costs	5,650.00	0.00	5,650.00	11,616.06	(5,968.06)	205.63
59000 Debt Service	6,915.00	0.00	6,915.00	6,915.00	0.00	100.00
<b>2002 Totals</b>	<b>49,333.00</b>	<b>0.00</b>	<b>49,333.00</b>	<b>59,927.99</b>	<b>(10,594.99)</b>	<b>121.48</b>
<b>50000 Expenditures Totals</b>	<b>49,333.00</b>	<b>0.00</b>	<b>49,333.00</b>	<b>59,927.99</b>	<b>(10,594.99)</b>	<b>121.48</b>
<b>60000 Other Financing Sources</b>						
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
61000 Transfers	0.00	0.00	0.00	0.00	0.00	0.00
<b>0001 Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>60000 Other Financing Sources Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>50200 Solid Waste Enterprise</b>						
<b>40000 Revenues</b>						
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
44000 Charges for Services	21,000.00	0.00	21,000.00	19,798.57	1,201.43	94.28
<b>0001 Totals</b>	<b>21,000.00</b>	<b>0.00</b>	<b>21,000.00</b>	<b>19,798.57</b>	<b>1,201.43</b>	<b>94.28</b>
<b>40000 Revenues Totals</b>	<b>21,000.00</b>	<b>0.00</b>	<b>21,000.00</b>	<b>19,798.57</b>	<b>1,201.43</b>	<b>94.28</b>
<b>50000 Expenditures</b>						
2002 General Administration	Original	Adjustments	Adjusted	YTD	Balance	% Realized
55000 Contractual Services	20,000.00	0.00	20,000.00	29,031.96	(9,031.96)	145.16
<b>2002 Totals</b>	<b>20,000.00</b>	<b>0.00</b>	<b>20,000.00</b>	<b>29,031.96</b>	<b>(9,031.96)</b>	<b>145.16</b>
<b>50000 Expenditures Totals</b>	<b>20,000.00</b>	<b>0.00</b>	<b>20,000.00</b>	<b>29,031.96</b>	<b>(9,031.96)</b>	<b>145.16</b>
<b>50300 Wastewater/Sewer Enterprise</b>						
<b>10000 Assets</b>						
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	2,735.00	0.00	2,735.00	2,735.00	0.00	100.00
<b>0001 Totals</b>	<b>2,735.00</b>	<b>0.00</b>	<b>2,735.00</b>	<b>2,735.00</b>	<b>0.00</b>	<b>100.00</b>
<b>10000 Assets Totals</b>	<b>2,735.00</b>	<b>0.00</b>	<b>2,735.00</b>	<b>2,735.00</b>	<b>0.00</b>	<b>100.00</b>
<b>40000 Revenues</b>						
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
44000 Charges for Services	30,000.00	0.00	30,000.00	28,763.88	1,236.12	95.88
<b>0001 Totals</b>	<b>30,000.00</b>	<b>0.00</b>	<b>30,000.00</b>	<b>28,763.88</b>	<b>1,236.12</b>	<b>95.88</b>
<b>40000 Revenues Totals</b>	<b>30,000.00</b>	<b>0.00</b>	<b>30,000.00</b>	<b>28,763.88</b>	<b>1,236.12</b>	<b>95.88</b>
<b>50000 Expenditures</b>						
2002 General Administration	Original	Adjustments	Adjusted	YTD	Balance	% Realized
54000 Purchased Property Services	21,000.00	0.00	21,000.00	9,108.60	11,891.40	43.37
57000 Operating Costs	4,200.00	0.00	4,200.00	5,517.45	(1,317.45)	131.37
59000 Debt Service	3,491.00	0.00	3,491.00	3,491.00	0.00	100.00
<b>2002 Totals</b>	<b>28,691.00</b>	<b>0.00</b>	<b>28,691.00</b>	<b>18,117.05</b>	<b>10,573.95</b>	<b>63.15</b>
<b>50000 Expenditures Totals</b>	<b>28,691.00</b>	<b>0.00</b>	<b>28,691.00</b>	<b>18,117.05</b>	<b>10,573.95</b>	<b>63.15</b>
<b>60000 Other Financing Sources</b>						
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
61000 Transfers	0.00	0.00	0.00	0.00	0.00	0.00
<b>0001 Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>60000 Other Financing Sources Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>59900 Other Enterprise</b>						
<b>10000 Assets</b>						
0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	3,081.00	0.00	3,081.00	3,081.00	0.00	100.00
<b>0001 Totals</b>	<b>3,081.00</b>	<b>0.00</b>	<b>3,081.00</b>	<b>3,081.00</b>	<b>0.00</b>	<b>100.00</b>
<b>10000 Assets Totals</b>	<b>3,081.00</b>	<b>0.00</b>	<b>3,081.00</b>	<b>3,081.00</b>	<b>0.00</b>	<b>100.00</b>

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA**  
**YEAR ENDED JUNE 30, 2019**

<b>40000 Revenues</b>							
<b>0001 No Department</b>							
	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
46000 Miscellaneous Revenues	5.00	0.00	5.00	0.95	4.05	19.00	
<b>0001 Totals</b>	<b>5.00</b>	<b>0.00</b>	<b>5.00</b>	<b>0.95</b>	<b>4.05</b>	<b>19.00</b>	
<b>40000 Revenues Totals</b>	<b>5.00</b>	<b>0.00</b>	<b>5.00</b>	<b>0.95</b>	<b>4.05</b>	<b>19.00</b>	
<b>69900 Other Internal Service</b>							
<b>10000 Assets</b>							
<b>0001 No Department</b>							
	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
10100 Cash Assets	2,024.00	0.00	2,024.00	2,024.00	0.00	100.00	
<b>0001 Totals</b>	<b>2,024.00</b>	<b>0.00</b>	<b>2,024.00</b>	<b>2,024.00</b>	<b>0.00</b>	<b>100.00</b>	
<b>10000 Assets Totals</b>	<b>2,024.00</b>	<b>0.00</b>	<b>2,024.00</b>	<b>2,024.00</b>	<b>0.00</b>	<b>100.00</b>	
<b>40000 Revenues</b>							
<b>0001 No Department</b>							
	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
46000 Miscellaneous Revenues	106.00	0.00	106.00	53.25	52.75	50.24	
<b>0001 Totals</b>	<b>106.00</b>	<b>0.00</b>	<b>106.00</b>	<b>53.25</b>	<b>52.75</b>	<b>50.24</b>	
<b>40000 Revenues Totals</b>	<b>106.00</b>	<b>0.00</b>	<b>106.00</b>	<b>53.25</b>	<b>52.75</b>	<b>50.24</b>	
<b>50000 Expenditures</b>							
<b>2002 General Administration</b>							
	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
56000 Supplies	100.00	0.00	100.00	0.00	100.00	0.00	
<b>2002 Totals</b>	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>	<b>0.00</b>	
<b>50000 Expenditures Totals</b>	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>	<b>0.00</b>	
<b>70100 Meter Deposits</b>							
<b>10000 Assets</b>							
<b>0001 No Department</b>							
	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
10100 Cash Assets	5,820.00	0.00	5,820.00	5,820.00	0.00	100.00	
<b>0001 Totals</b>	<b>5,820.00</b>	<b>0.00</b>	<b>5,820.00</b>	<b>5,820.00</b>	<b>0.00</b>	<b>100.00</b>	
<b>10000 Assets Totals</b>	<b>5,820.00</b>	<b>0.00</b>	<b>5,820.00</b>	<b>5,820.00</b>	<b>0.00</b>	<b>100.00</b>	
<b>40000 Revenues</b>							
<b>0001 No Department</b>							
	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
44000 Charges for Services	0.00	0.00	0.00	140.00	(140.00)	0.00	
46000 Miscellaneous Revenues	5.00	0.00	5.00	1.88	3.12	37.60	
<b>0001 Totals</b>	<b>5.00</b>	<b>0.00</b>	<b>5.00</b>	<b>141.88</b>	<b>(136.88)</b>	<b>2,837.60</b>	
<b>40000 Revenues Totals</b>	<b>5.00</b>	<b>0.00</b>	<b>5.00</b>	<b>141.88</b>	<b>(136.88)</b>	<b>2,837.60</b>	
<b>ALL FUNDS</b>							
	Original	Adjustments	Adjusted	YTD	Balance	% Realized	
10000 Assets	155,220.00	0.00	155,220.00	159,893.29	(4,673.29)	103.01	
40000 Revenues	453,261.00	0.00	453,261.00	271,980.79	181,280.21	60.01	
50000 Expenditures	227,316.00	0.00	227,316.00	281,958.85	(54,642.85)	124.04	
60000 Other Financing Sources	0.00	0.00	0.00	0.00	0.00	0.00	



STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
SCHEDULE OF CAPITAL PROJECTS  
Year Ended June 30, 2019

Project Number	Project Name	Amount Awarded	Amount Received	Amount Expended	Amount Reverted	Remaining Balance	Legislation/ Effective Dates
15-0566-STB	Village of Willard Well & Water System	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ -</u>	<u>\$ -</u>	Laws of 2015, Ch. 3/Sec. 20, Par. 20 7/1/2015 - 6/30/2019

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
 SCHEDULE OF FINDINGS AND RESPONSES  
 YEAR ENDED JUNE 30, 2019

**Current Year Findings**

2014-002 Excess of Expenditures Over Authorized Budget (significant deficiency, other noncompliance)

*Condition:* The Village’s expenditures exceeded the authorized budget in the following funds for the following amounts:

Fund	Amount Exceeded
General fund	\$ 23,648
Wastewater Enterprise fund	7,480
Water Enterprise fund	8,526

The Village reduced the number of funds that exceeded their budget by 1 fund since 2018. This was accomplished by doing a better job of tracking the budget and completing a timely budget amendment. However, the budget has not been integrated into the accounting system.

*Criteria:* Section 6-6-6, NMSA 1978 requires the Village to keep expenditures within budgeted amounts. 2.2.2.10 R(1)(a) requires reporting a finding if actual expenditures exceed budgeted expenditure at the legal level of budgetary control, which is at the fund level for the Village.

*Cause:* The Village has not yet fully implemented adequate budget tracking procedures.

*Effect:* The Village does not have accurate information to make informed, prudent decisions or maintain compliance with laws and regulations relating to municipal budgets. The Village may not be fulfilling its fiduciary duty to its citizens.

*Recommendation:* The Village should consider using spreadsheets to track monthly budget to actual revenues and expenditures. These spreadsheets should be reported to the Village Council on a monthly basis, which will assist management and the Council in making timely, informed decisions, as well as helping the Village to make timely budget amendments when necessary.

*Management’s Response:* The Village clerk/treasurer will work with Caselle, the software company, to input our budget into the program. This will allow the Village to properly track budgets within funds. Additionally, the LGD has implemented a new reporting system, which should better allow the Village of keep track of expenses. Also, the Village will work with our IPA, to assist Village clerk/treasure with proper preparation of BARS. The Village hopes to correct this by next fiscal year.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED  
YEAR ENDED JUNE 30, 2019

**Current Year Findings, continued**

2014-003 Cash Reporting to the Department of Finance and Administration Local Government Division (significant deficiency, other noncompliance)

*Condition:* Cash balances reported by the Village to the New Mexico Department of Finance and Administration Local Government Division (DFA-LGD) do not agree with the Villages' general ledger balances. The Village has made incremental progress towards clearing this finding during the current fiscal year. One of five bank accounts was properly reported.

*Criteria:* DFA-LGD requires accurate quarterly reporting of cash balances.

*Cause:* The accounting system is not set up to properly reconcile cash.

*Effect:* The Village may not have accurate information regarding its' cash balances.

*Recommendation:* The Village should obtain the necessary training for recording and reconciling cash using the existing accounting system. Because cash is a very important asset which should be properly safeguarded, the Village should consider implementing accounting software that can reconcile cash and increase transparency. The Village should also consider reconciling cash using a spreadsheet as a temporary solution.

*Management's Response:* The Village clerk/treasurer will work further to develop a process to ensure DFA-LGD reports are properly prepared and reviewed. The Village hopes to correct this by next fiscal year.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED  
YEAR ENDED JUNE 30, 2019

**Current Year Findings, continued**

**2017-002 Bank Reconciliations (material weakness)**

*Condition:* The Village is not able to reconcile bank accounts properly. There were outstanding checks that could not be verified in the Water fund for September and December 2018. The Village has not made progress towards correcting this finding. In addition, 6 of 72 reconciliations were not completed timely. The Village reduced the number from 16 to 6 untimely reconciliations in FY2019.

*Criteria:* Good accounting practices require properly reconciled cash balances.

*Cause:* The accounting software has not been able to produce accurate bank reconciliations since inception. The software was not set up properly. Village management has not received the support necessary to properly account for cash balances.

*Effect:* Accurate cash balances are not available to management which hinders decision making. Without accurate cash reporting, the risk of fraud increases.

*Recommendation:* The Village should use spreadsheets to reconcile cash. The accounting software should be corrected to reflect correct cash balances to match the reconciliation. The Village should also determine whether the software is set up properly for pooled cash.

*Management's Response:* The Village of Willard has been trying to work with the accounting software, as they are aware there are numerous bugs in the program, which sometimes reflect discrepancies. Additionally, some of the errors noted in the reconciliation, were actions suggested by the software company to fix those said errors. Village staff will verify with the software company if there is something procedurally that can be done to reflect the desired outcome. Although there are errors, the bank reconciliations always balance from month to month and there are no checks/deposits that cannot be accounted for. Although it is mentioned that cash balances may not be reflected appropriately to DFA, the Village does include a schedule of investments with each quarter report, which shows the cash balances in each account. The Village staff will continue to work with the accounting program to ensure there are no other software issues. Currently, the software company has no additional training to offer the Village Staff to be able to accommodate these perpetual errors. Late reconciliations were the result of the prior responsible party, and they are no longer part of Village Staff. Additionally, new staff has been trained by management on the importance of completing the Bank Reconciliations in a timely fashion, as required. The Village clerk hopes to get this corrected by next fiscal year.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
 SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED  
 YEAR ENDED JUNE 30, 2019

**Current Year Findings, continued**

2019-001 Fund Balances and Net Position (material weakness)

*Condition:* I was unable to agree fund balances and net position to the prior year reported balances for the following funds and amounts:

	<u>Village Books Overstated (Understated)</u>
General fund	6,020
Streets fund	10,222
Capital Projects fund	523
Water Enterprise fund	(7,744)
Wastewater Enterprise fund	7,728
Solid Waste Enterprise fund	(2,788)

*Criteria:* Fund balances in governmental funds and net position for enterprise funds represent an accumulation of all revenues and expenditures of the agency. At the end of every fiscal year, revenues and expenditures are closed out, or zeroed out, and the difference, which is net income or net loss, goes into fund balance or net position. Good accounting practices should include reconciling these balances, then locking down the closed year so no additional transactions get posted.

*Cause:* There were transactions that got posted into FY17-18 after the financial statements were completed and issued.

*Effect:* If the fund balances do not roll forward from year-to-year, other balances reported must also be misstated. Stakeholders, such as the Village residents, the Village Council, legislators, and the Department of Finance & Administration are not getting accurate numbers upon which to base their decisions on.

*Recommendation:* I recommend that after the financial statements are issued, the Village post any accrual-based journal entries resulting from converting the cash basis books to accrual as of June 30, so fund balance and net position on the Village's books agree to the compiled financial statements. Then on July 1, the accrual entries from June 30 can be reversed so the Village's books stay on the cash basis for budget purposes. Once a fiscal year is complete and the compiled financial statements have been issued, the year should be closed. The accounting software should allow for that.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED  
YEAR ENDED JUNE 30, 2019

**Current Year Findings, continued**

**2019-001 Fund Balances and Net Position (material weakness) - continued**

*Agency's Response:* The Village of Willard will continue to work with the accounting software to accurately reflect beginning balances and make sure the proper information rolls over from year to year. This is something that the Villages hopes to fix once we identify and resolve the issues with Caselle. The Village will work with the IPA to post accrual entries at year end so that the books and the financial statements agree. The Village clerk hopes to correct this by next fiscal year.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
STATUS OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2019

<u>Finding</u>	<u>Current Year Status</u>
2014-002 Excess of Expenditures Over Authorized Budget	Repeated and modified
2014-003 Cash Reporting to DFA-LGD	Repeated and modified
2017-002 Bank Reconciliations	Repeated and Modified
2018-001 Payroll Transfers Not Approved	Resolved
2018-002 Journal Entries Posted Incorrectly	Resolved
2018-003 Untimely Vendor Payment	Resolved

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2019

The report contents were discussed at an exit conference held on December 5, 2019 with the following in attendance:

**Village of Willard**

Ricardo Garcia	Council Member
Angelina Halbert	Clerk/Treasurer

**James L. Hartogenesis, CPA LLC**

James Hartogenesis, CPA, CGFM	Principal
-------------------------------	-----------





## COMPILATION REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

Village Council  
Village of Willard, New Mexico  
and  
Brian S. Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

Management is responsible for the accompanying financial statements of the governmental activities and the business-type activities of State of New Mexico Village of Willard (Village), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of Section 12-6-3(B) NMSA 1978 and Section 2.2.2.16 NMAC, which is described in Note 1 to the financial statements, and are not intended to be a complete presentation of the Village's assets and liabilities.

Management has elected to omit the management's discussion and analysis, statement of cash flows, government-wide financial statements, and notes related to the statement of cash flows and government-wide financial statements required by accounting principles generally accepted in the United States of America. If the omitted management's discussion and analysis, statement of cash flows, government-wide financial statements, and related note disclosures were included in the financial statements, it might influence the user's conclusions about the Village's financial position, respective changes in financial position, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters. These omissions result in the financial statements being presented on a basis of accounting other than accounting principles generally accepted in the United States of America.

---

**P.O. Box 67315 Albuquerque, NM 87193 [JhartoCPA.com](http://JhartoCPA.com) 505.280.9081**

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

*James L. Hartogensis, CPA LLC*

Albuquerque, New Mexico  
December 16, 2019

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2019**

	General Fund	Environmental Gross Receipts Fund
	<u>          </u>	<u>          </u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 126,120	\$ -
Grants receivable	-	-
Municipal taxes receivable	8,592	-
<b>Total assets</b>	<u>\$ 134,712</u>	<u>\$ -</u>
<b>LIABILITIES:</b>		
Accounts payable	\$ 10,074	\$ -
Accrued payroll and payroll taxes	7,624	-
<b>Total liabilities</b>	<u>17,698</u>	<u>-</u>
<b>FUND BALANCES:</b>		
Assigned	-	-
Unassigned	117,014	-
Total fund balances	<u>117,014</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 134,712</u>	<u>\$ -</u>

See independent accountant's compilation report and accompanying notes.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2019**

Streets Fund	Children's Christmas Fund	Capital Projects Fund	Total Govern- mental Funds
\$ 26,436	\$ 171	\$ 546	\$ 153,273
-	-	-	-
-	-	-	8,592
\$ 26,436	\$ 171	\$ 546	\$ 161,865
\$ (4,707)	\$ -	\$ -	\$ 5,367
-	-	-	7,624
(4,707)	-	-	12,991
31,143	171	546	31,860
-	-	-	117,014
31,143	171	546	148,874
\$ 26,436	\$ 171	\$ 546	\$ 161,865

See independent accountant's compilation report and accompanying notes.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2019**

<b>REVENUES:</b>	General Fund	Environmental Gross Receipts Fund
Taxes	\$ 60,521	\$ 889
Intergovernmental	90,000	-
Grants	-	-
Licenses and permits	212	-
Charges for services	10,750	-
Miscellaneous	33,929	-
<b>Total revenues</b>	195,412	889
 <b>EXPENDITURES:</b>		
General government:		
Current:		
Executive - legislative	7,112	-
Elections	250	-
Finance & administration	164,866	-
Highways & streets	-	-
Other - miscellaneous	-	889
Capital outlay	-	-
Debt service	-	-
<b>Total expenditures</b>	172,228	889
Net change in fund balance	23,184	-
Fund balance, beginning of year	93,830	-
Fund balance, end of year	\$ 117,014	\$ -

See independent accountant's compilation report and accompanying notes.

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended June 30, 2019**

Streets Fund	Children's Christmas Fund	Capital Projects Fund	Total Govern- mental Funds
\$ -	\$ -	\$ -	\$ 61,410
-	-	-	90,000
-	-	-	-
-	-	-	212
-	-	-	10,750
-	-	523	34,452
-	-	523	196,824
-	-	-	7,112
-	-	-	250
-	-	-	164,866
-	-	-	-
-	-	-	889
-	-	-	-
-	-	-	-
-	-	-	173,117
-	-	523	23,707
31,143	171	23	125,167
<u>\$ 31,143</u>	<u>\$ 171</u>	<u>\$ 546</u>	<u>\$ 148,874</u>

See independent accountant's compilation report and accompanying notes.

**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**STATEMENT OF NET POSITION - ENTERPRISE FUNDS**  
**June 30, 2019**

	<u>Waste Water Fund</u>	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>ASSETS:</b>				
Current assets				
Cash and cash equivalents	\$ 19,254	\$ -	\$ -	\$ 19,254
Restricted cash held for meter deposits	-	4,171	-	4,171
Accounts receivable	-	-	-	-
Grants receivable	-	-	-	-
<b>Total current assets</b>	<u>19,254</u>	<u>4,171</u>	<u>-</u>	<u>23,425</u>
Property & equipment				
Land	-	3,600	-	3,600
Buildings	-	15,000	-	15,000
Infrastructure	749,890	1,169,670	-	1,919,560
Accumulated depreciation	<u>(34,666)</u>	<u>(793,250)</u>	<u>-</u>	<u>(827,916)</u>
<b>Property &amp; equipment, net</b>	<u>715,224</u>	<u>395,020</u>	<u>-</u>	<u>1,110,244</u>
<b>Total assets</b>	<u>\$ 734,478</u>	<u>\$ 399,191</u>	<u>\$ -</u>	<u>\$ 1,133,669</u>
<b>LIABILITIES:</b>				
Current liabilities				
Accounts payable	\$ 433	\$ 1,521	\$ 8,269	\$ 10,223
Cash overdraft	-	26,309	9,083	35,392
Meter deposits	-	3,876	-	3,876
Current portion of long-term debt	-	6,322	-	6,322
<b>Total current liabilities</b>	<u>433</u>	<u>38,028</u>	<u>17,352</u>	<u>55,813</u>
Noncurrent liabilities				
Long-term debt	-	80,922	-	80,922
<b>Total liabilities</b>	<u>433</u>	<u>118,950</u>	<u>17,352</u>	<u>136,735</u>
<b>NET POSITION:</b>				
Investment in capital assets, net of related debt	715,224	307,776	-	1,023,000
Unrestricted	<u>18,821</u>	<u>(27,535)</u>	<u>(17,352)</u>	<u>(26,066)</u>
<b>Total net position</b>	<u>734,045</u>	<u>280,241</u>	<u>(17,352)</u>	<u>996,934</u>
<b>Total liabilities and net position</b>	<u>\$ 734,478</u>	<u>\$ 399,191</u>	<u>\$ -</u>	<u>\$ 1,133,669</u>

See independent accountant's compilation report and accompanying notes.

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
Year Ended June 30, 2019**

	Waste Water Fund	Water Fund	Solid Waste Fund	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 36,492	\$ 45,171	\$ 15,789	\$ 97,452
Interest on investments	-	6	-	6
<b>Total operating revenues</b>	<u>36,492</u>	<u>45,177</u>	<u>15,789</u>	<u>97,458</u>
<b>OPERATING EXPENSES:</b>				
Operating costs	19,673	62,076	29,032	110,781
Depreciation	17,333	39,306	-	56,639
Interest on long-term debt	-	3,665	-	3,665
<b>Total operating expenses</b>	<u>37,006</u>	<u>105,047</u>	<u>29,032</u>	<u>171,085</u>
Income (loss) from operations	(514)	(59,870)	(13,243)	(73,627)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Grants	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(514)	(59,870)	(13,243)	(73,627)
Net position, beginning of year	<u>734,559</u>	<u>340,111</u>	<u>(4,109)</u>	<u>1,070,561</u>
Net position, end of year	<u>\$ 734,045</u>	<u>\$ 280,241</u>	<u>\$ (17,352)</u>	<u>\$ 996,934</u>

See independent accountant's compilation report and accompanying notes.



**STATE OF NEW MEXICO**  
**VILLAGE OF WILLARD**  
**NOTES TO COMPILED FINANCIAL STATEMENTS**  
**Year Ended June 30, 2019**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Willard (the “Village”) was incorporated as a municipality in 1910 under the laws of the State of New Mexico. The Village operates under a Council-Mayor form of government, providing street and highway maintenance, sanitation, utilities, health and welfare, culture and recreation, public improvements, and general administrative services to the residents of the Village.

The financial statements of the Village have been prepared in accordance with the requirements of Section 12-6-3(B) NMSA 1978 and Section 2.2.2.16 NMAC. This special purpose framework is a basis of accounting other than accounting principles generally accepted in the United States of America and is not intended to be a complete presentation of the financial statements.

**A. Financial Reporting Entity**

As required by GAAP, financial statements are presented for the Village and its component units. A legally separate organization that does not qualify as a primary government is a potential component unit. The normal criterion for deciding whether a potential component unit is, in fact, a component unit is financial accountability. Financial accountability is determined by analyzing fiscal dependency, board appointments, financial benefit or burden relationships, or the ability of the primary government to impose its will on the potential component unit. Based on these criteria, the Village has no component units.

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

Governmental 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. For this purpose, the Village considers revenues to be available if they are collected within 30 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 made.

The Village follows the following revenue recognition principles applied to nonexchange transactions which are in accordance with GASB Statement 33, Accounting and Reporting for Nonexchange Transactions:

*Derived tax revenues* are recognized as revenue in the period when the underlying exchange transaction has occurred and the resources are available. Derived tax revenues include gross receipts tax, gasoline taxes, and cigarette taxes.

STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
continued**

**A. Financial Reporting Entity – continued**

*Imposed nonexchange revenues – property taxes* are levied and collected by the Torrance County treasurer on behalf of the Village. The taxes are levied in November and payable in two installments, November 10th and May 10th. The County remits to the Village a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

*Imposed nonexchange revenue other than property taxes* are recognized in the period when an enforceable legal claim has arisen and the resources are available.

*Government-mandated nonexchange transactions and voluntary nonexchange transactions* are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

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

The Village reports the following governmental funds:

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

*Environmental Gross Receipts Tax Fund.* To account for revenue received from the State through gross receipts tax.

*Streets Fund.* To account for funds used to maintain roads for which the Village is responsible for. Funding is provided by gas tax revenues and State highway funds. Expenditures are restricted to the construction and maintenance of Village roads. Authority is Section 7-1-6.27 NMSA 1978.

*Children's Christmas Fund.* To account for donations held in the Village's name for the benefit of the Village's children at Christmas. Created by the Village Council.

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**A. Financial Reporting Entity – continued**

*Capital Projects Fund.* To account for the construction of major capital projects not financed by proprietary funds.

Proprietary funds are accounted for on the flow of economic resources measurement focus (all assets and all liabilities associated with the operation of these funds are included on the balance sheet) and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations.

The Village reports the following enterprise funds:

*Water Fund.* To account for the activities of the Village's water system.

*Waste Water Fund.* To account for the activities of the Village's waste water system. *Solid Waste Fund.* To account for the collection and disposal of solid waste.

**B. Cash and Investments**

Cash includes amounts in demand deposits and certificates of deposit. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value that is determined by using selected bases. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

The Village does not have an investment policy. Village funds are invested in accordance with New Mexico State Statute 6-10-36 which provides for the following investments:

1. United States Treasury Securities (Bills, Notes and Bonds) and other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States of America, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Farm Credit Bank, or the Student Loan Marketing Association, or are backed by the full faith and credit of the United States government.

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**B. Cash and Investments, continued**

2. Insured and/or collateralized (with U.S. Government Securities and/or New Mexico Bonds) certificates of deposit of banks, savings and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.
3. Money market funds whose portfolios consist entirely of United States Government Securities or agencies sponsored by the United States government.
4. Investments in the New Mexico State Treasurer external investment pool (Local Government Investment Pool).

**C. Capital Assets**

Capital assets, which include land, buildings, and infrastructure assets, are reported in the enterprise funds. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

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

Capital assets are depreciated using the straight-line method of depreciation over the following estimated useful lives:

Buildings	40 years
Infrastructure	30-40 years

**D. Fund Balance**

The Village follows GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement defines fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance — amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
continued**

**D. Fund Balance, continued**

Restricted fund balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance — amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Council). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.

Assigned fund balance — amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Council or by an official or body to which the Village Council delegates the authority.

Unassigned fund balance — amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Village does not currently have a policy regarding whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those classifications could be used.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Councilors have provided otherwise in its commitment or assignment actions.

**E. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for 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. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
continued**

**F. Budgetary Information**

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general, special revenue, and proprietary funds.

The Village follows defined procedures in establishing the budgetary data reflected in the financial statements. Each year the Village determines amounts required for construction, maintenance, operations and debt service expenditures. Budget amounts are as originally adopted and as amended by the Village Council and approved by the Local Government Division of the State of New Mexico Department of Finance and Administration (DFA) and are prepared on a cash basis. The Village submits a proposed budget to DFA for the fiscal year commencing the following July 1. DFA must approve the budget prior to its legal enactment.

To meet legal compliance actual expenditures cannot exceed the total budgeted expenditures for the fund on a cash basis. Adjustments to the budget must be submitted to and approved by DFA in the form of a “budget adjustment request”. The Village does not use encumbrances.

The budget is prepared on the cash basis, which differs from GAAP. The legal level of budgetary control is at the fund level; for the year ended June 30, 2019 the Village’s expenditures exceeded budgeted expenditures in the General Fund by \$23,648, the Wastewater Enterprise Fund by \$7,480, and the Water Enterprise Fund by \$8,526.

**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. Net Position Deficit**

The Solid Waste fund had a net position deficit at June 30, 2019 of \$17,352.

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019**

**NOTE 2 – CASH**

*Custodial Credit Risk - Deposits.* Custodial credit risk is, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution’s trust department or agent but not in the Village’s name. As of June 30, 2018, the Village’s bank balances were covered by FDIC insurance and did not require collateralization.

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Village is required to collateralize an amount equal to one-half of the public money in excess of \$250,000 at each financial institution for each type of account.

*Credit Risk.* The Village has no formal policy on managing credit risk. State law limits investments to United States Government obligations, commercial paper with A-1 or better ratings, corporate bonds with a BBB+ or better rating, asset backed obligations with an AAA or better rating, or repurchase agreements.

**NOTE 3 - CAPITAL ASSETS**

The following is a summary of capital assets in the Village’s enterprise funds as of June 30, 2019, and the changes in capital assets for the year then ended:

	Balance			Balance
	June 30, 2018	Additions	Deletions	June 30, 2019
Assets not being depreciated:				
Land	\$ 3,600	\$ -	\$ -	\$ 3,600
Assets being depreciated:				
Buildings	15,000	-	-	15,000
Infrastructure	<u>1,919,560</u>	<u>-</u>	<u>-</u>	<u>1,919,560</u>
Total capital assets	1,938,160	-	-	1,938,160
Accumulated depreciation	<u>(771,277)</u>	<u>(56,639)</u>	<u>-</u>	<u>(827,916)</u>
Net capital assets	<u>\$ 1,166,883</u>	<u>\$ (56,639)</u>	<u>\$ -</u>	<u>\$ 1,110,244</u>

**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019**

**NOTE 4 – LONG-TERM DEBT**

The following is a summary of changes in long-term debt during the year ending June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
<b>Business-type Activities</b>					
Loan payable	\$ 20,233	\$ -	\$ (3,289)	\$ 16,944	\$ 3,322
Bonds payable	73,300	-	(3,000)	70,300	3,000
	<u>\$ 93,533</u>	<u>\$ -</u>	<u>\$ (6,289)</u>	<u>\$ 87,244</u>	<u>\$ 6,322</u>

In February 2005, the Village entered into a loan agreement with the New Mexico Environmental Department in the amount of \$63,000. The purpose of the loan was for the water system improvements. Annual principal and interest payments in the amount of \$3,491 are due in February of each year. Interest is at 1.00%. The maturity date is February 27, 2024.

The following is a schedule of the debt service requirements to maturity for the loan:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 3,322	\$ 169	\$ 3,491
2021	3,355	136	3,491
2022	3,388	103	3,491
2023	3,422	69	3,491
2024	3,457	34	3,491
	<u>\$ 16,944</u>	<u>\$ 511</u>	<u>\$ 17,455</u>

In June 1994, the Village issued Water System Improvement Revenue Bonds in the amount of \$106,300. Annual principal and interest payments range from \$5,315 to \$16,065 and are due in June of each year. Interest is at 5.00%. The maturity date is June 16, 2034.



**STATE OF NEW MEXICO  
VILLAGE OF WILLARD  
NOTES TO COMPILED FINANCIAL STATEMENTS  
Year Ended June 30, 2019**

**NOTE 4 – LONG-TERM DEBT - continued**

The following is a schedule of the debt service requirements to maturity for the loan:

Year Ending June 30,	Principal	Interest	Total
2020	3,000	3,515	6,515
2021	3,000	3,365	6,365
2022	3,000	3,215	6,215
2023	3,000	3,065	6,065
2024	3,000	2,915	5,915
2025-2029	20,000	11,825	31,825
2030-2034	35,300	6,325	41,625
	<u>\$ 70,300</u>	<u>\$ 34,225</u>	<u>\$ 104,525</u>

**NOTE 5 – RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The Village carries an insurance policy to limit exposure to these types of risks.

**NOTE 6 – EXPENDITURES IN EXCESS OF BUDGET**

The following funds had actual expenditures that exceeded budgeted expenditures:

Fund	Amount Exceeded
General fund	\$ 23,648
Wastewater Enterprise fund	7,480
Water Enterprise fund	8,526

**NOTE 7 – PREPARATION OF FINANCIAL STATEMENTS**

The financial statements were prepared by James L. Hartogensis, CPA LLC from the books and records of the Village. However, the contents of these financial statements remain the responsibility of the Village’s management.